

GARY KURPIUS, COMMANDER-IN-CHIEF, VETERANS OF FOREIGN WARS OF THE UNITED STATES; Accompanied by: Robert Wallace, Executive Director; William Bradshaw, Director, National Veterans Service; Robert Crfat, Chairman, National Legislative Service; Dennis Cullinan, Director, National Legislative Service

STATEMENT OF

GARY KURPIUS
COMMANDER-IN-CHIEF
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

JOINT HEARING OF THE
COMMITTEES ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES AND
UNITED STATES SENATE

9:30 AM
TUESDAY, MARCH 6, 2007

Chairmen Filner and Akaka, Ranking Members Buyer and Craig, Members of the House and Senate Veterans Affairs Committees, Distinguished Comrades of the VFW and our Auxiliaries, and honored guests:

On behalf of the 2.4 million men and women of the Veterans of Foreign Wars of the U.S. and our Auxiliaries, I would like to express our strong appreciation for today's important hearing and for the restoration of the joint hearings. Our members truly value the opportunity to present our legislative priorities, and we appreciate the candid dialogue and the special role we have within the Congress.

I would like to offer my congratulations to the two new Chairmen, Mr. Filner and Mr. Akaka. We have seen both of you work hard on behalf of veterans over the years, and we are pleased that your efforts have been rewarded. I would also like to thank the new Ranking Members of these Committees: Congressman Buyer and Senator Craig. When you were Chairmen, we didn't see eye to eye on every issue, but you listened and heard our views, for which we thank you. To all of you on these important committees, we look forward to working with you and your hard-working staff over the next two years, to improve programs for America's true heroes, our

nation's veterans. When you make the tough decisions, we look to each of you to put Veterans First.

VA MEDICAL CARE

The VA health care system is this nation's largest network of hospitals and clinics, with over 160 medical centers and over 860 outpatient clinics. Numerous studies have shown that it is the nation's leader in high-quality, safe health care, and many consider the services it provides to be better than that found in the public or private sector. It is a system attuned to the specialized needs of a veterans' population, and in fiscal year 2006, it saw over 5.5 million patients.

The system, though, benefits more than just veterans. The great majority of this nation's doctors were educated, in part, at VA facilities, and the amount of ground-breaking research being done at its facilities, especially in the area of prosthetics, is staggering. Additionally, VA also serves as a critical health care back-up to the Department of Defense in times of national emergency, as we saw after September 11th.

It is because of these unique roles that the funding for veterans health care is so important. Despite all the wonderful work that is being done in the system, and its demonstrated track record of efficiency in spending, we face a difficult annual fight for funding. Congress has made great strides in the past year to boost up the funding levels, but despite this, funding has not kept pace with growing demand.

As the veterans population grows older, the demands of these former service members will mean that VA needs additional funding. Further, with over 200,000 veterans of the wars in Iraq and Afghanistan who have already sought care, which is less than half of the over 500,000 veterans who are eligible, there are additional strains on the system.

In the past, when finances were tight, VA has rationed health care and limited access. Veterans were placed on lengthy waiting lists ? in some places veterans had been waiting two years for a primary health care appointment ? and later, new Category 8 veterans were completely shut out from the health care system. The VFW is concerned that a lack of proper funding this time could create an erosion in the quality of care that VA provides ? the quality that study after study has lauded. VA has been proven to provide high-quality health care to this nation's veteran population, and we cannot let this diminish.

Accordingly, the VFW, as part of the Independent Budget, has recommended a funding level of \$36.3 billion for Medical Care. This is \$2.1 billion above the President's request. This would allow VA to care for the increasing numbers of veterans seeking care at VA's facilities and would provide enough staff to ensure that the quality of care does not erode, nor does access become a problem.

We must also be mindful of the long-term care needs of our veterans. VA has formed a worthwhile partnership with state nursing home programs to provide greater access to all veterans. It is essential that we fully fund these programs, especially as the veterans population grows older.

