

WILLIAM F. SCHRIER, DEPARTMENT OF WASHINGTON, THE AMERICAN LEGION

STATEMENT OF
WILLIAM F. SCHRIER
DEPARTMENT OF WASHINGTON
ON BEHALF OF
THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
ON
THE DEPARTMENT OF VETERANS AFFAIRS FISCAL YEAR 2013
BUDGET REQUEST

FEBRUARY 29, 2012

Chairman Murray and Members of the Committee:

On behalf of the 2.4 million members of The American Legion and our National Commander Fang A. Wong, I appreciate this opportunity to comment on the President's budget request.

As thousands of troops return from deployments to Iraq and elsewhere in a shifting of our national security focus, it's encouraging to see that President Obama's FY 2013 budget for the Department of Veteran Affairs (VA) pivots to meet the need caused by this prioritization. On the surface, a double-digit increase in an operational budget would be the envy of any agency during these dire fiscal times. Yet, the fact that 72 percent of this increase is benefits to disabled, poor and student veterans causes the veteran advocate reason to pause. Will the resources remaining be capable to meet the needs of these returning veterans and those from previous war eras?

While grateful for this increase, The American Legion remains concerned this increase is not only short of the ultimate need, but also a byproduct of budget and funding gimmickry that will ultimately only endanger veteran care if unsuccessful. Moreover, we remain concerned that these increases are directed not towards the veteran and his/her care, but rather the bureaucratic structure unable to meet present needs of the veteran.

Advanced Appropriations for FY 2014

Due to the successful passage of the Veterans Health Care Budget Reform and Transparency Act of 2009 (P.L. 111-81) three of the four accounts that make up the Veterans Health Administration (VHA) are funded in advance of the traditional budget cycle. Those three accounts – medical services, medical support and compliance, and medical facilities – are funded one year in advance and supplemented as necessary during the following year.

While The American Legion joined in supporting the advance appropriation model, we remain concerned accurate projections on population and utilization and other challenges still remain.

One such challenge came to our attention this year regarding the procurement of medical equipment and Information Technology (IT) purchases. When IT within the VA was combined together across the entire agency in 2006, it was implemented to improve efficiency, contracting, management and other challenges inherent with three disjointed IT management teams. This has proved somewhat successful.

However, we are hearing that procurement of medical equipment and IT is hampered at medical facilities due to budget implementation failures through continuing resolutions. While a VA medical center director might have his/her operational funding beginning October 1 because of advance appropriations, much needed IT or medical equipment might be delayed due to a continuing resolution impasse in Congress. This has a detrimental impact on the veteran and his/her care.

Medical Services

Over the past two decades, VA has dramatically transformed its medical care delivery system. Through The American Legion visits to a variety of medical facilities throughout the nation during our System Worth Saving Task Force, we see firsthand this transformation and its impact on veterans in every corner of the nation.

While the quality of care remains exemplary, veteran health care will be inadequate if access is hampered. Today there are over 22 million veterans in the United States. While 8.3 million of these veterans are enrolled in the VA health care system, a population that has been relatively steady in the past decade, the costs associated with caring for these veterans has escalated dramatically.

For example between FY 2007 and 2009, VA enrollees increased from 7.8 million to 8.1 million. During the same period, inpatient admissions increased from 589 thousand to 662 thousand. Outpatient visits also increased from 62 million to 73 million. Correspondingly, cost to care for these veterans increased from \$29 billion to \$39.4 billion. This 36 percent increase during those two years is a trend that dramatically impacts the ability to care for these veterans.

While FY 2010 numbers seemingly leveled off – to only 3 percent annual growth – will adequate funding exist to meet veteran care needs? If adequate funding to meet these needs isn't appropriated, VA will be forced to either not meet patient needs or shift money from other accounts to meet the need.

Even with the opportunity for veterans from OIF/OEF to have up to 5 years of care following their active duty period, we have not seen a dramatic change in overall enrollee population. Yet The American Legion remains concerned that the population estimates are dated and not reflective of the costs. If current economic woes and high unemployment rates for veterans remain, VA medical care will remain increasing enticing for a veteran population that might not have utilized those services in different times.

