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AUSN LOOKS AT BUDGET CONFERENCE DEVELOPMENTS AND CONTINUED FUNDING FOR FY14

AUSN has been following developments and proposals of the House and Senate Budget Conference Committee the past few weeks and the looming deadline, 13 December 2013, to send their report to Congress. This Conference Committee, which resulted from negotiations during the Federal government shutdown, is supposed to report spending caps/cost savings to help alleviate sequestration and find a compromise in spending top lines for a negotiated Appropriations Bill measure for the remainder of Fiscal Year 2014 (FY14) as well as provide guidance for Fiscal Year 2015 (FY15). However, if the Budget Conference Committee is unable to find a compromise, another Continuing Resolution (CR) would be required when the current one expires on 15 January 2014.

FURTHER READING:

The Budget Conference Committee is comprised of 29 House Members and Senators, consisting of all 22 Senators on the Senate Budget Committee and 7 members of the U.S. House of Representatives. The Committee was formed as a part of the negotiations for the Continuing Resolution (CR), P.L. 113-46, which ended the Federal government shutdown this past October. The purpose of this Committee is to come up with a bipartisan solution to establish a top-line funding level for FY14 and resolve the **\$91 billion** gap currently in place between the House and Senate Appropriation bills. The Committee has already exceeded the initial target date of 2 December 2013 and if no agreement is met before 13 December 2013, Congress will only have one week, 7 January 2014 through 15 January 2014, to agree and vote on an Appropriations bill or a CR.

Sequestration is presently slated to reduce the current discretionary spending level of **\$967 billion** by **\$19 billion** for the upcoming year if the Committee is unable to find a way to raise the current appropriation limits imposed by the Budget Control Act (BCA) of 2011. Much of the reductions would come from Department of Defense (DOD) spending, which would be capped at **\$498 billion**. Representative Paul Ryan (R-WI-01) and Senator Patty Murray (D-WA), the Budget Conference Committee Co-Chairs, are likely to try to reduce effects of sequestration to **\$60 billion** a year over the course of two years instead of a more controversial and difficult attempt to find the roughly **\$1 trillion** needed to completely eliminate sequester cuts. One proposed outline by the two co-chairs would reduce sequestration cuts by **\$65 billion** over two years. This proposal would counter the accompanying rise in discretionary spending with an **\$85 billion** increase in revenue and spending reductions. Such adjustments include selling wireless spectrum space, aviation fees, and tax law improvements to increase revenue without additional taxes. Under this proposal, cuts in spending could come from Federal retirement and the Postal Service, with the Conference Committee largely ignoring Medicare and Medicaid related healthcare spending due to Democratic opposition to cutting these programs.

Details can be found at [AUSN's Capitol Hill Blog on Budget Conference Developments](#).

HOUSE VETERANS AFFAIRS, DAMA SUBCOMMITTEE HEARING ON ADJUDICATING CLAIMS

On 4 December 2013, the House Veterans Affairs Committee (HVAC), Subcommittee on Disability Assistance and Memorial Affairs (DAMA), held a hearing titled, "Adjudicating VA's Most Complex Disability Claims: Ensuring Quality, Accuracy and Consistency on Complicated Issues." Notable witnesses present included YN1 Lauren Price, USN (Ret.) who is a Public Affairs Representative at Veteran Warriors; MMCS James Price, USN (Ret.) who is Senior Logistics Chief at Veteran Warriors; Mr. Glenn R. Bergmann, Esquire of Bergmann & Moore, LLC who helps adjudicate Veteran claims for clients; Mr. Tom Murphy, Director of Compensation Services at the Veterans Benefits Administration (VBA) for the Department of Veterans Affairs (VA); Ms. Edna MacDonald, Director of the Nashville Regional VBA Office; and Ms. Sondra F. McCauley, Deputy Assistant Inspector General for Audits and Evaluations at the VA's Office of Inspector General (OIG). The hearing was held by HVAC- DAMA Chairman, Representative Jon Runyan (R-NJ-03) and HVAC- DAMA Ranking Member, Representative Dina Titus (D-NV-01), where both Members emphasized that reducing the claims backlog at the VA was a top priority of the Committee, but so was ensuring the quality of service for such claims was carried out in that a claim was properly addressed and reached an appropriate conclusion to the Veteran.

