

STATEMENT OF
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BEFORE THE JOINT HEARING
OF
THE COMMITTEES ON VETERANS' AFFAIRS
UNITED STATES SENATE & UNITED STATES HOUSE OF REPRESENTATIVES
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Chairmen Akaka and Filner, Ranking Members Burr and Buyer, Members of the Senate and House Veterans Affairs Committees, Distinguished Comrades of the VFW and our Auxiliaries, and Special Guests ...

It is my honor to be here today to represent the 2.1 million men and women of the Veterans of Foreign Wars of the United States and our Auxiliaries. Founded in 1899, the VFW is this nation's largest and oldest major combat veterans' organization.

We come before you as advocates for our brave servicemen and women, and for veterans and their families from all eras. We come before you as relevant reminders that those who go to war return home with an obligation to make things better for every ensuing generation who follows. This is central to the VFW's core value *"to honor the dead by helping the living."*

Mister Chairmen, we have seen a number of bills become law over the past year that will greatly enhance the quality of life of America's veterans. Foremost among them was the President signing Advanced Appropriations into law last October.

Advanced Appropriates ended a two-decade battle to properly forecast funding for the Department of Veterans Affairs (VA). I just want you to know how much the VFW appreciates your leadership and the work of your Committee members and staff. That piece of legislation will enable VA to better serve millions of deserving veterans. On behalf of my entire organization, thank you.

I begin my remarks today with the national health care debate and whether or not it will impact the health care programs provided to veterans and military retirees through the VA and the military's Tricare system.

Many promises have been made — by the President and by this Congress — that VA and Tricare will be protected, but a free press and an even freer Internet continue to fuel speculation that both health care systems will be lost and/or absorbed into a larger national plan. America's veterans and military retirees look to you — our champions in Congress — to protect both programs, and to do so vocally at every opportunity. I thank you for your understanding and support.

VA FUNDING

The VFW is very pleased with the Administration's FY 2011 VA budget request, not just because the amount requested is close to the amount recommended in the *Independent Budget*, but because the Administration exempted VA health care and benefits programs from the three-year federal freeze for most non-defense discretionary spending.

That decision proves that the Administration agrees with the Veterans' Service Organization (VSO) community that caring for those "*who have borne the battle*" is a continuing cost of war.

We are also pleased to see a proposed increase of 4,000 more claims adjudicators to help the Veterans Benefits Administration (VBA) get a handle on the VA claims backlog that currently exceeds more than 1.1 million.

Along with the growing claims backlog, the VFW is also concerned about the proposed funding request for construction and information technology (IT).

VA faces a huge backlog of necessary construction projects for an aging infrastructure that cannot be ignored. Many states also rely on their partnership with VA for construction funding to assist in building new State Veterans Homes. These partnerships are a win for everyone, most especially to veterans. An overall proposed reduction of \$278 million in major and minor construction, and a \$15 million reduction in State Grants for extended care facilities, is not a sign of forward movement.

Transforming VA into a 21st Century model of efficiency will also require a significant investment in its IT programs, which are critical to proper medical recordkeeping, accurate claims processing, telemedicine initiatives, and the Seamless Transition initiative with the Department of Defense (DOD).

IT is expensive, but so is starting and cancelling various computer programs. We call on your Committees to continue to securitize the VA budget through your powers of oversight to guard against waste and abuse, and we ask that you fully explore whether a stagnate IT budget request of \$3.3 billion is sufficient to transform VA into the 21st Century.

VA CLAIMS BACKLOG

The most important issue facing America's veterans today is the unacceptable VA claims backlog and an equally unacceptable processing error rate.

VA currently has more than 1.1 million individual claims and appeals for compensation, pension and education benefits. This massive backlog has resulted in a six-month average wait for an initial rating decision, and a two-year average wait for an appeal decision. That is completely unacceptable.

We are very pleased that Secretary Eric Shinseki has made reforming the VA claims processing system a top VA priority.

We commend the Secretary for adding B cell leukemia, Parkinson's disease, and ischemic heart disease to the herbicide exposure presumptive list — it was the right thing to do for Vietnam veterans. We also applaud his decision to review VA policies regarding disabilities arising in Gulf War veterans — that demonstrates the Secretary's leadership and the vision he has for his organization to be open to new evidence concerning conditions related to war. It is particularly noteworthy that he made these decisions knowing full well that new claims will result — perhaps by the tens of thousands — which will further add to the backlog.

