

**NATIONAL ASSOCIATION OF STATE DIRECTORS  
OF VETERANS AFFAIRS**



**Joint Hearing of the House and Senate  
Veterans' Affairs Committees**

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*Presented by*

*Rear Admiral W. Clyde Marsh, USN Retired*

*President, National Association State Directors of*

*Veterans Affairs*

*Commissioner, Alabama Department of Veterans Affairs*

## **INTRODUCTION**

Mr. Chairman and distinguished members of the committee, my name is Clyde Marsh, President of the National Association of State Directors of Veterans Affairs (NASDVA) and Director of the Alabama Department of Veterans Affairs. I am honored to present the views of the Directors of Veterans Affairs for all fifty states, the District of Columbia, and five territories: American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the Virgin Islands.

As governmental agencies, we are second only to U.S. Department of Veterans Affairs (USDVA) in providing services to the nation's veterans and our roles continue to grow. We collectively contribute more than \$6 billion each year in pension benefits, disability payments, post 9/11 GI Bill and other earned compensation which is in keeping with President Lincoln's Promise of caring for him who have borne the battle and for his widow and orphan. State Directors and their staff veteran advocates counsels millions of veterans each year and assists in filing millions of claims each year. We collectively are responsible for our nation's 23 million veterans and their family members. Problems or issues are frequently identified and experienced at the local level and the delivery of meaningful services and support is often best coordinated at the local and state level.

### **USDVA – NASDVA PARTNERSHIP**

Since NASDVA's incorporation in 1946, there has been a long-standing "state-federal" cooperative relationship. The relationship is now a more formalized "partnership" through a Memorandum of Understanding (MOU) between USDVA and NASDVA signed in February 2012 with Secretary Shinseki. The MOU pledges the two organizations to maintain effective communications, an exchange of ideas and information, identification of emerging requirements, and continuous reevaluation of existing veterans' programs to meet today's needs.

Through the MOU, an "Abraham Lincoln Pillars of Excellence" Award was established in 2013 to recognize best practices from NASDVA participants that have developed effective programs to address four top-line issues: elimination of the claims backlog, ending veterans homelessness, improving access to VA benefits and services, and innovative state programs. Nineteen "best practices" were submitted and evaluated with Secretary Shinseki recently presenting awards highlighting the following states: Texas - Claims, Washington - Homelessness and Access, Illinois – Illinois Joining Forces, and Alabama – Veterans Treatment Courts.

### **FUNDING FOR VA**

NASDVA appreciates Congress' overall funding for VA health care, cemetery operations, homeless veterans programs, community clinics, and claims processing. We are serving a new generation of veterans from a decade of war who must receive medical care, establishment of benefits and assistance transitioning to civilian life after their dedicated service. S. 932 and H.R. 813, Putting Veterans Funding First Act, have already been passed by your committees; all that's needed now is to bring it to the floor for votes by the full House and Senate. We strongly urge Congress to do so since these companion bills would authorize advance appropriations for all VA programs, benefits and services. In the past four years, the advanced appropriation for VA medical care has proven to be a success.

The VA knows what its medical care funding situation is well before the start of each fiscal year, there are no delays, and consequently veterans are better able to receive the health care they need. This has helped meet the critical demand for mental health services, particularly in light of the Traumatic Brain Injuries (TBI) and Post Traumatic Stress Disorder (PTSD) from Iraq and Afghanistan and the lingering effects of Military Sexual Trauma. Putting Veterans Funding First Act simply extends the same common-sense process to all other VA functions, including the administration of disability and pension benefits, information technology, construction, medical and prosthetic research, and cemetery administration. It would bring more efficiency to all VA functions.