Finally, ongoing implementation of programs such as the PL 111-163 "Caregiver Act" will continue to increase demands on the VA health care system and, therefore, result in an increased need for a budget that can adequately deal with the challenges.

The final FY 2013 advanced appropriations for Medical Services was \$41.3 billion. In order to meet the increased levels of demand, even assuming that not all eligible veterans will elect to enroll for coverage, and keep pace with the cost trend identified above, there must be an increase to account for both the influx of new patients and increased costs of care.

The American Legion recommends increasing the FY 2014 budget for VA Medical Services to \$44 billion.

Medical Support and Compliance

The Medical Support and Compliance account consists of expenses associated with administration, oversight, and support for the operation of hospitals, clinics, nursing homes, and domiciliaries. Although few of these activities are directly related to the personal care of veterans, they are essential for quality, budget management, and safety. Without adequate funding in these accounts, facilities will be unable to meet collection goals, patient safety, and quality of care guidelines.

The American Legion has been critical of programs funded by this account. We remain concerned patient safety is addressed at every level. We are skeptical if patient billing is performed efficiently and accurately. Moreover, we are concerned that specialty advisors/counselors to implement OIF/OEF outreach, “Caregiver Act” implementation, and other programs are properly allocated. If no need for such individuals exists, should the position be placed within a facility? Simply throwing more money at this account, increasing staff and systems won’t resolve all these problems.

During the previous budget, this account grew by nearly 8 percent to \$5.31 billion. The American Legion questions the necessity for that rate to continue at this time.

The American Legion recommends increasing the FY 2014 budget for VA Medical Support and Compliance to \$5.52 billion.

Medical Facilities

During the FY 2012 budget cycle, VA unveiled the Strategic Capital Investment Planning (SCIP) program. This ten-year capital construction plan was designed to address VA’s most critical infrastructure needs within the VA. Through the plan, VA estimated the ten-year costs for major and minor construction projects and non-recurring maintenance would total between \$53 billion and \$65 billion over ten years. Yet during the FY 2012 budget, these accounts were underfunded by more than \$4 billion.

The American Legion is supportive of the SCIP program which empowers facility managers and users to evaluate needs based on patient safety, utilization, and other factors. While it places the onus on these individuals to justify the need, these needs are more reflective of the actuality as observed by our members and during our visits. Yet, VA has taken this process and effectively neutered it through budget limitations, thereby underfunding the accounts and delaying delivery of critical infrastructure.

So while failing to meet these needs, facility managers will be forced to make do with existing aging facilities. While seemingly saving money in construction costs, the VA will be expending money maintaining deteriorating facilities, paying increased utility and operational costs, and performing piecemeal renovation of properties to remain below the threshold of major or minor projects.

This is inefficient byproduct of budgeting priorities. Yet, as will be noted later, the reality remains that the SCIP program is unlikely to be funded at complete levels necessary to deliver on the ten year plan. Therefore, this account must be increased to meet the short term needs within the existing facilities.

With a final FY 2013 Advance Appropriations budget of \$5.74 billion, The American Legion recommends an FY 2014 budget increase to \$6 billion to ensure facilities are maintained to proper levels, particularly in an austerity period where much needed improvements by construction are being neglected and facilities are expected to extend their normal operating life.

The American Legion recommends increasing the FY 2014 Medical Facilities budget to \$6 billion.

Medical and Prosthetic Research

The American Legion has maintained a position that VA research must focus on improving treatment for medical conditions unique to veterans. Because of the unique structure of VA's electronic medical records (VISTA), VA research has access to a great amount of longitudinal data incomparable to research outside the VA system. Because of the ongoing wars of the past decade, several areas have emerged as "signature wounds" of the Global War on Terror, specifically Traumatic Brain Injury (TBI), Posttraumatic Stress Disorder (PTSD), and dealing with the aftereffects of amputated limbs.