The VFW realizes there is no silver bullet to fix VBA, but there are opportunities for steady and deliberate improvement. We also know that any single plan to make the overall claims process simpler could occur at the expense of the rights and benefits earned by veterans, their dependents and survivors. A quick fix plan is simply unacceptable because fixing the backlog will require thoughtful solutions to avoid harming veterans and exacerbating the problem.

VBA is the key to everything the VA does, so the VFW will continue to offer its expertise to the VA and your committees so that we can solve this backlog problem together. Veterans have grown tired of the excuses. They want and deserve action. The VFW wants to help.

The VFW has offered potential solutions in testimony before your Committees and in the *Independent Budget*, but we cannot wave a magic wand and make the problem go away. Our suggestions have included improvements to the funding process; increased emphasis on ratings decision accuracy instead of speed; improvements in staff education and training; and increased use of technology.

We were pleased to learn last week that an update to the ebenefit.va.gov website, planned for April 2010, will now allow veterans from the Vietnam War to the present to track their VA claims in real-time through the Internet. This VA/DOD initiative should help satisfy the informational needs of many veterans, as well as help decrease the number of inquiries to VA Call Centers and veteran service officers. If successful, this initiative should be a solid win for everyone.

Unfortunately, it may be years before VBA will be able to reduce the backlog and improve rating timeliness and accuracy. While regrettable, this has become a fact of life. However, VA can still make incremental improvements to demonstrate to veterans that it is both candid in its problems and responsive to their needs. To achieve that, we suggest VA take the following step to better manage a veteran's expectation while still providing a service:

- VA collects timeliness data to monitor the ability of every office to complete claims within certain pre-established goals. The VFW believes VA should share this information with new claimants via e-mail or letter. Just as many commercial service centers inform telephone callers that “*your call will be answered in 3 minutes,*” it should be just as easy for VA to use real-time information on how long it normally takes to process original compensation claims from, for example, Montgomery, Ala., which

would be 250 days. While that is far too long to process a claim in any world, the veteran would still be knowledgeable of the average length of the wait.

The VFW is working with our *Independent Budget* coauthors to develop constructive ideas which VBA could use to mitigate the backlog, while improving timeliness and reducing errors. We will share what we believe are win-win solutions with Secretary Shinseki and your Committees as they are developed.

Claims Accuracy: The VFW believes that claims accuracy is a key to reducing the long-term growth of the backlog. VBA's own quality measurements show significant errors in more than 17 percent of cases. The VA Office of Inspector General (VAOIG) recently reported alarming error rates in the VA Regional Offices of Anchorage (29 percent), Baltimore (38 percent) and Roanoke (25 percent) when rating claims for PTSD, TBI and herbicide exposure, which are some of the most common claims veterans are submitting. In addition, the VAOIG found that "brokered cases" sent to other VA regional offices to process also contained high error rates. The poor quality of initial rating decisions just adds to the overall backlog.

The VFW is understandably very concerned with the high error rate. Asking a veteran to wait half of a year or more for a rating decision that could have a one-in-three chance of being incorrect is unacceptable. Of special concern to the VFW is the number of veterans who do not know they received an incorrect decision, and those who simply give up out of frustration. A claimant who gives up on their own case does so because they believe the system — our government — has given up on them. This is not acceptable. Veterans have earned the right to better service from their nation, and VA has the undeniable responsibility to properly review and take corrective action on claims processed at regional offices with abysmal quality standards.

The VFW and other VSOs have a nationwide network of excellent service officers, but we can only help those who seek us out. For a veteran who navigates the bureaucratic process without a service officer to guide them, it can be a nightmare, and a number of them simply give up, which means they lose their earned benefits, their disability compensation and their access to VA health care.

VA must also improve education and training, and reduce the attrition rate among claims adjudicators. Rating claims can be a challenging process, especially with the complexities many claims present. We need steady leadership and an emphasis on getting it right the first time. Timeliness cannot override the need for accuracy. Veterans deserve a system that can do both efficiently, and VA must recognize and reward those employees who succeed just as it must hold those who fail accountable.