NASDVA applauds Congress' passage of S. 25 that restores the 1% COLA to military retired pay, previously cut by the Bipartisan Budget Act, that grandfathers working-age military retirees and currently serving members who entered service before January 1, 2014. S. 25 is a step in the right direction; however, full repeal needs to be considered. Retaining the COLA cut for new entrants to military service is premature before the congressionally created Military Compensation and Retirement Modernization Commission has made its recommendations. Any changes to the military pay and compensation system needs careful consideration and not include the current active force or current retirees. Putting the burden of the nation's fiscal issues on the shoulders of those sworn to defend us is neither a responsible approach or necessary. We must maintain a highly qualified, dedicated and compensated volunteer force – it is a matter of priority. Of equal importance and priority is keeping America's promise to her veterans!

## **ACCESS AND OUTREACH**

NASDVA strongly supports continued efforts to reach out to veterans regardless of where they reside. Many areas of the country are still underserved due to veterans' lack of information and awareness of their benefits. Travel time and/or distance directly impacts their access to VA services. State Directors and directors of the VA Medical Centers (VAMC) and VA Regional Offices (VARO) must continue to work together to reduce inequity in veterans' knowledge of and availability of services.

We commend VA for their commitment to improve responsive and efficient delivery of benefits and services to returning Iraq and Afghanistan combat veterans. They are the benefactors of better awareness of available benefits for themselves and their families and the improved process for receiving them. We agree that DoD should be responsible for the physical examination for fitness to serve and VA should be responsible for determining the disability rating. Likewise, steps should be taken to make disability processing less confusing, eliminate payment inequities, and provide a foundation with appropriate incentives for injured veterans to return to a productive life.

Perhaps the most critical element of early outreach to recently returning veterans is the sharing of information between state VA's and Transition Assistance Programs (TAP) nationwide. While the DoD has already integrated VA personnel and information into the revamped "Transition GPS" TAP program, NASDVA urges the addition of state-specific veteran resource information to the TAP program, as well as urges DoD to find a way to share TAP participant information with state VA's in a way that accounts for Personally Identifiable Information concerns. This linkage represents the most thorough, earliest method for connecting

separating service members with local veteran resources and navigation assistance for interacting with the VA.

The joint DoD/VA Integrated Disability Evaluation System (IDES) has proven to be effective. We support the efforts of Congress to have medical advocates to help wounded warriors mitigate the confusing array of paperwork and procedures. States support the collaborative efforts being taken among federal agencies to improve the timeliness, ease of application, and delivery of services and benefits, and strongly encourage the VA and DoD to use the states to assist them in these efforts.

## **VETERANS EMPLOYMENT**

Employment is essential to a successful transition from uniformed service to civilian status. Jobs for Veterans State Grant (JVSG) is administered by the Department of Labor, Veterans' Employment and Training Service (DOL-VETS), and through it the federal government provides approximately \$168 million to the states to support veterans employment. JVSG provides funding to states for Disabled Veterans' Outreach Program Specialists (DVOPS), who provide intensive services to eligible veterans with barriers to employment, and Local Veterans' Employment Representatives (LVERs) who conduct outreach to employers and facilitate employment and training services.

States need the flexibility to determine how best to integrate the DVOP/LVERs into their state employment service delivery systems. Under the statute, states are to determine the staffing required for DVOPS/LVERs to meet the veterans' employment needs of their state. In most states, the JVSG funding is provided to the state workforce agency, which in turn funds local workforce boards to provide these services. However, states should be allowed to place the JVSG program under the purview of state VA agency if the state believes that is in the best interest of its veterans, wherein it coordinates employment, training, and placement services furnished to veterans and eligible persons under the Workforce Investment Act and the Wagner-Peyser Act.

The move of the DoL-VETS program in Texas to the Texas Veterans Commission has been highly successful and serves as a good example. The last time DOL-VETS released data on the JVSG performance of all states (in 2011 but based on 2009 performance) Texas led the nation. Also, we believe DVOP/LVERs personnel are being under-utilized in their ability to assist veterans and that they should not only provide employment and reemployment assistance but also make appropriate referrals for veterans to receive benefits counseling, education and healthcare information.