COPAYMENTS AND FEES

While we appreciate that the Administration did not include increased fees as part of their budget submission, we must continue to oppose these increases in the pharmaceutical co-payment amount and the institution of an annual enrollment fee for Category 7 and 8 veterans.

While it is easy to point to the richest of the veterans in Category 8, the vast majority of veterans in both categories could hardly be considered wealthy. For them, these proposed increases would have a dramatic impact, especially for those veterans living in high cost areas such as New York or Hawaii.

With the enrollment fee, it is important to note that this is a yearly fee. Even if a veteran goes to VA once a year for preventative health care exams such as a physical, he or she would be charged the full amount, nor does payment of the fee guarantee access.

Although VA made no predictions about the impact of these increased fees on the demand for services, its past recommendations have forecast that many thousands of veterans would turn away from their earned health care system.

As in the past, we view these fees as a way for VA to ration health care services, and we continue to oppose them. This Congress has done the right thing every time these fees have been introduced, and we look forward to working with you to defeat them again this year.

HEALTH CARE FOR OUR RETURNING SERVICE MEMBERS

VA has seen over 200,000 veterans from OEF/OIF, which is less than half of the total number who have separated. This is a number that can only go up, especially with the numbers of those serving overseas increasing. This demand for service has presented some major challenges for VA, which has responded by making their care a top priority. The VFW feels that we must do everything we can to ensure that these men and women are properly cared for. Their care is part of the ongoing costs of war. The fulfillment of that cost ? a national obligation ? is what your Committees are charged with overseeing.

One of the VFW's greatest concerns is with the mental health of these returning service members, and the effects that can have on their families. VA claims that they are making substantial progress in these areas, but as the incident in St. Cloud, MN demonstrates, improvements must be made. Recent reports have also indicated that around 60,000 recently separated service members have been diagnosed with some sort of mental condition by VA, and almost 40,000 of these men and women have been diagnosed with PTSD. Nobody goes to war and returns the same person.

We must redouble our efforts to ensure that VA has the financial resources it needs and the ability to hire the highest quality staff to care for the unique needs of these patients. VA needs to manage the problem now before it worsens later. We need proactive solutions such as

meaningful mental health evaluations and real counseling to help these men and women deal with the after effects of conflict.

These programs may have a high up-front cost, but if left unchecked, it will just create many more problems down the road, such as homelessness or severe mental illness. We need VA to adapt with a smart business plan to deal with the tens of thousands of veterans who have returned with mental health problems. These scars of war may be hidden from sight, but they are no less a problem.

The VFW is also greatly concerned with the effects of blast injuries. Thanks to improvements in body armor and other technology, men and women are surviving injuries that would have killed them ten years ago, but it is coming at the price of a limb, brain injury, or severe burns. Accordingly, we need to properly fund VA's ground-breaking prosthetics programs, and ensure that their polytrauma centers have the resources they need.

To that end, the VFW strongly believes that VA must do more research on traumatic brain injuries. These blast injuries have been described as the signature wound of this war and have affected many hundreds of service members. VA must do more to learn about these injuries, especially on what their long-term effects are. Any future physical or mental impairment created by these injuries are going to require swift attention. We cannot afford to let our feet drag with these unique injuries as we have with other signature illnesses from previous conflicts.

The VFW would also like to express our disgust with the recent revelations about Walter Reed Army Medical Center, which was written about in the Washington Post. Their reporters found, among many other problems, that wounded personnel being treated as out-patients were quartered in a vermin-infested apartment building; lost paperwork delayed healthcare and other services; military medical evaluation boards seemed to underrate those with lifelong injuries or to dismiss ratings altogether due to pre-existing conditions; and visiting family members were often left to fend for themselves and their wounded loved ones because hospital staff support was minimal or nonexistent.

We call on this Congress to fully investigate these problems and the complete breakdown of leadership that allowed something like this to go on for many months. We must get to the bottom of this to ensure that no service member or their family ever has to endure what went on here. There is much good work done at Walter Reed, but we cannot turn a blind eye to this. We all owe our service members so much, but especially these wounded warriors.