The VFW is aware of several pilot programs involving claims processing and IT initiatives. While generally supportive of any effort that may increase processing accuracy and timeliness, we are wary of VA making nationwide changes based on limited testing. Each regional office is different, and changes that may work well in one location could be disastrous in another. The VFW recommends that VA thoroughly test these initiatives in different locations to ensure that the changes recommended are the right changes to make.

The VFW pledges to work with Secretary Shinseki and your Committees to forge practical solutions to the claims processing system so that America's veterans receive the service they have earned and deserve.

VA MEDICAL CARE

As the nation's largest health care provider, the Veterans Health Administration (VHA) has four primary missions that benefit veterans as well as the entire country. They are:

1. Providing health care and services to America's sick and disabled veterans;
2. Training and educating doctors, nurses and other health care professionals;
3. Conducting world-class research into medical issues, to include prosthetics, and;
4. Serving as the nation's primary health care backup in times of war or domestic emergency.

VHA's primary mission is the care of this nation's sick and disabled veterans. More than 8 million veterans are enrolled in the VA health care system, and about 6 million of them will receive some type of care this year, nearly double the number from a decade ago. Much of that increase is due to improved access as VA has shifted focus from being an inpatient provider into more of an outpatient provider, but the increase is also partially due to the aging veterans' population and the influx of our newest war veterans.

According to end of FY 2009 VA statistics, almost 510,000 separated Iraq and Afghanistan veterans have sought VA care out of a total potential pool of almost 1.1 million. The VFW and the *Independent Budget* expect another 75,000 veterans from the total eligible will seek care this year, which necessitates further increases in funding.

The VFW strongly believes that veterans must have timely access to quality health care. The VFW supports the current enrollment of 125,000 new Category 8 veterans every year over the next four years, provided the additional workload does not overwhelm a VA facility's capacity to provide timely and quality care. We ask Congress to monitor the expansion of VA services to ensure that deserving veterans continue to receive quality, timely and accessible care.

Accordingly, as part of the *Independent Budget*, the VFW recommends a funding level of \$52 billion for veterans' medical care in FY 2011. This is \$400 million above what the President has requested for medical care, and a \$4.5 billion increase over FY 2010 funding levels. Full funding would allow VA to care for an increasing number of veterans, and provide enough staff to ensure that the quality of care does not erode.

We must also be mindful of the long-term care needs of our veterans. VA has formed an excellent partnership with state governments and their State Veterans Nursing Home programs. It is essential that Congress fully fund these programs, especially as the veterans' population ages. We also want to see more scrutiny of VA's Long-Term Care Strategic Plan, including full funding for the programs contained therein.

Congress must also ensure that gaps in care are recognized and filled, especially for veterans with specialized needs — such as spinal cord injuries — and veterans living in rural or remote areas. Telemedicine opportunities must be expanded, as well as additional points of care, so that veterans can be served wherever they live.

State Veterans Homes: The VFW supports improving the quality and the availability of long-term care to 70-percent service-connected veterans in State Veterans Homes. Many states are facing inadequate funding of long-term care facilities for disabled veterans, which means State Veterans Homes are facing a difficult decision between reducing quality of care provided and turning away 70-percent service-connected veterans.

With the passage of P.L. 109-461, State Veterans Homes were afforded a higher per diem rate of reimbursement from the VA. VA regulations issued on April 29, 2009, indicate all medication and specific outpatient medical care for service-connected injuries be provided by State Veterans Homes. Further, it bars State Veterans Homes from billing Medicare and Medicaid for additional costs that exceed the per diem rate. The current law and VA regulations create a disincentive for many State Veterans Homes to care for the most severely disabled veterans. Several states indicate a potential loss of millions of dollars to comply with VA regulations; others have limited or stopped accepting these veterans into their homes.

We support Rep. Mike Michaud's bill, H.R. 4241, to grant the VA Secretary the authority to enter into a state-by-state per diem arrangement with State Veterans Homes. Each state's per diem rate would be comparable to the geographic area, and the reimbursement rate available to a non-Department nursing home or a private nursing home facility, thus correcting the existing health care funding shortfall for America's most severely disabled veterans.

