CHARLES F. SMITH, PRESIDENT, NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS

STATEMENT OF
CHARLES F. SMITH
PRESIDENT
OF THE
NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS
BEFORE THE
COMMITTEES ON VETERANS' AFFAIRS
UNITED STATE SENATE AND
UNITED STATES HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
MARCH 12, 2009

Messrs. Chairmen and Members of the Veterans' Affairs Committees:

Chairmen Akaka and Filner, Ranking Members Burr and Buyer, and members of the Senate and House Committees on Veterans Affairs, thank you for holding today's joint hearing. By way of introduction, I am Charles Smith, Assistant Secretary for the Division of Veteran Affairs for the State of North Carolina and presently serve as President of the National Association of State Directors of Veterans Affairs (NASDVA).

NASDVA is an organization with a history dating back to the Second World War. It is composed of State Directors of Veterans' Affairs and State Department of Veterans Affairs staff. Our members represent each State as well as the District of Columbia, American Samoa, Northern Mariana Islands, Puerto Rico and the Virgin Islands. We appreciate this opportunity to provide testimony and comments on issues which are important to our members.

As you may know each State has a designated "Office of Prime Responsibility" for service to veterans that is uniquely situated to be a vital resource which can augment Federal programs, improve the identification of needs, coordinate local resources and ultimately enhance the quality of care and services to America's military/veterans and their families now and in the future. Our agencies are rich resources which have not been fully recognized nor utilized in caring for America's returning military/veterans and their families. Collectively, state governments commit more than $ 4 billion each year of their own resources in support of our nation's veterans and their families. States are second only to the federal VA in providing benefits and services to the men and women who have defended our nation.

Unlike "Veteran Service Organizations" (VSO) such as the Veterans of Foreign Wars, Vietnam Veterans of America, American Legion or Disabled American Veterans, these departments are government agencies, not membership organizations. We are tasked by our respective states with the responsibility to address the needs of all veterans irrespective of time in service, branch of military or circumstances of service. On a daily basis, State Directors are confronted with unique situations which could not possibly be addressed in a timely manner by larger systems like DOD and VA. I would like to point out that State Directors can effect changes and solve

problems because they know who, where and how to orchestrate a successful outcome at the local level. In many respects, all veterans and their needs are our agenda.

NASDVA recently met and identified the following legislative priorities:

1. Affect changes to allow for timely information sharing to states on returning injured and transitioning service members.

State Directors of Veteran Affairs across the Nation agree that one of their most difficult tasks is identifying "Wounded Warriors" within their jurisdiction because there are no formal channels of communication with DOD regarding military members being discharged for medical reasons. Although the National Association of State Directors of Veteran Affairs has signed a "Memorandum of Understanding" with DOD for the "Heroes to Hometowns" initiative pledging to "establish local networks to assist in the transition", this program is limited to "severely disabled" casualties. Admittedly, this sounds good on paper; however, the majority of military casualties do not fall within this very subjective categorization. Thus all "Wounded Warriors" are not included in this program.

It is essential that this program be expanded to include all military members to ensure they receive the full array of local, state and federal programs and services authorized to assist them and their families to achieve the highest level of independent living and activity. It is incumbent on us all to work for this outcome. The present MOU does not go far enough and could better serve the "public good" by including a Federal to State Government system of communications regarding individuals, in this case veterans, eligible for specific services provided by the State. The reluctance to share information about injured military members with the States is a barrier to bringing an abundance of resources to the table which is varied and valuable to assist Wounded Warriors and their families. These resources include assistance with applications for State and Federal benefits, compensation, emergency shelter, personal and home loans as well as specialized programs individual to each of the states.

2. Increase the federal State Home Construction to reduce priority list backlog and per diem for state veteran nursing homes.

The recent GAO Report on "VA HEALTH CARE Long-Term Care Strategic Planning and Budgeting Need Improvement" identified a considerable difference in estimates of long term care demands and gaps in service with VA budget estimates and strategic planning. GAO found that VA's estimates were based on cost assumptions and workload projections that appeared to be unrealistic for both nursing home and non-institutional care. VA's model underestimated its own nursing home spending because the projected increase in cost was projected at 2.5% which is considerably lower than market costs. The basis for the budgeting has a profound affect on how State Homes are reimbursed for care and the cost of maintaining the VA requirements. VA's support to State homes is twofold: the State Home Construction Grants and the daily per diem payments for veterans receiving care in State Homes.

There are more than 24,000 state veterans' nursing home beds, more than 6,000 veterans' domiciliary beds and nearly 300 hospital beds in 137 state veterans' homes in 50 states and

Puerto Rico. We are VA's partners in caring for frail and elderly veterans and homeless or displaced veterans. In fact, the states provide approximately 55% of VA's long term beds, and use only about 15% of the funds allocated to the USDVA for long term health care.