Much media attention has focused on TBI from blast injuries common to Improvised Explosive Devices (IEDs) and PTSD. As a result, VA has devoted extensive research efforts to improving the understanding and treatment of these disorders. Amputee medicine has received less scrutiny, but is no less a critical area of concern. Because of improvements in body armor and battlefield medicine, catastrophic injuries that in previous wars would have resulted in loss of life have led to substantial increases in the numbers of veterans who are coping with loss of limbs.

As far back as 2004, statistics were emerging which indicated amputation rates for US troops were as much as twice that from previous wars. By January of 2007, news reports circulated noting the 500th amputee of the Iraq War. The Department of Defense response involved the creation of Traumatic Extremity Injury and Amputation Centers of Excellence, and sites such as Walter Reed have made landmark strides in providing the most cutting edge treatment and technology to help injured service members deal with these catastrophic injuries.

However, The American Legion remains concerned that once these veterans transition away from active duty status to become veteran members of the communities, there is a drop off in the level of access to these cutting edge advancements. Ongoing care for the balance of their lives is

delivered through the VA Health Care system, and not through these concentrated active duty centers.

Many reports indicate the state of the art technology available at DOD sites is not available from the average VA Medical Center. With so much focus on “seamless transition” from active duty to civilian life for veterans, this is one critical area where VA cannot afford to lag beyond the advancements reaching service members at DOD sites. If a veteran can receive a state of the art artificial limb at the new Walter Reed National Military Medical Center (WRNMMC) they should be able to receive the exact same treatment when they return home to the VA Medical Center in their home community, be it in Gainesville, Battle Creek, or Fort Harrison.

American Legion contact with senior VA health care officials has concluded that while DOD concentrates their treatment in a small number of facilities, the VA is tasked with providing care at 152 major medical centers and over 1,700 total facilities throughout the 50 states as well as in Puerto Rico, Guam, American Samoa and the Philippines. Yet, VA officials are adamant their budget figures are sufficient to ensure a veteran can and will receive the most cutting edge care wherever they choose to seek treatment in the system.

The American Legion remains concerned about the ability to deliver this cutting edge care to our amputee veterans, as well as the ability of VA to fund and drive top research in areas of medicine related to veteran-centric disorders. There is no reason VA should not be seen at the world’s leading source for medical research into veteran injuries such as amputee medicine, PTSD and TBI.

In FY 2011 VA received a budget of \$590 million for medical and prosthetics research. Only because of the efforts of the House and Senate, was this budget kept at that level during the FY 2012 budget due to significant pressure from The American Legion. Even at this level, The American Legion contends this budget must be increased, and closely monitored to ensure the money is reaching the veteran at the local level.

The American Legion recommends FY 2013 budget for Medical and Prosthetics Research be increased to \$600 million.

Medical Care Collections Fund (MCCF)

In addition to the aforementioned accounts which are directly appropriated, medical care cost recovery collections are included when formulating the funding for VHA. Over the years, this funding has been contentious because they often included proposals for enrollment fees, increased prescription rates, and other costs billed directly to veterans. The American Legion has always ardently fought against these fees and unsubstantiated increases.

Beyond these first party fees, VHA is authorized to bill health care insurers for nonservice-connected care provided to veterans within the system. Other income collected into this account includes parking fees and enhanced use lease revenue. The American Legion remains concerned that the expiration of authority to continue enhanced use leases will greatly impact not only potential revenue, but also delivery of care in these unique circumstances. We urge Congress to reauthorize the enhanced use lease authority with the greatest amount of flexibility allowable.

However, the collection of fees and insurance payments comprises nearly 98 percent of the revenue gathered within this account. In the previous budget cycle, this account was budgeted to decrease to \$2.77 billion. The American Legion remained skeptical that the VA was meeting these deadlines even at a reduced level. We were well aware that failure to meet these budgeted amounts equated to a reduction in appropriations and therefore a reduction in services at some level.