We commend the continued emphasis on hiring veterans for federal employment and both DoL and DoD need to continue to promote awareness of the provisions and benefits under the Uniformed Services Employment and Re-employment Rights Act (USERRA). A potential red flag or concern to NASDVA is the million plus veterans that will be transitioning from active service over the next several years. The VA has been able to maintain headway with its current budget and facilities; however, another million veterans will stress if not overwhelm the current system. We, VA, Congress and States, must plan for the additional needs such as education and training as well as employment assistance to address the need for millions of new jobs.

## **VA HEALTHCARE SERVICES**

State Directors actively support increasing veterans' access to VA Healthcare. This involves being engaged with the VA Medical Centers (VAMC) on establishing and locating additional Community-Based Outpatient Clinics (CBOC) including clinics for Tribal Reservations in cooperation with the Indian Health Service. Coordination between State Directors and VAMCs should also address mental health services, expansion of Vet Centers, the deployment of mobile health clinics, and the use of tele-health services where appropriate. We applaud the efforts by VA to address the particular issues of healthcare for women veterans, military sexual trauma, mental health and veterans residing in rural areas. VA research and Development should be focused on these critical areas of interest.

We support initiatives to ensure that all of our wounded warriors who suffer from TBI and PTSD have access to the most advanced and current treatment options available. There should be expanded screening for PTSD among all combat veterans. We share the concern about the mental health of veterans, especially with the number of suicides and long-term effects of PTSD. We appreciate the proactive steps such as the suicide hotline and addressing the underlying causes for suicide; however, more still needs to be done since the suicide rates are still high exceeding even combat casualties.

Future healthcare funding is crucial to expand outreach and access to include tele-health, tele-home health and tele-medicine. We support VA contracting out some specialty care to private sector facilities where access for the veteran is difficult. Attention must still be given to the continued funding support of the large capital projects identified in VA's Strategic Capital Investment Plan (SCIP) while maintaining and addressing the backlog in O&M needs in VHA's large and aging infrastructure. Additionally, NASDVA recommends an in-depth examination of long-term care to include gap analysis clearly identifying where services are lacking. Any study should include consultation with NASDVA and National Association of State Veterans Homes (NASVH).

## **STATE VETERANS HOMES**

The State Home Grant and Per Diem Programs are the largest and most important partnerships between the NASDVA and USDVA. State Veterans Homes (SVH) are a critical component of long-term healthcare for veterans and a model of cost-efficient partnership between federal and state governments. SVH are the largest provider of long-term care to America's veterans providing a vital service to elderly and disabled veterans with skilled nursing, domiciliary, and adult-day health care services. There are 146 operational state veterans' homes in 50 states and the Commonwealth of Puerto Rico. In fact, state homes now provide 52 percent of all VA authorized long-term care with over 31,000 beds. World War II, Korean War and now the Vietnam veterans are rapidly aging out. With over 1.5 million veterans now over the age of 85, this partnership is critical in meeting the individual veterans' needs for nursing care.

Congress should appropriate sufficient funding to keep the existing backlog of projects in the State Extended Care Facilities Construction Grant Program at a manageable level to assure life safety upgrades and new construction. To adequately address the current backlog, construction grant funding should be increased to \$250 Million. Under the program, states are required to provide at least 35 percent of the total cost and federal grants can provide no more than 65 percent of the total cost. Only projects that already have state matching funds qualify as Priority List Group 1 projects. In just the past year, the number of Priority List Group 1 projects – those involving life/safety issues, new construction in states with unmet need and critical renovations – nearly doubled from \$257 million in FY 2013 to \$489 million in FY 2014.