We recommend that sufficient funding be appropriated to keep the existing backlog of projects in the State Home Construction-grant program from growing to further unacceptable levels. We strongly recommend funding of at least $250 million for the State Extended Care Facilities Construction Grant Program. We also recommend that states are paid a more equitable per diem rate representing 50 percent of the states' average costs, as allowed by law, and that the policies governing the program be amended to allow new state veterans homes up to 50 percent of the total cost of care paid retroactively from the date of the first veteran's admission to the new home. We continue to recommend that VA develop a strategic plan for long-term care services that maximizes the role of state veterans' homes in providing care to minimize VA cost of long-term care for our nation's veterans. The National Association of State Veterans Homes and our association are in complete agreement on this issue. The U.S. Department of Veterans Affairs is authorized by law to provide per diem payments not to exceed 50 percent of the average cost of care, and that is not being done at the present time.

We also want to call to your attention that in the past there have been attempts to limit the Secretary of Veteran Affairs from accepting applications for new state home construction in favor of funding non-institutionalized care options. The State Directors feel any shifts in the focus of care and funding of care must be well thought out and planned to assure veterans and their families are not abandoned without programs in place.

3. Establish within the Office of the USDVA Secretary an Advisory Committee on State Services to Veterans.

The purpose of the Advisory Committee is to establish direct communications between the Secretary and the Directors, Administrators and Providers of services to veterans at the States government level. Additionally, the Advisory Committee would be able to provide counsel and advice to the Secretary on health care, benefits, and quality of life issues concerning veterans at the grassroots level. The mission of this group will be to identify needs, explore opportunities to integrate services and programs provided by State and Federal government. The Committee will advise the Secretary on the effectiveness of delivery systems for existing benefits and services, potential for sharing resources and the need for new initiatives and/or policies. The overall goal of this Committee is to increase the effective utilization of existing State, Local and Federal resources, timely communications and exchange of information forging partnerships and the development of programs to create a comprehensive continuum of support to veterans where they live and work.

4. Increase funding for veterans' outreach programs in the states and territories.

Recently Congress has had several proposals for providing funding for outreach to veterans at

the State and local level. We believe this proposal has a lot of merit and would certainly be of great assistance to veterans who are unaware of the benefits and programs that are available to them. NASDVA has taken a position that if such funding does become available, State Directors and in States that have County Service Officers are well positioned to provide the outreach.

State Directors are in a very unique position to facilitate outreach to find those veterans, their dependents, and their survivors. The State Directors are the principle individuals selected by their respective Governors to care and serve the veterans of those states. If funds are made available to the State Director, they would be in a much better position to utilize all the state's resources to serve those that are being underserved.

5. Increase funding for LVER and DVOP and provide for COLA's.

For the past several years funding for this program has remained flat despite the fact that the demand for employment and training services for returning service members remains high. Often these veterans' representatives are the first point of contact for separating service members and provide a link/referral to the veterans for other veterans benefits especially in the area of applying for health care or filing claims for service connected injuries or disabilities. In order to better serve the returning service members we believe the allocation of DVOP/LVER FTE's in the states should be tied to veterans population rather than a an approximation how many veterans are seeking employment.

We further reinforce our belief the DVOP/LVER should continue to work primarily in the area of employment and training and not be diluted by working on public assistance programs.

6. Expand Veteran's rural health initiatives.

We applaud the Congress for the recent funding for and creation of the Office of Rural Health within the VA. The challenges of veterans in rural areas have not been adequately addressed especially in the areas of mental health. We urge the Congress to allocate additional funds for Vet Centers especially in rural areas and continue the increase for access to health care to veterans in rural areas. The VA CBOC program has gone a long way in bringing health care to veterans.

We urge the VA to utilize the State Veterans Affairs Departments (as recommended in PL 109-461) for recommendations on where to locate CBOC's and Vet Centers and to assist the VA in outreach to returning service members.

7. Increase State Veterans' Cemetery Plot Allowance

Despite inflation, increased operating costs, increased demand, diminished available state revenues, and greater economic efficiency in performing veterans' burials by the states than by the VA's National Cemeteries, the federal VA's Burial Plot Allowance has not been increased

since 2001. Today, the $300 per burial plot allowance covers less than one half of the expenses borne by most states to bury a veteran and maintain the burial space. NASDVA is seeking an increase in the Burial Plot Allowance to $600.

The construction costs of establishing, expanding or improving state veterans cemeteries are covered by federal construction grants. Operating costs are paid by the Burial Plot Allowance and fees paid by veterans or families for burial of the veteran's spouse or dependants. Because the receipt of the burial plot allowance requires that the eligible veteran's burial is performed at no fee, the sole remaining alternatives are to recoup burial costs from spouses and dependants through increased fees, or to seek additional state sources of funding.