FURTHER READING:

The HVAC-DAMA hearing began with opening remarks of the Chairman, the Ranking Member, and the witnesses. First, Chairman Runyan began by indicating that training and support is critical to processing complex claims and reducing the VA backlog. He continued by stating that the VA has announced that all cases over one year would be completed by the end of Fiscal Year 2014 (FY14). Chairman Runyan also noted that the continued delay in complex claims have a tremendous and devastating effect on the lives of our Veterans and families. Ranking Member Titus opened by applauding the VA for reducing the backlog by 34%, stating that the VA is on track to reach its goal of ending the backlog by 2015. She added that the VA must look to other departments as well to figure out the best practices to ensure completion of this goal. Next, the witnesses provided opening statements with YN1 Price beginning by sharing that she did not agree with the praises and kudos being given to the VA. She says that the majority of returning Veterans are filing complex claims and that the 34% reduction in the backlog is due to dependent status changes being processed and not actual disability claims. Ms. McNutt, a spouse of a deceased Veteran, shared the story of her husband's death by cancer, which she believes was caused by Agent Orange exposure during Vietnam and says that the VA used the wrong legal standard in denying her claim. Next, Mr. Murphy spoke, representing the VBA, stating that the VBA continues to experience an increase in the number and complexity of medical issues. Between 2011 and 2013, the average number of issues in with submitted claims increased by 31 percent. In response, the VBA developed and implemented a new operating model. VBA has noticed an increase in complexity of the claims from the new generations of Veterans who participated in Operation Enduring Freedom (OEF), Operation Iraqi Freedom (OIF) and Operations New Dawn (OND). Unfortunately, as stated by Mr. Murphy, as these young heroes have a greater chance of surviving serious injuries, they often return home with multiple serious conditions.

Following these opening remarks, Chairman Runyan deferred to the Members of the Subcommittee for questioning and comments. The Chairman asked what the most frequent errors were during this process. YN1 Price answered that the VA often applies the law incorrectly, disregards medical evidence from civilian providers, and a complete and utter disregard of policy changes as the most frequent errors. Ranking Member Titus asked what specific legislation would they like to see proposed which they feel will make the process better. YN1 Price answered that she would like Congress to establish an oversight agency to enforce repercussions for malfeasance on part of a case manager or health care provider. Representative Doug Lamborn (R-CO-05) inquired about guidance on how VA could better work the claims process. Mr. Bergmann answered that there is a lack of accountability at the agency level which needs to be addressed. Chairman Runyan then asked Mr. Murphy and Ms. McCauley that the VA uses the term "accuracy" frequently, but today, they've heard from Veterans, representatives of Veterans and the VA Office inspector general who indicated that claims are not being correctly decided at very incidence. The files lack proper development and the medical examinations are not adequate. He asked if the witnesses could explain in detail how the VA calculates and represents a 91 claims-based accuracy. Mr. Murphy responded that accuracy means if the Veteran received the proper benefit entitlement payment, or decision, in the case of a denial. That's the measure of accuracy conducted by their quality analysis, according to the VA, to ask in Nashville for example and report it out. That's what the 91 percent means as Mr. Murphy explained. That number is drawn from a true statistically valid nationwide sample as well as a random sample applied to all regional offices, collected each month, evaluated, returned to the regional office, and then

summed up on a rolling 12 month average. Chairman Runyan added, "Then why do we have a discrepancy with the OIG numbers though?" Mr. Murphy responded that the IG and VBA don't measure them, or what an error is, exactly the same way. The VA looks at an error as, "could the benefit entitlement be wrong?" VA OIG tends to look at it from the standpoint of, "did you follow the process?"