ASSURED HEALTH CARE FUNDING

The VFW believes that the discretionary funding process, despite the best efforts of those in Congress, is broken. We are calling for an assured funding process which will provide VA with a sufficient budget on time, allowing VA to care for all eligible veterans in a timely manner.

We are certainly appreciative of the recent increases in veterans' health care funding, but we continue to feel that more needs to be done. All too often in recent years, Congress has had to go back to the drawing board halfway through the fiscal year to provide VA with additional

supplemental funding to make up for the insufficient funding given to VA during the initial appropriations process. While we welcome these increases, they are a sign of a budget process that needs to be reformed. Veterans should not be forced to petition Congress for funding a second time; it should be done right the first time.

Another sign of the breakdown of the current funding process is the lack of timeliness of the budget. It has been eight years since VA has had an appropriations bill when the fiscal year began. This year, although we appreciate the funding contained in H.J. Res 20, the much-needed money still arrived months late. The funding process has broken down time and time again, and we must do better. The VFW understands that this Congress has made an on-time budget a priority, but one year out of nine does not instill confidence, especially when we can not be sure that today's political will is going to last long into the future.

We must look to alternative means of funding VA health care. An assured funding system could make VA health care more dependable and stable, eliminating the year-to-year uncertainty. It would allow for proper planning by VA's health care managers, for best practices and for assurances that VA will be able to adequately care for this nation's veterans, who paid a heavy price for their care by virtue of their defense of this country.

VA CONSTRUCTION

The VFW is concerned with the under-funding of the VA construction budget. Over the last few years, there has been much political resistance to funding VA's construction needs because Congress desired to wait until VA finished its long-range construction plan: Capital Assets Realignment for Enhanced Services (CARES). With the CARES plan complete, it is essential that Congress fully fund these priorities.

The President's request of \$727 million for major construction is a small step in the right direction. We applaud the funding in that request for the construction of a number of new National Cemeteries, but we would note that that leaves a much smaller amount for VHA construction. Further, the budget request only contains funding for five major construction projects in VHA, and all of these have previously received some degree of funding in previous years, whether for planning, land acquisition, or other steps in the construction process. What this means, though, is that there is no funding for new major construction projects in this budget, even for the 27 projects that VA has identified and prioritized for fiscal year 2008 in its Capital Assets Plan.

The Presidential Task Force to Improve Health Care Delivery for This Nation's Veterans (PTF) found that VA did a poor job with the recapitalization of its assets when compared to other public and private hospitals. The PTF found that hospitals typically recapitalize at a rate of 5-8% of their plant asset value. Recapitalization allows the hospitals to maintain patient safety, adapt to new technologies and patient treatments, and make updates to the infrastructure to keep the facility running long into the future. Unfortunately, the PTF found that VA has a recapitalization rate far below that of only about .5%. With a plant asset value of approximately \$40 billion, VA's construction budget needs to rise accordingly.

One other area of concern is with the nonrecurring maintenance account. This funding, which enables VA facilities to make smaller repairs such as improvements to the electrical system or fixes to a roof, is funded out of the health care account. As such, when times are tight, these essential maintenance needs are deferred and the money is used to deliver direct health care. While it makes sense for hospital directors to make this short-term tradeoff in a tight budget, it is poor stewardship as deferral often leads to larger expenses down the road.

Regardless, VA's hospital managers should not be forced to make a choice between health care for veterans or infrastructure improvements to their facilities. Accordingly, VFW calls for a minimum funding level of \$800 million for nonrecurring maintenance, which is in line with the 2-4% of plant replacement value that Price Waterhouse determined was the industry standard in a report on VA's facility management processes.

VA CLAIMS BACKLOG

VA has over 800,000 individual claims and appeals for compensation, pension, and education benefits. This is a massive backlog of claims, which has resulted in six-month waits for initial ratings decisions on compensation claims. This is unacceptable.

About 600,000 of those claims are for disability compensation. Any delay in providing benefits to these wounded service members makes it difficult for them to provide for themselves and their families. Further, because access to the VA health care system is curtailed to many veterans without compensable service connections, delays in compensation decisions deny these veterans the health care and treatments they need to lead productive lives.