Stakeholders include the 38 states and territories that operate State Veterans Cemeteries, and the nearly twenty-four and a half million veterans and their families. National Governors Association (NGA)-see Governors Association Policy Position HHS-05.2.3, 08/10/2006; National Association of State Directors of Veterans Affairs; National Funeral Directors Association (NFDA).

The plot allowance was established in 1972 at $150 per burial. The VA's burial plot allowance was last increased in 2001, from $150 to $300. Numerous bills by many authors, each with different levels of increased funding have been introduced in recent Congresses to increase the plot allowance, but none have succeeded.

There are not yet any pending bills to increase the burial plot allowance introduced in the 111th Congress. State cemetery operation is dependent on the plot allowance to maintain cemeteries, along with funding provided by states' general funds.

The program assists states in providing gravesites in those areas where the National Cemetery Administration (NCA) cannot fully satisfy veterans' burial needs, and VA is authorized to pay a "plot allowance" of $300 to a state for expenses incurred in the burial in an authorized state veterans cemetery of an eligible veteran without charge. Otherwise, the administration, operation and maintenance of a state veterans cemetery are solely the responsibility of the state.

The burial plot allowance is the only federal support for the operation, maintenance, and new interments at state veterans cemeteries.

8. Soft landing for Guard and Reserve.

Returning members of the National Guard and U.S. Armed Forces Reserves are typically being demobilized at an active duty military installation for a period of three to five days. This is after seven to 14 days of logistics in Kuwait. While at the demonization installation, soldiers self-report physical and mental health issues, including TBI and PTSD. Those reporting issues are normally kept at the demonization station longer, which is why many of these returning soldiers are not self-reporting. These soldiers want to return home and will not risk being put on medical hold while the rest of their unit goes home, during demobilizing; these Guardsmen and Reservist are under federal Title 10 active duty orders, which mean they receive active army pay and benefits. During this period, they are briefed on everything from healthcare to education. Retention of information is very low. They are then transported to there home station for two to

three days where additional briefings including the services of the Reintegration Team, ceremonies, and reunification with family. From this point, they are Released from Active Duty (REFRAD) and returned to Title 32, inactive duty training. This is not enough time for a soldier to decompress after a combat tour and is a reason many of these veterans are finding it difficult to actually reintegrate back to their jobs, families, and lives. For the next 90 days units conduct some reintegration actives during monthly drill weekends to reconnect with their fellow OEF/ OIF combatants and have their pulse taken by their leadership. At 90-120 days, soldiers undergo Post Deployment Health Re-Appraisal (PDHRA) where they are again assessed for physical and mental health issues in coordination with VA, ODVA, and other resources.

Pre-mobilization has improved to inform the soldier and his/her family of what to expect and what benefits/resources are available while deployed. Soldiers returning out of sync from the rest of their unit due to injuries get their needs attended at U.S. Army Medical Centers. Active duty military members participate in the Transition Assistant Program (TAP), a weeklong program at active installations. However, these soldiers already have come home from their combat tour as a unit, have had significant decompression time, and are leaving service in most cases not directly after their combat tour but some time down the road. For those not separating, support is found on base especially for their families. Healthcare is provided by the facility's medical center. If the separating veteran allows notification (DD214), the State Director is alerted of his/her arrival in the state and welcoming information is sent and follow-ups are made. The VHA contacts all separating service members, whether active or reserve component. Through word of mouth, these veterans are discovering the Reintegration team website and 800 numbers.

To help, the Department of Defense has provided staff to facilitate reintegration (Joint Family Service Assistant Program). Department of Defense components are comprised of a Red Cross Liaison, two outreach counselors, one Military One Source person, and a children's program.

We Recommend:

? That the current process of reintegrating soldiers into the civilian community is seriously deficient. More time in Title 10 status is necessary for a proper soldier and family reintegration.

? Family education, preparation, and treatment are much improved but still lacking. Family members cannot receive VA treatment without the veteran enrolled and seeking care. Counselors in the community are either scarce or ill trained. VHA has well-trained and caring staff.

? Soldiers are frequently unemployed at time of enlistment or deployment (35%). Excellent resources exist for training, vocational rehabilitation or employment counseling, but again, these opportunities are not well known.

? Homelessness is a potential threat to new veterans. As more come home, the difficulties dealing with PTSD, TBI, marital crises, family crises, employment crises, and often try to self medicate; homelessness can come on rapidly. VA is well prepared to deal with all these issues, however getting the veteran to seek that help is problematic. As one soldier said, "Uncle Sam screwed me over once, why would I trust him again."