AUSN ON THE HILL

Hope everyone had a wonderful Thanksgiving holiday! This week, the House returned after its Thanksgiving recess last week, but the Senate was still out of session, returning next week on the 9th. AUSN, outside of monitoring developments with the Budget Conference Committee and the House Veterans' Affairs Committee (HVAC) hearing this week, worked with The Military Coalition (TMC) and partner organizations on drafting and approving the Legislative Goals and Objectives that the TMC would be working on for the 2014 calendar year. In addition, AUSN met with staff of the co-chairs of the Congressional Navy and Marine Corps Caucus, Representative J. Randy Forbes (R-VA-04) and Representative Susan Davis (D-CA-53), to discuss future collaborative efforts in 2014. Earlier this week, AUSN also had a brief meeting with Representative Buck McKeon (R-CA-25), Chairman of the House Armed Services Committee (HASC), and his staff to discuss thoughts on this year's work and looking forward.

Also, just before Congress left for its Thanksgiving recess, AUSN was pleased to see that the President signed into Public Law 113-52, S. 893, the Veterans Compensation Cost-of-Living-Adjustment Act, an important bill AUSN had supported and was tracking. Veterans, their families and survivors receiving disability compensation and pension benefits from the Department of Veterans Affairs (VA) will now receive a 1.5 percent cost-of-living adjustment (COLA) increase in their monthly payments beginning 1 January 2014. With the passage of this bill into law, for the first time, payments will not be rounded down to the nearest dollar. Until this year, that was required by law. Veterans and survivors will see additional cents included in their monthly compensation benefit payment. For Veterans without dependents, the new compensation rates will range from **\$130.94** monthly for a disability rated at 10 percent to **\$2,858.24** monthly for 100 percent. The COLA rate increase, [full index available here](#), also applies to disability and death pension recipients, survivors receiving dependency and indemnity compensation, disabled Veterans receiving automobile and clothing allowances, and other benefits. Under Federal law, COLA for VA's compensation and pension must match those for Social Security benefits. The last adjustment was in January 2013 when the Social Security benefits rate increased 1.7 percent. In Fiscal Year 2013 (FY13), the VA provided over **\$59 billion** in compensation benefits to nearly 4 million Veterans and survivors, and over **\$5 billion** in pension benefits to more than 515,000 Veterans and survivors.

PRIORITY BILLS INTRODUCED THIS WEEK

S. 1775, Victims Protection Act. Introduced by Senator Claire McCaskill (D-MO), the bill would improve the sexual assault prevention and response programs and activities of the Department of Defense.

S. 1755, Dignified Interment of Our Veterans Act of 2013. Introduced by Senator Patrick Toomey (R-PA), the bill would require the Secretary of Veterans Affairs to conduct a study on matters relating to the claiming and interring of unclaimed remains of Veterans.

H.R. 3653, (Official title yet to be released). Introduced by Representative Peter King (R-NY-02), the bill would amend the Internal Revenue Code of 1986 to allow an increased work opportunity credit with respect to recent Veterans.

H.R. 3649, Jobs for Heroes Act. Introduced by Representative Cheri Bustos (D-IL-17), the bill would amend the Internal Revenue Code of 1986 to allow the work opportunity credit for hiring individuals who are Veterans or members of the Ready Reserve or National Guard, to make permanent the work opportunity credit, and to expand and make permanent the employer wage credit for employees who are active duty members of the uniformed services.

H.R. 3648, Hire A Hero Act of 2013. Introduced by Representative Bruce Braley (D-IA-01), the bill would amend the Internal Revenue Code of 1986 to allow the work opportunity credit to small businesses which hire individuals who are members of the Ready Reserve or National Guard.

H.R. 3615, Careers for Heroes Act. Introduced by Representative David G. Reichert (R-WA-08), the bill would amend Title 38, United States Code, to improve the hiring of Veterans by the Federal Government.

H.R. 3614, Military Skills to Careers Act. Introduced by Representative David G. Reichert (R-WA-08), the bill would amend title 38, United States Code, to improve the recognition by States of skills learned in the military by a Veteran when issuing licenses and credentials.

H.R. 3600, GI Education Benefit Fairness Act. Introduced by Representative Bill Foster (D-IL-11), the bill would amend Title 38, United States Code, to provide for clarification regarding the children to whom entitlement to educational assistance may be transferred under the Post-9/11 Educational Assistance Program.