Despite the best efforts and intents of VA managers, the backlog continues to grow, and with increasing numbers of returning veterans, it can only go up. As the number of cases on the backlog grows, the difficulty of managing the backlog and finding solutions to the systematic problems will only get worse, too.

VA claims that much of the problem with the backlog has to do with the complexity of the cases. While we would acknowledge that the complexity of claims has increased, the VFW views this as a problem of resources.

To that end, we are pleased with the President's request for 450 additional claims processors. It is a good step, but we need VA to do more.

The VFW needs to know that these FTEs will be hired on time, which is going to require a timely budget. We also need assurances that there is a commitment from the Administration and the Congress to fully fund these staffing levels into the future. This cannot be a one-year attempt at a solution, especially with the number of years it takes a claims processor to become fully adept at the process. We need to know that VBA will have funding for these processors in the future, allowing its managers to fully staff these offices.

VBA's staffing must meet the real-world demands placed upon its system. The only way that they can make a meaningful dent in the backlog to reduce these terrible delays is by devoting

adequate resources. The size of the backlog is proof positive that this is not being done, and we look to you to fix it.

CLAIMS ACCURACY

The VFW is greatly concerned with the accuracy rates of VBA's claims ratings decisions. VA's own quality measurements show that VA makes a significant error in over 100,000 cases each year. This is grossly unfair to our sick and disabled veterans. After waiting months for a ratings decision, they are too frequently left with an incorrect decision.

We cannot accept this.

The poor quality of these decisions only exacerbates VA's problems. In most cases, a veteran files an appeal, adding an additional case to the swollen backlog. This clearly could have been avoided were the right decision made in the first place. Of most concern to the VFW, however, is the number of veterans who give up out of frustration. We have a wide network of service officers throughout the country, but we can only help those who seek us out. For a veteran without a service officer, navigating the highly bureaucratic VA claims process can be a nightmare, and a number of these veterans likely give up, denying them their earned benefits, necessary compensation, and access to health care for their disabilities. This is not how a nation should treat its heroes.

As is the case with the backlog itself, this is a problem of resources. VA simply needs more staff, better training, and steady leadership. While timeliness of these ratings decisions is a huge problem that must be overcome, it cannot come at the price of the accuracy of these decisions. Veterans deserve a system that can do both efficiently. It is just going to take the oversight of Congress, and the financial backing to ensure that VA has the right numbers of ratings decision makers in place.

SEAMLESS TRANSITION

When our servicemen and women return from overseas, we need a system in place and cooperation among the Departments of Defense and Veterans Affairs to ensure the smoothest possible transition. As they move from active to veteran status, there should not be any bumps in the road, nor delays because of bureaucracy. These delays force veterans to wait months for benefits and health care that they have earned by virtue of their service to this nation. We must do everything we can to create a truly seamless transition.

The VFW envisions a system where an electronic medical and personnel file is created the day a service member enlists. This electronic record should follow them wherever they are stationed and when they separate, it should be automatically sent to VA, facilitating their health care and disability claims, and will be continuously updated no matter which VA facility the veteran uses, giving the veteran and their medical providers easy access to any information they may need.

The smooth flow of information between the two departments and among facilities would help to ensure the high quality of care for the veteran, but would also greatly assist in the benefits

process. With the veterans' full history in one file, disability claims development would become a simpler process, and it would lead to more timely, higher-quality and efficient ratings decisions.

The VFW also believes that there should be an increased emphasis on separation physicals. These exams, which should be conducted jointly with DOD and VA, could highlight any potential health problems, but also serve as a baseline for any symptoms or ailments that could pop up later. The VFW feels strongly that this data would enable VA to better handle new illnesses and diagnoses for new conditions that may be unique to a particular location and period of service, such as Gulf War illness.