In the first quarter of FY 2011, VHA reported a 12.3 percent decrease below the budgeted collections – an amount totaling nearly \$100 million. They remained below projections for the second quarter of FY 2011 when the Senate Veterans' Affairs Committee shared our concern in a letter requesting detailed plans on how VA was going to improve on MCCF collections. To date, our fears have not been assuaged that VA can actually deliver on projected savings, even when reduced during the previous budget cycle.

In May 2011, the VA Office of Inspector General (OIG) issued a report auditing the collections of third party insurance collections within MCCF. Their audit found that "VHA missed opportunities to increase MCCF by . . . 46 percent." Because of ineffective processes used to identify billable fee claims and systematic controls, it was estimated VHA lost over \$110 million annually. In response to this audit, VHA assured they'd have processes in place to turn around this trend.

According to the VA, approximately 90 percent of the proposed increase in the MCCF account for FY 2013 will be based on the ability for VA to bill private insurance companies a "preferred provider" rate rather than the Medicare rate. When this proposal was included in previous submissions, it never was authorized. Clearly, the VA will be hard pressed to meet the collection levels optimistically budgeted for 2013. Without those collections, savings must be garnered elsewhere to meet these shortfalls, thereby causing facility administrators and VISN directors to make difficult choices that ultimately negatively impact veterans through a lack of hiring, delay of purchasing, or other savings methods.

It would be unconscionable to increase this account beyond the previous levels that were not met. To do so without increasing co-payments or collection methods would be counterproductive and mere budget gimmickry. While we recognize the need to include this in the budget, The American Legion cannot support a budget that penalizes the veteran for administrative failures.

The American Legion recommends budgeting \$2.95 billion for Medical Care Cost Collections.

Appropriations for FY 2013

The remaining accounts within VA are being allocated funding for FY 2013. These include funding for general operation of VA Central Office (VACO), the National Cemetery Administration (NCA) and Veterans Benefits Administration.

Veteran Benefits Administration (VBA)

Any discussion of the VBA must include discussion of the ongoing backlog of veterans' benefits claims. Despite improvements to the claims processing system enabling VBA to process claims more rapidly, the backlog has continued to grow as the influx of claims each year continues to exceed a million claims a year over the past three years. Additional claims resulting from additions to presumptive conditions associated with the aftereffects of the chemical herbicide Agent Orange have contributed to this backlog. The American Legion can further foresee significant increases to claims as more service members return from wars in Afghanistan and Iraq and are assimilated into the civilian veteran population. Further cuts to military manpower will drive more veterans into the civilian populace and as service members transition from active duty to the civilian world, more claims will continue to pour in.

Despite improvements to claims processing by the beginnings of implementation of the Veterans Benefits Management System (VBMS), the VBA's fully electronic claims processing system, overall VBA will be strained beyond their already struggling capacity without proper funding to adequately address the backlog. While there have been significant improvements in funding to VBA over the past six years, this trend must continue if there is any hope to stave off disaster. The system is already strained to its limits and is struggling to even "tread water." Further improvements in this area must be made so that veterans can finally receive prompt and accurate service addressing their needs for injuries and conditions sustained during their active duty service, as well as the residual aftereffects of that selfless service.

VBA is also deeply involved in a massive overhaul of the ratings schedule for payment of disability for every major body system. Potential changes to ratings for mental health disorders and major musculoskeletal groups will be rolled out over the coming years, and implementation of these changes will require extensive training of VBA personnel to ensure they are properly administering the benefits system. The American Legion has long been critical of training within VBA, and lack of proper training contributes to high error rates which further tie up the claims systems with lengthy appeals that would be unnecessary if the claims had been decided properly, by properly trained personnel, on the first go-around.

In other areas of compensation, pension and fiduciary programs administered within VBA have been ongoing consolidation. Whether or not these consolidations contribute to savings and more efficient operation is a matter of open debate. The American Legion contends consolidation has often created more problems than it has solved, and often necessitated additional personnel at the local level to fix problems created by removing staff to remote areas out of direct contact with the veterans they purport to serve.