H.R. 3576, Safeguarding Elections for Our Nation's Troops through Reforms & Improvements (SENTRI) Act.

Introduced by Representative Kevin McCarthy (R-CA-23), the bill would amend the Uniformed and Overseas Citizens Absentee Voting Act to improve ballot accessibility to uniformed services voters and overseas voters.

In the advocacy section of the website, you can click on [Bills of Interest](#) to get daily revisions on Congressional action for all AUSN priority bills. We STRONGLY encourage you all to visit our [Advocacy](#) page, especially the [Capitol Hill Blog](#) which receives almost daily submissions when Congress is in session to see what AUSN is doing for you on Capitol Hill.

We also encourage you and your friends and family to visit the [AUSN FACEBOOK PAGE](#). If you have an account, please Login and “Like” us, which will allow you to see our [TWITTER](#) feeds and other updates from AUSN that shows us monitoring Capitol Hill on your behalf!

NEW LEGISLATIVE ALERTS

There were two new Legislative Alerts sent this week based on hearings and interaction with Congressional staff, as well as traction on the issue. When these alerts are sent to your email, please click on the **TAKE ACTION** link that is at the top of the alert email to send a letter response to your Members of Congress. If you have not seen them, please go to the [Legislative Alerts](#) section on the AUSN webpage and/or check your e-mail for the following alerts which were titled:

Legislative Alert #113-26: SUPPORT S. 1707, the Vulnerable Veterans Housing Reform Act of 2013

Legislative Alert #113-27: FINAL UPDATE- URGE Senate to Adopt Further Priority Amendments in their FY14 NDAA

NEXT WEEK OUTLOOK

Next week, the House and Senate are both in session and have a lot of pending business on their plates to address before their scheduled adjournment of the 1st Session of the 113th Congress, set for Friday, 13 December 2013. First on the Senate’s plate of business is to resume consideration of the Fiscal Year 2014 (FY14) National Defense Authorization Act (NDAA). With over 500 amendments now filed, Senate Leadership has to decide which of these amendments to consider, if any, OR with the limited time to conference a final bill, work with the House side and negotiate a ‘watered-down’ version of the FY14 NDAA with non-controversial measures. As of this past week, House and Senate Armed Services leaders were heard to be working on a “Plan B” NDAA bill, trimmed of controversial provisions found in either the House or Senate Armed Services Committee versions. This version being negotiated will have to be turned to if the Senate can’t pass its FY14 NDAA, in the form of S. 1197, next week in time for a conference to write a final bill that can clear Congress by 13 December 2013. Congress may even have to pass this ‘watered-down’ bill even if the Senate passes S. 1197 and holds a Conference Committee with the House. This is mostly due to the fact that lawmakers must ensure, as the clock winds down on the 1st Session of the 113th Congress, that no Member in either chamber puts any hold or objection with this 52 plus year tradition of passing an NDAA. In earlier meetings this week, both House and Senate Armed Services Committee Chairmen and Ranking Members moved forward toward a, “de facto conference report” that House and Senate leadership could agree with, even if it is trimmed of provisions favorable to one side or chamber than the other.

Coupled with monitoring the FY14 NDAA debate next week, AUSN will be keeping an eye on the final report by the Joint House and Senate Budget Conference Committee with recommendations for the future budget. This report, as negotiated as part of ending the Federal government shutdown in October, is also due by Friday, 13 December 2013, and is expected to be the basis of what Congress does when the current Continuing Resolution (CR) expires on 15 January 2014 and the country could, potentially, face another shutdown scenario. In addition to watching these developments, AUSN will be meeting with the Ranking Member of the Senate Armed Services Committee (SASC), Senator Jim Inhofe (R-OK) and his staff as well as monitoring a House Committee on Transportation hearing on the Coast Guard and Maritime Transportation and participating in a Veteran Service Organization (VSO) roundtable discussion with the Veterans Benefits Administration (VBA).

QUESTIONS/COMMENTS/CONCERNS

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