

Mr. Richard Jones, National Legislative Director, AMVETS

TESTIMONY

of

Richard Jones
AMVETS National Legislative Director

before the

Committee on Veterans Affairs
U.S. Senate

on

The Independent Budget

and

The Department of Veterans Affairs Budget
for Fiscal Year 2006

Tuesday, February 15, 2005,
Senate Russell Building 412

Chairman Craig, Ranking Member Akaka, and members of the Committee:

AMVETS is honored to join fellow veterans service organizations at this hearing on the VA's budget request for fiscal year 2006. My name is Richard A. Jones, National Legislative Director, and I am pleased to provide you our best estimates on the resources necessary to carry out a responsible budget for the fiscal year 2006 programs of the Department of Veterans Affairs. AMVETS testifies before you today as a co-author of The Independent Budget.

For over 19 years AMVETS has worked with the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars to produce a working document that sets out our spending recommendations on veterans' programs for the new fiscal year. Indeed, we are proud that over 40 veteran, military, and medical service organizations endorse these recommendations. In whole, these recommendations provide decision-makers with a rational, rigorous, and sound review of the budget required to support authorized programs for our nation's veterans.

In developing this document, we believe in certain guiding principles. Veterans must not be forced to wait for the benefits promised them. Veterans must be assured of access to high quality health care. Veterans must be guaranteed access to a full continuum of healthcare services, including long-term care. And, veterans must be assured burial in a state or national cemetery in every state.

It is our firm belief that the mission of the VA must continue to include support of our military in times of emergency and war. Just as this support of our military is essential to national security, the focus of the VA medical system must remain centered on specialized care. VA's mission to conduct medical and prosthetics research in areas of veterans' special needs is critical to the integrity of the veterans healthcare system and to the advancement of American medicine.

In addition, the VA healthcare system is responsible for great advances in medical science, and these advanced benefits all Americans. The VHA is the most cost effective application of federal healthcare dollars, providing benefits and services at 25 percent lower cost than other comparable medical services. In times of national emergency, VA medical services can function as an effective backup to the DoD and FEMA.

Noting the mission of the VA, it is important to understand the areas where VA funding must be increased. The VA budget must address the pending wage increases for VA employees. It must address the continuing backlog in veterans waiting for health care and it must address, as well, VA's benefits casework backlog. There are severely disabled veterans and those needing home-based healthcare in those backlogs, and I think we can all agree that this situation should be addressed and corrected.

As we look to fiscal year 2006, we witness a live lesson about the challenges inherent to inadequate funding. VA says that action was taken, due to inadequate resources, to ban healthcare access to tens of thousands of veterans who are eligible to enroll in the very system put in place to serve them. The resource situation reaches the absurd when, after blocking entry to these so-called "high income" veterans, VA directs its workers under VHA Directive 2003-003, January 17, 2003, to send banned veterans to Community Social Work for assistance. For those brave men and women who once served to defend America's freedom, welfare has replaced their earned benefit.

Looking at the 2006 budget, released last week, AMVETS notes that the Administration is proposing an \$880 million increase in VA health care. More than 85 percent of the administration's proposed increase, \$768 million, comes directly from the wallets of veterans using the system, in the form of a new user tax and a doubling of prescription copayments for about 2 million veterans.

When stripped of the proposed new user tax and increased copay, the budget recommendation presents a paltry one-half of one percent increase above last year's funding; \$111.2 million; not even enough to cover the president's proposed federal pay raise for the medical staff that delivers veterans' health care. The result of these proposals, according to VA, would push 215,000 former servicemembers out of the very system designed for their care.

To avoid implementation of the proposed exclusion of these veterans, The Independent Budget recommends Congress provide \$31.2 billion to fund VA medical care for fiscal year 2005, an increase of \$3.5 billion over the Administration's request. We ask Congress to recognize that the VA healthcare system can only bring quality health care if it receives adequate funding. It is an excellent investment for America.

Not only would adequate funding allow VA to achieve its mission of providing veterans health care, young Americans will see that our nation does not abandon its responsibilities to those who have served in armed defense of our nation. It would send a message that the contributions of servicemembers are appreciated above the priorities of non-defense, non-homeland security, and other non-veteran spending programs.