Funding for the Construction Grant program has remained at only \$85 million each of the past four years, having fallen from \$165 million in FY 2008 and \$175 million in FY 2009, not counting an additional \$150 million in FY 2009 stimulus funding. With only \$85 million available for projects this year, the FY 2015 Priority 1 list already has over \$400 million in projects, and this will increase as states commit matching funds for some of the remaining \$439 million in Priority 2-7 applications pending, as well as dozens of new applications. Also of concern is that VA's movement towards "small house" construction projects has been increasing the per-bed cost of constructing new homes, further limiting the number of critical repairs and renovations that can be accomplished without a dramatic increase in federal support. The "small house" concept has great merit when applied to appropriate situations and locations but consideration should also be given to what construction style may be best for particular locations and economic realities related to individual states when construction decisions are made.

Congress, in consultation with USDVA, NASDVA and the NASVH should consider enacting legislation that would allow SVH to operate Homeless Veterans Programs. Some SVH have underutilized bed capacity in their domiciliary programs and are interested in operating small-scale homeless veterans programs; however current federal regulations do not authorize use of those facilities for homeless veterans programs. Enactment of this legislation would not result in any additional federal spending, but would only allow SVH to compete for existing federal grants.

In support of NASVH, NASDVA requests that USDVA expedite completion and publishing of new rules to support Adult Day Health Care and Domiciliary Care in SVH. Over four years ago USDVA, in consultation with NASVH, began working on new regulations to govern Adult Day Health Care and Domiciliary Care programs that SVH are authorized to operate. Without these new regulations, SVH who may have a need to open or expand Adult Day Health Care and Domiciliary Care programs are hindered in moving forward.

## **VA CLAIMS**

State Directors continue to take on a greater role in the effort to manage and administer claims processing. Regardless of whether the state uses state employees, nationally chartered veterans service organizations (VSO) and/or county veterans service officers (CVSO), collectively, we have the capacity and capability to assist the Veterans Benefit Administration (VBA). USDVA has made significant progress in eliminating the compensation and pension claims backlog with over 463,000 claims completed this fiscal year. With nearly 673,000 claims

currently pending, of which nearly 390,000 are over 125 days old, much work is yet to be done. Adequate resourcing and focused leadership needs to be applied to solve the VA claims backlog.

The Fully Developed Claims (FDC) process has had significant impact on the claims backlog. Over the past two years, several states have taken the lead in developing strategies and processes that have integrated the FDC process into their claims operations. NASDVA and its member states are embracing both the training and use of all electronic systems that USDVA has introduced in order to fundamentally change the claims application and adjudication process in the future. NASDVA requests continued emphasis on collaborative efforts for the establishment of standards for training, testing, and accrediting Service Officers to include continuing education and performance standards. We can support VA in their “duty to assist” without diminishing our role as the veterans’ advocate. USDVA needs to encourage veterans to seek representation so that all claims, FDC or otherwise, are filed properly.

States, like Texas, are actively working to file more initial claims through eBenefits, which prevents the creation of a paper file. Filing electronically from the beginning, has shown to take up to 60 days off the time to process the claim. Texas has led the way in providing millions of dollars in state funding to address the backlog problem. The Texas Veterans Commission’s State Strike Force Teams have reviewed over 35,000 backlogged cases and, in conjunction with its FDC Teams, have helped secure approximately \$78 million in retroactive payments and \$27 million in new monthly awards to Texas veterans and their families. California recently implemented a similar initiative while other states across the country are also using their own resources in tackling the backlog. Serious consideration needs to be given to making federal funding available to states, where appropriate, to assist with efforts “on the ground” that are proving effective in reducing the backlog.

Each state strives to fulfill the mission of identifying and connecting veterans to their benefits. Several states have developed their own claims management software systems. Increased access to VBA and other data systems and uniform paperless claims software will enhance service officer integration in the delivery of benefits services to veterans. Using the digits-to-digits (D2D) approach further enhances the paperless process capabilities of VA by creating a data exchange for claims assimilation directly from Service Officers to VA. The layout of the current eBenefits website needs to convey the importance of representation in the claims process.