We must also ensure that service men and women are taking full advantage of all the transition and separation services afforded to them, such as DOD's pre-separation counseling and the Transition Assistance Program (TAP). All veterans should have access to these programs at hours convenient to them. We believe that these programs should also continue to emphasize the rights these men and women have for VA health care and benefits, but also for the programs available to them to assist with employment and job training.

The seamless transition is a problem that is talked about much, but one with little result. We need this Congress to exercise its oversight authority to ensure that VA and DOD are showing true leadership in these issues instead of fighting turf battles over what their respective roles are. With the hundreds of thousands of separating service members who fought in Iraq and Afghanistan over the last few years, this is of increasing importance. We need you to do what is right.

IT AND DATA SECURITY

The recent incidents in Birmingham, AL have highlighted the need for VA to refocus its efforts in data security. There, a VA researcher lost an external hard drive containing hundreds of thousands of records on VA patients and employees. This is unacceptable, especially on the heels of the terrible events of last year.

In the previous Congress, you empowered VA with the tools to fix these consistent problems. We need VA to use these tools and every resource at its disposal to prevent these unacceptable losses from happening ever again. No veteran, especially those on the front lines of the battlefield, should have to worry about their credit history and the effects that any data loss could have on them and their families. We need VA to display strong leadership on these issues, ensuring that its well-intentioned employees understand the seriousness of these data losses.

We also need this Congress to maintain vigorous oversight of these issues, and to ensure that VA is doing everything in its power to prevent any future problems.

As the recent events in Southern Nevada demonstrate, data security is not just an IT problem. There, paper files were emptied into a dumpster without having been shredded. Thankfully, it appears that all were recovered, thanks to the quick thinking of a security official. This, however, is indicative of the larger problem, one that VA's leadership must take seriously. They

must implement policies to ensure how all records are handled, and they must ensure that their managers properly implement these procedures.

Our veterans should not be harmed by VA's own mistakes.

COMPENSATION AND PENSION ISSUES

The VFW, as we do every year calls for a cost-of-living adjustment to all appropriate veterans benefits. Increasing the rates of monthly compensation, DIC and other important programs prevents the erosion of these benefits due to inflation, and allows these sick and disabled veterans to keep pace, enabling them to provide for their families.

We would, however, continue to oppose VA's efforts to round down the rates of compensation to the nearest whole dollar. This was originally started as an attempt to temporarily reduce the budget deficit, but has been on-going for years. Over a year or two the effects on veterans are minimal, but for the length of time this practice has been in effect, it could be costing veterans a hundred or more dollars a year, and as time goes on with this unfair practice in effect, that amount will only increase. We see no need to balance the budget on the backs of our sick and disabled veterans, who really rely on the modest compensation levels to care for their families. While seventy five cents might seem trivial, when that amount is magnified over an extended period of time it adds up, robbing our veterans of their earned compensation. We must fix this.

With recent efforts to take a closer look at VA's disability compensation practices, the VFW must reaffirm our strong support of the current standards and definitions of service connection.

Recent talk has centered on whether this should be adjusted to a 'performance of duty' standard. We could not disagree with that further.

A veteran is on call 24 hours a day, 7 days a week. Few military members have a standard 8-hour work day, and they must be ready to do what is asked around the clock. Even when not involved in tasks directly in support of their military career, they are still held responsible as members of the military. There is no clear demarcation between when a serviceman or woman is on the clock, and when they are not. Further, the unique characteristics of military service create physical and mental stresses even when not directly at a post. There is nothing in the civilian world which can compare. We have also seen that military personnel especially those servicing overseas are at increased risk of injury or disease at all hours.

For these reasons, it must stand that an illness or disability must only manifest itself 'coincident with' military service. Any changes to this standard would erode this necessary compensation, and could cynically be viewed as a budget-cutting maneuver.

We strongly urge this Congress to reject any and all changes to these definitions.

VA HOME LOAN PROGRAMS

The home loan program is an essential transition benefit, which allows veterans access to the true American dream: home ownership. It is a program that does wonderful things for our former service members.