OEF/OIF Health Care: As of the end of FY 2009, almost 1.1 million Operations Enduring Freedom and Iraqi Freedom veterans have left active duty and become eligible for VA health care; 46 percent of them have sought care from VA.

This demand for service created some major challenges for VA, which to their credit responded correctly by making the health care of OEF/OIF veterans a top priority. The VFW believes we must do everything we can to ensure that these men and women are properly cared for. Their care is part of the ongoing cost of war, and the fulfillment of that cost — a true national obligation — is central to the work of your Committees.

The health care issues this population faces varies from the routine to high-interest injuries and programs, such as mental health, PTSD, Traumatic Brain Injuries, suicides, and the proper care of women veterans.

Women Veterans Health Care: The percentage of women serving in uniform today far exceeds any previous conflict. Approximately 15 percent of the force is comprised of women, with more entering military service every year. Of those who have served in uniform, VA estimates that 44 percent have already enrolled in VA for health care, a percentage that VA expects to rise. VA continues to expand its female health care services, but more needs to be done.

VA must expand gender-specific and primary health care services tailored to women. The VFW supports improved training and certification of female veterans' mental health care providers, as well as improved programs for the treatment of Post Traumatic Stress Disorder and Military Sexual Trauma (MST).

Legislation (S. 1963) currently pending in Congress would address a number of the needs of female veterans. It would mandate studies to assess VA's current programs and services for women, to include examining specialized programs for treating PTSD, substance abuse and mental illness, the availability of obstetric and gynecological care, and the possibility of providing a licensed childcare service at VA medical facilities.

The study would also collect data on waiting times, demographics, geographic distance and other barriers to care. One of the largest hurdles VA faces is providing a woman a degree of privacy inside its medical facilities. Properly serving women veterans is a culture change to the VA, which for decades functioned in a "one size fits all" mode. The VA must tailor its programs and services to the specific needs of women veterans, and that's why the VFW strongly urges the passage of this portion of the bill.

Traumatic Brain Injuries (TBI): Explosive blasts from roadside bombs and other Improvised Explosive Devices (IED) are causing devastating and often permanent damage to the brain tissue of our ground forces. Veterans with severe Traumatic Brain Injuries or Acquired Brain Injuries (ABI) may need a lifetime of intensive service to care for their disabilities, but VA also needs to study and develop programs for those suffering from mild or moderate TBI.

TBI can occur even without other forms of physical injury, making detection difficult. It is likely that thousands of OEF/OIF veterans may be suffering from blast effects, but are unaware of their condition.

Medical science is lacking on TBI. Recent studies have suggested that even mildly impacted veterans can have long-term mental and physical health difficulties, and there is no clear treatment model to be followed, especially for those with mild or moderate impairment. The VFW strongly urges Congress to ensure proper funding for additional studies into the treatment of TBI. VA must investigate and research all avenues to care for TBI patients, including Hyperbaric Oxygen Treatment. Finding optimal treatments will enhance the quality of life of veterans and their families.

Mental Health: We applaud VA for raising the awareness on mental health issues. Congress and this Administration have continued to fund the growing support networks, medical treatment and services available through VA. Currently, VA operates a nationwide network of more than 190 specialized PTSD outpatient treatment programs. Further, VA's Vet Center program operates a system of 232 community-based counseling centers, many of which are staffed by combat veterans who — like every VFW member — understand that no one goes to war and comes back the same.

A recent OEF/OIF update shows that more than 48 percent of all patients treated at VA have suffered from some form of mental health impairment — a staggering number. Among the more

than 243,000 OEF/OIF veterans who have been diagnosed with some degree of psychological symptoms, more than half are suffering from PTSD. War has a profound effect on those who defend the nation. We must do everything we can to provide the men and women who are put in harm's way the treatment options they need to care for themselves and their families.

We need strong outreach and education programs to help eliminate the stigma of mental illness and other barriers to care. We need meaningful post-deployment health assessments that are designed in a way that eliminates the disincentive servicemen and women sometimes feel in providing completely honest responses. We need regular screenings of all at-risk veterans as part of their routine examinations. We need continuing education programs for military leaders at all level to understand and help reduce the stigma of seeking care and treatment. Care must be available to veterans and their families in order to help keep family units intact and functional. Providing a stable, safe, and supportive home environment is vitally important to the overall effectiveness of a treatment program.