Furthermore, by VBA's own admission, consolidation of fiduciary programs has resulted in pulling personnel away from claims processing to be moved to the new fiduciary hubs, thereby creating a vacuum in claims processing, an area already tasked to the limit. Given the lengthy training period necessary to bring new claims processing hires up to speed and effectiveness this only portends more problems in the already troubled claims processing arena.

Increased funding in this area is necessary to provide for new employees to handle the massive caseload, more extensive and better organized training targeted to address key areas of deficiency in claims processors, and to ensure personnel adequate for full use of the VBMS system. Furthermore, as the proliferation of pilot programs to solve the challenges of the claims systems

continues to evolve, more funding will be needed to ensure that the more advanced and effective business models can be replicated and implemented on a national level so there is consistency in every Regional Office.

VBA's final FY 2012 appropriation for budget was \$2 billion, a reduction from the FY 2011 levels. Given the dire need of enhancements in this area, The American Legion is recommending a 10 percent increase in this budget for FY 2013 to account for the many areas of need, including increased staffing and training. As with all areas of VA budgeting, The American Legion is concerned that any increases in funding actually reach down to the regional level, rather than be swallowed up by an endlessly expanding VACO bureaucracy. Congress has shown good faith recognizing the dire need for funding to ensure veterans receive timely access to benefits, but oversight must be exercised to ensure this money actually reaches the veteran on the street, where it is most deserved.

The American Legion recommends budgeting \$2.2 billion for the Veterans Benefits Administration (VBA).

Information Technology

Like the VBA budget, the Information Technology (IT) budget was slightly pared back in FY 2012. The American Legion was unable to gauge the progress gained on the 76 IT projects proposed during that budget cycle. In addition to the implementation and launch of the VBMS system, the greatest long-awaited project is the launch of the joint VA and Department of Defense (DOD) lifetime record – Virtual Lifetime Electronic Record (VLER).

The American Legion remains a strong advocate for the implementation of such recordkeeping, yet we are pessimistic the VA and DOD are making sufficient progress towards that end.

During the previous budgeting, VA was unable to provide information on the overall cost of creating such a system, but assured veteran advocates there was enough flexibility to address any costs associated with the project. In the meantime, several releases and announcements have been issued by VA towards the continued evolution of this project, but there is little to demonstrate we're any closer to producing a ready model. The American Legion calls upon Congress to continue to pressure VA and DOD to move towards this system as expeditiously as possible. With the development and launch of VBMS nearly complete, the entire IT focus should center on VLER.

In order to provide the necessary resources for the nationwide rollout of VBMS and still maintain efforts towards development of VLER, The American Legion believes a small increase is justified within IT.

The American Legion recommends budgeting \$3.3 billion for Information Technology.

Major and Minor Construction

After two years of study the Department of Veterans Affairs (VA) developed the Strategic Capital Investment Planning (SCIP) program. It is a ten-year capital construction plan designed to

address VA's most critical infrastructure needs within the Veterans Health Administration, Veterans Benefits Administration, and National Cemetery Administration.

The SCIP planning process develops data for VA's annual budget requests through analysis of VA facilities nationwide. These infrastructure budget requests are divided into several VA accounts: Major Construction, Minor Construction, Non-Recurring Maintenance (NRM), Enhanced-Use Leasing, Sharing, and Other Investments and Disposal. In the 2013 budget submission, VA estimated implementation of SCIP would require between \$51 billion and \$62 billion. Activation of these facilities would require approximately \$10 billion to \$12 billion more.

The American Legion is very concerned about the lack of funding in the Major and Minor Construction accounts. In FY 2012 The American Legion recommended to Congress that the Major Construction account be funded at \$1.2 billion and the Minor Construction account be funded at \$800 million. However, Congress only appropriated \$589 million and \$482 million respectively to those accounts. Based on VA's SCIP plan, Congress underfunded these accounts by approximately \$4 billion in FY 2012. Clearly, if this underfunding continues VA will never fix its identified deficiencies within its ten-year plan.