We are concerned, however, with the recent reliance on fees to fund this and other veterans' programs. These fees, which come directly out of the veterans' pocket, should be repealed, especially because their original intent was for a deficit reduction measure. Veterans have already done much for this country, and they should not be penalized further. We must also prevent any future increases, and refrain from using these fees to subsidize other veterans programs, as has been done in the recent past. No veteran should be forced to pay for another veteran's benefits. That is a job for a grateful nation.

ADAPTIVE GRANTS

VA provides adaptive housing grants to certain disabled service members to help these men and women afford modifications to a house to increase their mobility. These are essential increases which truly help our disabled veterans. We would urge Congress to increase the amount of these grants, but also make sure that their value is indexed to the cost of living, so that the value of this important benefit does not erode.

We would also urge Congress to approve legislation that would allow VA to provide a second grant to a veteran should they change houses. As families grow bigger or leave the house, the needs of a veteran may change, and we should not stick them with a house that does not suit their needs. Giving them a second grant for these essential adaptations would also allow a veteran whose mobility or configuration demands change to upgrade their homes.

VA also provides grants to help cover the costs of automobiles and adaptations to them. This important benefit has not kept pace with the rising costs of inflation. The veterans eligible for this program are among the most severely disabled and often experience great mobility problems. Even where public transportation is available, it is not typically a viable option. Many of these veterans require handicap-equipped vans or large sedans, which cost well above the \$11,000 allowance.

When the program was first created, it was traditionally indexed to around 85% of the average cost of an automobile. The VFW believes that an amount of 80% of the average new care price would be appropriate. We urge you to pass legislation to improve that, but also to index the amount in the future with the average cost of a new car price.

INSURANCE PROGRAMS

VA runs a number of insurance programs that were designed to provide life insurance coverage to veterans and service members who may have difficult finding affordable coverage in the private sector due to their service-connected disabilities or because of the unique challenges of military service. By and large these are effective and meaningful programs, but there are a few changes we would like to see.

On the Service Disabled Veterans Insurance (SDVI) program, the VFW calls for changes to the actuarial table to reflect more modern conditions. The mortality table upon which rates are based comes from 1941 and does not reflect the longer life spans of those living today. Accordingly, SDVI is no longer competitive with private insurance and is increasingly losing its value to veterans. Congress must enact legislation to require VA to update the mortality table it uses when determining the premiums veterans must pay.

Additionally, the maximum coverage under the base SDVI program is a meager \$10,000. Amazingly, this is a number that remains from the original War Risk Insurance program of 1917. After 90 years, veterans are more than due for an increase. An amount of \$50,000 would make a noticeable effect in the quality of lives of the veterans' survivors.

We also believe that it is time to increase Veterans' Mortgage Life Insurance (VMLI). This insurance program covers severely disabled veterans, allowing them to more easily obtain home loans. The amount of coverage has not increased since 1992, and has remained at \$90,000 despite the huge increases in housing costs over the last fifteen years. These severely disabled veterans likely cannot obtain affordable secondary mortgage insurance to cover the gaps between what VA provides and what the mortgage issuers require, so we must increase the benefit to at least \$150,000.

We applaud the recent passage and continued adaptation of the wounded warrior insurance programs. It is a program that is making a meaningful difference in the lives of many traumatically injured service members. The VFW urges swift Senate passage and adoption by the House of S. 225, legislation that would extend the vital benefits of this program to all veterans, regardless of location of service, who have served since October 7, 2001. This would close up a gap in coverage for certain veterans serving before 2005, and is necessary to aid not just those who were on the front lines, but those who were supporting them, training, or defending the security of this great nation.

MONTGOMERY GI BILL (MGIB)

The VFW strongly supports a GI Bill for the 21st Century that is modeled on the WWII GI Bill. Our vision is for a GI Bill that pays the full costs of attendance ? to include tuition, books, room and board, and a living stipend ? to any college or university at which a veteran is accepted.