Veteran databases need to have more information than just county numbers but should have contact information (address and email), periods of service, disability compensation and pension information. Thirty (30) states are currently using the Defense Personnel Records Information Retrieval System (DPRIS), and the remainder are programmed to sign access agreements with DoD. State-developed veteran databases, such as in Utah, through the integration of state systems, e.g. driver’s license and Medicaid roles etc., often show different population statistics. The veteran population modeling by USDVA is good but is based on the 10-year Americas Community Survey census. NASDVA continues to be concerned that the census does not specifically hard count veterans or disabled veterans; rather it only samples ten percent of the population. We strongly urge the Congress to mandate counting of all veterans in the next census.

## **VA PENSIONS**

NASDVA recognizes and appreciates the need to ensure claims abuse is minimized, particularly in submissions for Veterans and Dependent Pensions and Aid and Attendance. Current legislation, specifically H.R. 2189, seeks to do this. We do have concerns and ask that measures be put in place that will protect veterans and eligible dependents where, through no fault of their own, they could be adversely affected by predatory practices and advice. Unfortunately, there are many cases where individuals follow the advice of “for profit” organizations and businesses to divest themselves of assets not knowing the ultimate consequences. To this end, we respectfully request that NASDVA and NASVH be included “up front” in the rulemaking/regulatory process prior to the comment period and process on this important issue. By involving our two associations in this process, it will enhance and ensure a more positive outcome that protects veterans and their families.

## **STATE APPROVING AGENCY**

NASDVA members have direct oversight over nearly half of the nation’s State Approving Agencies (SAA) that assess and approve educational institutions and training programs in individual states for GI Bill education benefit eligibility. As a part of this effort, NASDVA also works closely with the National Association of State Approving Agencies (NASAA). In 2006, the SAAs secured a mandatory funding model to ensure their programs would have sufficient funding each year. With the important passage of the Post-9/11 GI Bill, the SAAs’ mission expanded with more compliance requirements but no additional resources. Without adequate resources, SAAs report that it is harder to sufficiently monitor and assess all academic programs under their charge.

Current legislation, S. 1717, being considered could potentially increase and change the duties and scope of work of SAAs nationwide. State Directors are uniquely positioned to see and understand the educational needs of our veterans and to understand the unique resource and functional challenges faced by our SAAs. The SAAs are one of the only ways USDVA can make an informed decision on approval and disapproval of academic programs. As such, we respectfully request that NASDVA and NASAA be included in any current and future development of policy, legislative proposals and regulatory processes that may affect SAA procedures and resources. NASDVA is committed to ensuring veterans, service-members, and their families are afforded maximum access to quality educational programs.

## **MEMORIAL AFFAIRS**

NASDVA appreciates Congress’ passage of PL 112-260 “Dignified Burial & Other Veterans’ Benefits Improvement Act of 2012,” which gave VA authority to provide burial services for unclaimed veterans’ remains. The legislation needs adjustment to allow for State and Tribal Veterans Cemeteries to also participate.

NASDVA appreciates the National Cemetery Administration (NCA) collaborative partnership with states, territories and tribal governments. The Veterans Cemetery Grant Program (VCGP) is a complementary and integral part of NCA ability to provide burial services for veterans and their eligible family members, especially those living in rural areas. State,



territory and tribal cemeteries expand burial access and support the NCA goal of providing a convenient burial option to 96% of all veterans in a 75-mile radius by the end of 2017. There are currently 90 cemeteries located in 45 states and territories including tribal trust lands, Northern Mariana Islands, Guam and Puerto Rico. This level of commitment will provide for over 32,000 interments in FY2014. NASDVA recommends that the funding for the VCGP in FY2015 be continued at the FY2014 level of \$45M.

NASDVA fully supports the NCA goal of ensuring that state and tribal veterans cemeteries are maintained as National Shrines through a Compliance Review Process as applied to the national cemeteries. This will align a review process for VA grant-funded state and tribal veterans cemeteries with the NCA Organizational Assessment and Improvement Program (OAI). It will apply similar proven performance metrics, which includes: annual self-assessments, site reviews every 5 years, and annual customer surveys and gravesite assessment reviews. Final results will provide cemetery directors with a report detailing overall performance, grant compliance scoring, and National Shrine Status.