It is also important to clearly state that AMVETS along with its Independent Budget partners strongly supports shifting VA healthcare funding from discretionary funding to mandatory. We recommend this action because the current discretionary system is not working. Moving to mandatory funding would give certainty to healthcare services. VA facilities would not have to deal with the whimsy of discretionary funding, which has proven inconsistent and inadequate. Mandatory funding would provide a comprehensive solution to the current funding problem. Once healthcare funding matches the actual average cost of care for veterans enrolled in the system, with annual indexing for inflation, the VA can fulfill its mission.

The National Cemetery Administration

Before I address budget recommendations for the National Cemetery Administration (NCA), which is AMVETS's primary responsibility in the development of The Independent Budget, I would like members of the Committee to know that AMVETS is truly grateful to those who serve on this important committee. Through your work, you represent the veteran's voice. And as you lead the country in addressing issues important to veterans and their families, you may be assured that we will work with you and help report your leadership to the nation.

The members of The Independent Budget recommend that Congress provide \$204 million in fiscal year 2006 for the operational requirements of NCA, the national Shrine initiative, and the backlog of repairs. We recommend your support for a budget consistent with NCA's growing demands and in concert with the respect due every man and woman who wears the uniform of the United States Armed Forces. This recommendation includes the start of a five-year \$250 million program to restore and improve the condition and character of NCA cemeteries and, in total, is an increase; Valmost entirely aimed at improving the NCA Shrine initiative; Vof \$40 million over the Administration's request for next year.

Clearly, the aging veteran population has created great demands on NCA operations. Primarily because of the mortality rate of World War II and Korean War veterans is increasing, as is the usage of burial services by Vietnam War Veterans, actuarial projections do not suggest a decline in these demands for many years. From current interment levels of 100,000 per year, the VA interment rate is projected to increase successively over the next several years peaking at 109,000 in the year 2008.

The National Cemetery Administration maintains more than 2.6 million gravesites in approximately 14,000 acres of cemetery land and interments more than 100,000 veterans annually. The NCA management responsibilities include 120 cemeteries: of these, 60 have available, unassigned gravesites for burial of both casketed and cremated remains; 26 allow only cremated remains; and 34 are closed to new interments.

Progress is underway at several sites around the country to complete construction of new national cemeteries. Funding is already in place for the Georgia National Cemetery, Atlanta, Georgia; the Great Lakes National Cemetery, Detroit, Michigan; the Southern Florida's National Cemetery, Miami, Florida; the Ft Sill National Cemetery, Oklahoma City, Oklahoma; the National Cemetery of the Alleghenies, Pittsburgh, Pennsylvania; and the Sacramento National Cemetery, Sacramento, California.

The administration's recommendations in the 2006 budget contain \$41 million of additional funding for land acquisition and related costs for six new cemeteries authorized under Public Law 108-109 to include sites at Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Southeastern, Pennsylvania; and Sarasota, Florida.

We ask for your strong commitment in supporting the administration's request for these funds in the congressional budget and final appropriations for the new year. With the opening of these new national cemeteries and state cemeteries, too, the percentage of veterans served by burial option within 75 miles of their residence will rise to 85 percent from a level of 73 percent in 2001, almost doubling the number of gravesites during this period.

The members of The Independent Budget are encouraged by the Administration's recommended increase in NCA resources for Fiscal Year 2005. It should be recognized, however, that while the administration's proposal adequately addresses employment increases and equipment needs, it does not serve to address problems and deficiencies identified in the Study on Improvements to Veterans Cemeteries, a comprehensive report submitted in 2002 by VA to Congress on conditions at each cemetery.

Volume 2 of the Study identifies over 900 projects for gravesite renovation, repair, upgrade, and maintenance. According to the Study, these project recommendations were made on the basis of the existing condition of each cemetery, after taking into account the cemetery's age, its burial activity, burial options and maintenance programs. The total estimated cost of completing these projects is nearly \$280 million, according to the Study.