The WWII GI Bill is credited with transforming society, by creating the middle class. The education and training that these returning heroes received allowed them to take their place as the leaders of the work force. The GI Bill is a great tool for social mobility, allowing those who otherwise would not have had access to an education, the opportunity to better themselves and assist their families. Further, several years ago, the Senate Education Committee issued a report that found that the initial WWII GI Bill paid for itself because of these effects and the increased tax revenue they provided. It is clearly a program that benefits society and is a worthy investment.

The MGIB receives a cost-of-living increase each year, but that rate is far below the skyrocketing increases in college tuition costs. According to the College Board, after adjusting for inflation, college costs have increased by 35%. Even with the substantial increases of a few

Congress' ago, the value of the benefit continues to erode as the MGIB pays for an increasingly smaller share of the costs of attendance. It is time we look at increasing these benefits.

The VFW also believes that we must do more to improve upon the benefits given to our guard and reserve forces. The nature of the service that the guard and reserve are providing has changed dramatically over the last twenty years. In Iraq and Afghanistan tens of thousands of these citizen soldiers have been used as active duty troops for extended periods of time, yet most find themselves without benefits that correspond to their service. The current \$309 monthly stipend is just 28% of the \$1075 monthly active duty benefit. This is far short of the historical 47% difference. We must improve upon it. We would also like to see changes made to the portability of the benefit. Currently, guard and reserve members lose their earned educational benefits if they separate from the service, even if they have served extensive time on active duty in a war zone. While we are mindful of the need for the GI Bill to be used as a retention tool, we can do more to help those who have made extraordinary contributions in these wars.

To that end, we applaud the creation of the Reservists Educational Assistance Program (REAP), which creates a sliding scale of enhanced eligibility depending on how long a member of the guard or reserve has served on active duty. After as little as 90 days of service in Iraq or Afghanistan, an eligible service member can receive an enhanced benefit of 40% of the active duty rate.

But we can and must do more.

The VFW also strongly supports the repeal of the \$1,200 buy-in that is required for eligibility of the MGIB program. No other form of Federal student aid requires the user to purchase eligibility, and it should not be this way for those who put their lives on the line to defend this country.

The current buy-in allows a service member to have only one chance for eligibility. Upon joining, the service member either has to buy in, by having \$100 withdrawn from their first 12 monthly paychecks, or they forever lose eligibility. Not only is the amount unfair? E1 service men and women make just \$1,301 per month? but it can be a difficult financial decision, especially if the service member has a family to support.

Additionally, we disagree with forcing them to make such an important decision in their lives at such an early time. Circumstances change, and people's priorities change. The young kid who walks into the military as an 18-year old isn't necessarily the same one that walks out a few years later. The narrow rules of eligibility hurt the veteran who later decides that getting a good education is the best thing for him in life. We need a GI Bill that not only adapts with the changing character of service, but with the changing character of those who wear the uniform.

CONCURRENT RECEIPT

The VFW believes that we must immediately end any prohibitions that prevent disabled military retirees from receiving their full military retirement pay at the same time as receiving their full VA disability compensation. Great strides have been made to reduce much of the inequitable offset, but we can do more to help these men and women, who have given a long period of their

life in defense of this nation. The current law forces a great number of these military retirees to pay for their own service-connected disabilities with this offset and, in some cases, the effect is the complete elimination of any compensation for their disability. This is unacceptable.

SURVIVOR BENEFITS

The VFW strongly believes that Congress should bring about an immediate repeal of the offset between the Survivors Benefit Plan (SBP) and dependency and indemnity compensation (DIC).

DIC is awarded to the surviving spouse of a veteran who dies from a service connected condition, or when a veteran passes away after a lengthy period of total disability from a service-connected condition. It compensates the spouse for the economic loss associated with that service-connected death, or from the losses when a veteran is unable to earn an income because of that total disability.

SBP, on the other hand, is an annuity that a military retiree pays by having a portion of their retirement pay withheld. When the veteran who signed up for the plan dies, a portion of their military retirement pay goes to his or her beneficiaries. If the death was not from a service-connected condition, or if it wasn't preceded by a long period of total disability, the beneficiaries receive the entire amount. But in those other cases, the amount of the SBP is reduced by the amount of DIC the beneficiaries receive. In cases where the DIC exceeds the SBP amount, the surviving spouses receive no money from SBP, despite having paid into it.