VA must also properly train its staff to ensure that they know how to deal with the unique needs of these veterans, and to recognize warning signs and other signals to get veterans into the programs they need immediately. We need continued emphasis on increasing entry points to care, especially at Vet Centers. Access to care must be as convenient as possible, which increases the likelihood an at-risk veteran will use the service.

Suicide: The rate of veteran suicides is a national tragedy. VA has improved their outreach efforts, notably through the 1-800-273-TALK suicide prevention hotline, but more must be done for the active duty forces, as well as for the Guard and Reserve, a great number of whom reside in rural areas far away from the informal support network of fellow veterans, and from the formal services and programs provided for their benefit.

I cannot imagine how depressed someone must be to take their own life, but I do know that war is an experience that is never forgotten. The vast majority of veterans are able to come to terms with their experiences, but not everyone. VFW members know that coming back to the Real World is not easy for any generation. That's why I continue to urge VFW members everywhere to reach out to our newest veterans to welcome them home, to thank them for their service, and to extend a hand of friendship and support. We must all do more to ensure every veteran, regardless of age, does not feel alone.

Caregivers: Better personal protection and faster battlefield evacuations to modern military medical facilities have increased survival rates exponentially over previous wars, but that success comes at a cost to families, who often have to provide 24-hour care to severely wounded loved ones who may be unable to accomplish the most basic of tasks of daily living. According to a University of Texas study, caregivers who live with recipients experience much higher levels of psychological stress, and they perceive their own health as poor. The burden placed on families is even greater given the extremely limited support and services available from the VA.

Caregivers for veterans from all wars share the same sacrifices and strains, therefore we need to properly recognize their dedication and continuing contribution to severely injured veterans. A bill to assist OIF/OEF caregivers, the Caregivers and Veterans Omnibus Health Services Act of

2009 (S. 1963), is currently pending in Congress. The VFW supports assistance for all caregivers, but we strongly oppose a program mandate on caregivers without the necessary funding. We welcome an open and frank dialogue on this issue.

Veterans Homelessness: President Obama recently called for an end to veterans' homelessness within five years, and his call to action could not have been timelier. According to VA estimates, at least 131,000 veterans are homeless on any given night, and twice as many veterans may experience homelessness at some point during the course of a year. Recent statistics also indicate that the number of homeless female veterans and veterans with dependents are increasing as well. This issue is further compounded by poverty, unemployment and the lack of affordable housing.

Homelessness is a nationwide problem that cannot be cured from Washington. It must be addressed at the local level and supported with resources and services from the federal government.

Major components in reducing veteran homelessness include outreach, transitional and permanent housing, training and employment assistance, and medical and psychiatric rehabilitation services. Yet many programs authorized at the federal level to assist local communities are underfunded or are not adequately promoted to community-based help organizations. In addition, information pertaining to the availability of these programs is also not widely disseminated or readily available to homeless veterans living on the streets.

We strongly support the national call to end veterans' homelessness, and we look forward to working with Secretary Shinseki to help VA meet its five-year goal.

VA Construction: The President requested just \$1.151 billion for major construction in FY 2011, which is \$43 million below FY 2010 funding levels and well below the \$1.295 billion called for in the *Independent Budget (IB)*. Further, the Administration only requested \$468 million for minor construction, which is \$235 million less than the current year's level, and far below the \$703 million we suggested in the *IB*. In total, the administration's \$1.618 billion request for major and minor construction is \$278 million below the FY 2010 appropriated amount, and \$461 million less than the *IB* recommendation. If you include funding proposed for State Extended Care Facilities and State Veterans Cemetery construction, the FY 2011 total construction request is \$656 million less than the *IB* recommendation.

We are concerned that there is not enough funding for the many construction projects VA needs to undertake for its aging infrastructure. We urge Congress to review the construction budget carefully, and to take into consideration the benefits of improving the VA infrastructure. The infrastructure is rapidly aging. Failure to properly fund this area simply means that facilities will require more and more maintenance simply to keep the doors open. Further, lack of funding holds VA back from providing state-of-art care to all of America's veterans. Failure to properly fund construction now only ensures a larger requirement next year.