NASDVA recommends Congressional support for the following legislative proposals in the FY2014 Program Budget Review that directly impact the state and tribal veterans cemeteries with authority to: provide allowance to transport unclaimed deceased veterans to state and tribal cemeteries, provide headstones and markers to eligible spouses and dependents at tribal cemeteries, provide outer burial receptacles at state and tribal cemeteries, and expansion of eligibility for the bronze medallion.

## **VETERANS HOMELESSNESS**

NASDVA applauds the policy by the Secretary of Veterans Affairs for ending homelessness among veterans. States will continue to develop and support outreach programs that assist VA in this high priority effort, particularly in identifying those veterans that are homeless and programs to prevent homelessness. As partners with USDVA, we are focusing on addressing the multiple causes of veterans' homelessness e.g. medical issues (mental and physical), legal issues, limited job skills, and work history. We appreciate the increased funding for specialized homeless programs such as Homeless Providers Grant and Per Diem, Health Care for Homeless Veterans, Domiciliary Care for Homeless Veterans, and Compensated Work Therapy. It is vital to continue VA's partnership with community organizations to provide transitional housing and the VA/HUD partnership with public housing authorities to provide permanent housing for veterans and their families.

We know that many stages of homelessness exist and likewise we know that many factors contribute to our nation's homelessness among veterans. Contributing factors are alcohol-drug abuse, mental health issues, PTSD, lack of jobs as well as the courts and corrections system. To eliminate chronic homelessness we must surround the problem and address the many root causes by providing the necessary mental health and drug treatment programs to include jobs and employment training. These collective programs must be adequately staffed and fully funded in the current and future budget. Another revolving door that appears to increase the rolls of homelessness among veterans is the burdened courts and corrections system.

## **VETERANS TREATMENT COURTS**

The States recognize an increase in justice-involved veterans, especially in the time shortly after discharge. Veterans are returning to a civilian world where unemployment is on the rise, financial institutions are failing, and families are torn apart. After discharge, many veterans suffer from severe mental and emotional problems that result in behaviors that are disruptive and often criminal in nature. To care for these veterans in a very specific way, States are establishing Veterans Treatment Courts (VTCs) to offer these veterans an opportunity at a second chance, as well as appropriate treatment and accountability.

VTCs are specialty courts that provide diversionary programs for veterans who find themselves justice involved. In addition to the pretrial diversionary methods offered, veterans are also evaluated for Federal VA benefits to include substance abuse treatment and mental health wellness. This aspect cuts costs for local jurisdictions that traditionally are required to pay for this expensive, specialized care. The accountability element given by mentoring veterans makes the VTC a unique, successful program that rehabilitates veterans to the civilian world.

Currently, the Bureau of Justice Assistance (BJA), in conjunction with the National Drug Court Institute (NDCI), offers orientation and training to jurisdictions interested in establishing VTCs. States can apply for these training opportunities through the Veterans Treatment Court Planning Initiative (VTCPI), which sends groups to key VTCs to observe and learn. These training grants are limited and only a few groups can attend every year. The States respectfully request support for increased funding to the BJA so more jurisdictions can participate. Additionally, increased funding for multi-year grants to aid jurisdictions in the establishment and sustainment of VTCs is needed. More VTCs means more direct help for veterans.

## **CONCLUSION**

Mr. Chairman and distinguished members of the VA committees, thank you for the important work that you are doing to keep the promise to our 23 million veterans and their families who answered or supported the call to serve our great country. Thank you for including NASDVA in these crucial hearings. We remain dedicated to doing our part in the face of financial challenges, just as you address the fiscal challenges at the national level. It has been said that a nation that forgets its veterans would itself soon be forgotten. We must never forget our nation's promise to those who created, liberated, defended and protects her now as well as those yet to come that must preserve it's future. God Bless those in harm's way and God Bless the USA!