This is clearly inequitable, especially because these are two separate programs and there is no duplication of benefit. It unfairly penalizes these surviving spouses, and we look to you to end this unjust offset.

We also believe that the surviving spouses of service members who die while on active duty should receive the same DIC rates as of those paid to survivors of veterans who were totally disabled for at least eight years prior to their death.

Another important issue concerns remarriage. Recently, Congress passed a law that allows survivors who receive DIC to remarry after age 57. It was a good step because prior law unfairly penalized these survivors. We would urge, though, a lowering of this age to 55 to bring it in line with the remarriage requirements of similar federal programs.

VOCATIONAL REHABILITATION AND EMPLOYMENT

With the influx of service-disabled veterans, is creating new challenges in vocational rehabilitation and employment, and we must have programs that adapt.

We applaud the end goal of these programs, but we need programs that look to the future. They should not be about finding a quick job for veterans, but for giving them the training, education and skills they need to have a meaningful career so that they can care for themselves and their families. We must be mindful of the long term and not just the quick fix. To be truly effective, the program must be focused on a goal of avoiding disability-related unemployment later in life.

The VFW also calls on Congress to use your influence to encourage corporate America to create programs that give our returning heroes real options for employment. There is the opportunity for a wonderful partnership between the corporate world and the veterans' community that could greatly benefit both sides. We know that you can make it happen.

In addition, the VFW will continue to ensure that all eligible veterans retain their veterans' preference rights.

HOMELESSNESS

VA has estimated that there are over 200,000 homeless veterans in this country. This is a national tragedy. VA has made it a goal to end veterans' homelessness within a decade, something we support. It is an effort that will take lots of time, energy and resources, but it is something we must strive for. No one who has worn the uniform of this great nation should have to suffer these problems. We must do everything we can to give them a hand up, providing them with the health care, education and training they need to get back on to their feet and into productive society. We need to do more with outreach. VA has a wide variety of programs and partnerships with state and local officials, but we need to do more to ensure that these programs are helping all who need them. Together, we can make a meaningful impact in these veterans' lives.

ACTIVE DUTY ISSUES

With the ongoing war, it goes without saying that we must focus attention on the important quality of life issues for those currently on the front lines.

We must strive for pay comparability with the private sector so that the military remains a viable career choice for many men and women, and we must ensure that fair-priced, quality housing is readily available and that the assistance provided to our service men and women keeps pace with the escalating housing prices in certain areas.

The VFW also calls for improvements to family readiness and various support structures to help them deal with the impact of frequent deployments. We need strong, effective outreach so that everyone is aware of the assistance available to them, and so that they can properly plan for the emotional difficulties and financial changes when a service member deploys. We need improvements to child care and education and training and educational opportunities for military spouses so that their family members are cared for, giving them piece of mind while they defend this country. We also need effective mental health programs so that service members and their families can effectively deal with the unique stresses and strains of wartime service.

We can and must do more to help those who wear the uniform of this great nation.

POW/MIA ISSUES

The VFW has an unwavering commitment to obtaining a fullest possible accounting for those warriors still missing. This is the most sacred of missions and none of our members will truly

rest until we know the whereabouts of every one of our men and women who have served in uniform, even for those who have paid the ultimate price.

To that end, we must ensure full funding for the Joint POW/MIA Accounting Command (JPAC), so that they can carry out this vital mission.

FUNDING FOR THE TROOPS

In the days ahead, this Congress will be debating many issues concerning the War in Iraq. The VFW urges you and your colleagues on both sides of the aisle to never cut funding for troops deployed or being deployed to a war zone. Please ensure that those you send to war have the best equipment and the strong support of this Congress. Give them the tools necessary to complete the mission you sent them on. The Veterans of Foreign Wars of the United States and the American people will stand for no less.

Mr. Chairman, I again thank you for the honor to present the VFW's priorities to you. I would be happy to answer any questions that you or the members of the committees may have.