Investment Type Estimated Cost of SCIP Implementation FY 2013 Budget Proposal Completion at present funding level

Major Construction \$20.1 - \$24.6 billion \$532 million 38 – 45 years

Minor Construction \$8.6 – 10.5 billion \$608 million 14 – 18 years

The American Legion also understands there is a discussion to refer to SCIP in the future as a "planning document" rather than an actual capital investment plan. Under this proposal, VA will still address the deficiencies identified by the SCIP process for future funding requests but rather than having an annual appropriation, SCIP will be extended to a five year appropriation, similar to the appropriation process used by the Department of Defense as its construction model. Such a plan will have huge implications on VA's ability to prioritize or make changes as to design or project specifications of its construction projects. The American Legion is against this five year appropriation model and recommends Congress continue funding VA's construction needs on an annual appropriations basis.

The American Legion recommends Congress adopt the 10-year action plan created by the SCIP process. Congress must appropriate sufficient funds to pay for needed VA construction projects and stop underfunding these accounts. In FY 2013 Congress must provide increased funding to those accounts to ensure the VA-identified construction deficiencies are properly funded and these needed projects can be completed in a timely fashion.

The American Legion recommends budgeting \$5.3 billion for Major Construction and \$1.2 billion for Minor Construction projects within VA.

State Veterans Homes Construction Grants

Perhaps no program facilitated by the VA has been as impacted by the decrease in government spending than the State Veterans Homes Construction Grant program. For the past two fiscal years, Congress has appropriated \$85 million towards the construction, upgrade, and expansion of long term care facilities operated by the states.

This program is essential in providing services to a significant number of veterans throughout the country at a fraction of the daily costs of similar care in private or VA facilities. Yet, in order to qualify for the federal grant, states must put forward a percentage of the overall planning and construction costs. With a downturn in the economy, a majority of the states have been unable to leverage state funding for these projects. That coupled with a significant increase in 2009 helped eliminate the backlog that had been building.

As the economy rebounds and states are pivoting towards resuming essential services, taking advantage of depressed construction costs, and meeting the needs of an aging veteran population, greater use of this grant program will continue. The American Legion encourages Congress to maintain the funding level of this program.

The American Legion recommends budgeting \$85 million for State Veterans Homes Construction Grant program.

National Cemetery Administration (NCA)

No aspect of the VA is as critically acclaimed as the National Cemetery Administration (NCA). In the 2010 American Customer Satisfaction Index, the NCA achieved the highest ranking of any public or private organization. This wasn't a one-time occurrence; it has been replicated numerous times in the past decade. In addition to meeting this customer service level, the NCA remains the highest employer of veterans within the federal government and remains the model for contracting with veteran-owned businesses.

The NCA is comprised of 131 national cemeteries. NCA was established by Congress and approved by President Abraham Lincoln in 1862 to provide for the proper burial and registration of graves of Civil War dead. Since 1973, annual interments in NCA have increased from 36,400 to over 117,426 in 2011.

While NCA met their goal of having 90 percent of veterans served within 75 miles of their home, their aggressive strategy to improve upon this in the coming five years will necessitate funding increases for new construction. Congress must provide sufficient major construction appropriations to permit NCA to accomplish this goal and open five new cemeteries in the coming five years. Moreover, funding must remain to continue to expand existing cemetery facilities as the need arises.

The average time to complete construction of a national cemetery is 7 years. The report of a study conducted pursuant to the Millennium Bill concluded that an additional 31 national cemeteries would be required to meet the burial option demand through 2020. In order to adequately fund these five new cemeteries, Congress must be prepared to appropriate the resources now.

In addition, within the SCIP plan, the NCA identified a need of \$563 million in major construction projects, \$517 million in minor construction projects, and \$231 million in activation. While not as overwhelming as the need within other agencies of the VA, these are considerable.

The American Legion recommends budgeting \$100 million for each of the major and minor construction categories within NCA.

While the costs of fuel, water, and contracts have risen, the NCA operations budget has remained nearly flat for the past two budgets. Some of these expenses have been a result of efficiency transformations within the cemetery. Others have been due to the thriftiness of cemetery superintendants.