As any public facilities manager knows, failure to correct identified deficiencies in a timely fashion results in continued, often more rapid, deterioration of facilities and increasing costs related to necessary repair. The IBVSOs agree with this assessment and request Congress carefully consider this report to address the condition of NCA cemeteries. We recommend that Congress and VA work together to establish a timeline for funding these projects based on the severity of the problems to ensure they remain respectful settings for deceased veterans and visitors. We recommend an establishment of a 5-year \$250 million program to complete projects identified in the Study.

Volume 3 of the Study describes veterans cemeteries as national shrines saying that one of the most important elements of veterans cemeteries is honoring the memory of America's brave men and women who served in the Armed Forces. "The commitment of the nation," the report says, "as expressed by law, is to create and maintain national shrines, transcending the provisions of benefits to the individual?even long after the visits of families and loved ones."

Indeed, Congress formally recognized veterans cemeteries as national shrines in 1973 stating, "§All national and other veterans cemeteries shall be considered national shrines as a tribute to our gallant dead." (P.L. 93-43:24 1003(c)) Moreover, many of the individual cemeteries within the system are steeped in history and the monuments, markers, grounds and related memorial tributes represent the very foundation of these United States. With this understanding, the grounds, including monuments and individual sites of interment, represent a national treasure that deserves to be protected and nurtured.

Unfortunately, despite NCA continued high standards of service and despite a true need to protect and nurture this national treasure, the system has and continues to be seriously challenged. The current and future needs of NCA require continued adequate funding to ensure that NCA remains a world-class, quality operation to honor veterans and recognize their contribution and service to the Nation.

The State Cemetery Grants Program:

For funding the State Cemetery Grants Program, the members of The Independent Budget recommend \$37 million for the new fiscal year, an increase of \$5 million over the Administration proposal. The State Cemetery Grants Program is an important complement to the NCA. It helps States establish gravesites for veterans in those areas where NCA cannot fully respond to the burial needs of veterans. The enactment of the Veterans Programs Enhancement Act of 1998 has made this program very active and attractive to the states.

Clearly, the enactment of the Veterans Benefits Improvements Act of 1998 has heightened the interest in the state cemetery grants program and increased participation of states in establishing fully equipped cemeteries for veterans. In fiscal year 2004, the state cemetery grant program had helped provide burial space for 19,246 burials of veterans and their eligible family members, an increase of nearly 5.6 percent over the prior year.

Currently, six new cemeteries are under construction in Boise, Idaho (the last state in the nation without a veterans cemetery); Wakeeney, Kansas; Winchendon, Massachusetts; Killeen, Texas; and Suffolk, Virginia (serves 200,000 veterans in the Tidewater area). As before the 1998 legislative change, States remain totally responsible for operations and maintenance expenses to ensure conditions remain in a manner appropriate to honor the memory of veterans.

To augment support for veterans who desire burial in state facilities, members of The Independent Budget support increasing the plot allowance to \$745 from the current level of \$300. The plot allowance now covers less than 6 percent of funeral costs. Increasing the burial benefit to \$745 would make the amount nearly proportional to the benefit paid in 1973. In addition, we firmly believe the plot allowance should be extended to all veterans who are eligible for burial in a national cemetery not solely those who served in wartime.

The Independent Budget veterans service organizations (IBVSOs) also request Congress review a series of burial benefits that have seriously eroded in value over the years. While these benefits were never intended to cover the full costs of burial, they now pay for only a fraction of what they covered in 1973, when they were initiated.

The IBVSOs recommend an increase in the service-connected benefits from \$2,000 to \$4,100. Prior to action in the last Congress, increasing the amount \$500, the benefit had been untouched since 1988. The request would restore the allowance to its original proportion of burial expense.

The IBVSOs recommend increasing the nonservice-connected benefit from \$300 to \$1,270, bringing it back up to its original 22 percent coverage of funeral costs. This benefit was last adjusted in 1978, and today covers just 6 percent of burial expenses.

The IBVSOs also recommend that Congress enact legislation to index these burial benefits for inflation to avoid their future erosion.

Mr. Chairman, this concludes my statement. I thank you again for the privilege to present our views, and I would be pleased to answer any questions you might have.