Unfortunately recent audits have shown cracks beginning to appear because of these savings. Due predominantly to poor contract oversight, several cemeteries inadvertently misidentified burial locations. Although only one or two were willful violations of NCA protocols, the findings demonstrate a system about ready to burst.

To meet the increased costs of fuel, equipment, and other resources as well as ever-increasing contract costs, The American Legion believes a small increase is necessary. In addition, we urge Congress to adequately fund the construction program to meet the burial needs of our nation's veterans.

The American Legion recommends budgeting \$260 million for National Cemetery Administration's Operating Budget.

State Veterans' Cemeteries Grant Program

The NCA administers a program of grants to states to assist them in establishing or improving state-operated veterans' cemeteries through VA's State Cemeteries Grants Program (SCGP). Established in 1978, this program funds nearly 100 percent of the costs to establish a new cemetery, or expand existing facilities. For the past two budgets this program has been budgeted \$46 million to accomplish this mission.

In 2007, the Dr. James Allen Veteran Vision Equity Act of 2007 (Public Law 110-157) authorized VA under the SCGP to provide additional federal assistance to states for the operation and maintenance of state veterans cemeteries. Prior to passage of this law, VA could only provide federal funds for the establishment, expansion, and improvement of state veterans' cemeteries. VA could not fund the operation or maintenance of state veterans' cemeteries.

The new authority granted by the Act authorizes VA to fund Operation and Maintenance Projects at state veterans' cemeteries to assist states in achieving the national shrine standards VA achieves within national cemeteries. Specifically, the new operation and maintenance grants have been targeted to help states meet VA's national shrine standards with respect to cleanliness, height and alignment of headstones and markers, leveling of gravesites, and turf conditions. The

Act authorizes VA to award up to a total of \$5 million for such purposes each fiscal year to ensure state veterans' cemeteries meet the highest standards of appearance and serve as national shrines to honor the nation's military service members with a final resting place.

In addition, this law allowed for VA to provide funding for the delivery of grants to tribal governments for Native American veterans. Yet after the passage of this act, we have not seen the allocation of funding increased to not only meet the existing needs under the construction and expansion level, but also the needs from operation and maintenance and tribal nation grants. Moreover, as these cemeteries age, the \$5 million limitation must be revoked to allow for better management of resources within the projects.

State cemetery grants are managed through an intricate list of priority groups, assigning rank and priority to projects based on burial need, matching funds from the state or tribal government, and other factors. The 2012 priority list has over 100 applications for grants valued at over \$250 million. Sixty applications, totaling over \$150 million, already have matching funds necessary to leverage the grant money from NCA. In order to meet this growing need, the grant funding must be increased.

The American Legion recommends budgeting \$60 million for State Veterans' Cemeteries Grant Program.

Conclusion

In conclusion, The American Legion is optimistic the President has proposed a budget adequate to meet the needs of the more than 1 million service members who are returning after deployments in support of the Global War on Terror. We're hopeful savings generated through downsizing of the military are leveraged against the need of thousands of service members who will be discharged to create the savings. Yet, we're more than pessimistic these will be accomplished without budget gimmickry such as carryover funds, lofty collection goals, and other schemes.

As we've seen in previous years, when these slights of hand are used, it almost always negatively impacts the care and benefits afforded to our nation's veterans. Too often while veteran advocates celebrate dramatically increased budgets, the veteran patient, claimant, or widow is left wondering where the money went. We must not do so again.

Our nation's veterans deserve adequate and responsible funding to the fullest level possible. After over a decade of service, our newest era of veterans will join the ranks of generations of their brothers and sisters who are owed a great debt.

Our debt is one paid for by the sweat in the ungodly heat of Iraq. Our liability was earned by the young Marine trudging up and down the rugged mountains of Afghanistan. This obligation was earned in the darkened cockpit of a medical evacuation flight jetting over the Atlantic. It is a debt of tears, blood and sacrifice and deserves to be repaid in honest true money.