SEAMLESS TRANSITION

When servicemembers transition into civilian life, they deserve a system in place between DOD and VA that expedites the veterans' benefits they earned by virtue of their service to the nation. We must do everything we can to create a truly seamless transition.

The VFW has for two decades called for a system in which an electronic medical record and personnel file is created the day a servicemember enlists. This electronic record would follow them wherever they are stationed, and when they separate or retire, the file is automatically transferred to VA to help facilitate and expedite veterans' health care and disability claims. The file would then be continuously updated, no matter which VA facility is used, giving the veteran and their health care provider's easy access to information they may need.

The smooth flow of information between the two departments and among care facilities would help to ensure the high quality of care for veterans, but it would also greatly help the benefits process. With the veterans' full history in one electronic file, disability claims development would become a simpler process, and it would lead to faster and higher-quality rating decisions.

We must also ensure that servicemen and women are taking full advantage of all the transition and separation services afforded to them, such as DOD's pre-separation counseling, the Transition Assistance Program (TAP), Benefits Delivery at Discharge (BDD), and Quick Start programs. 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, as well as employment and job training program opportunities. TAP briefings and Quick Start claims process should also be made available to all Reserve and Guard members.

An ongoing problem for the VSO community is service officer access to military installations in order to help military personnel through the Benefits Delivery of Discharge (BDD) process, Quick Start and Disability Evaluation System (DES) programs. While DOD acknowledges the role of service officer participation in these programs, our experience has been quite different. Negotiations for access and office space with every installation commander, as well as on-site VA personnel, are often protracted and discouraging. Each base presents different challenges to VSOs requesting access.

To date, the VFW has been able to place nine (9) national service officers on 16 military bases around the country to help service members with BDD claims. However, we have spent the past two years in a fruitless effort to obtain permission for one of our most highly skilled service officers to serve wounded warriors going through the DES process at Walter Reed. Even the attendance of VA's Under Secretary for Benefits at a Walter Reed meeting last year failed to elicit any progress from base leadership; they insisted that military attorneys were sufficient to represent soldiers before Physical Evaluation Boards (PEB)/DES proceedings. We urge Congress to devise a method by which VSOs may place trained service officers wherever BDD, Quick Start or DES programs are located.

Last year, our nationwide network of VFW service officers helped 95,000 veterans to recoup \$1.2 billion in earned compensation and pension. The VFW and VSO community knows how to help veterans, but the military services still have much to learn about how we support the troops.

We ask for your advocacy as you meet with senior leaders and tour installations around the world. We are experts in this field, and our service is free.

While VA and DOD have made some progress, seamless transition remains a problem that generates more talk than measureable results. The VFW wants this Congress to exercise its oversight authority to ensure that VA and DOD are moving forward on this issue, instead of fighting turf battles over which federal department has what responsibility. A nation that creates veterans has a solemn obligation to care for them when they return home. We need you to ensure they do what is right.

The Post-9/11 GI Bill: The implementation of the Post-9/11 GI Bill has proven to be very difficult for the VA. We remain hopeful that the VA will meet their projected goals for further development of the educational claims processing system, as laid out in testimony before the House Veterans Affairs Committee in January 2010. We have received anecdotal reports of management pressure on employees to authorize education awards without an opportunity to review and correct the work. We sincerely hope that these reports, if true, are isolated. It is for these reasons that we continue to support aggressive oversight of this process to ensure veterans receive the right decision in a timely manner.

The VFW also believes a number of changes to the Post-9/11 GI Bill need to address the needs of today's service members and their families. The original GI Bill provided training apprenticeships and vocational training for World War II veterans. So, too, should the Post-9/11 GI Bill provide veterans the same opportunity to seek careers in the skilled trades. The VFW supports the standardization, simplification and restructuring of all education programs, with an eye toward equitable benefits for equitable service, to include:

- Remaining Chapter 30 programs (lump sum payments, vocational training, distance learning) should be moved into Chapter 33.
- Title 10, Section 1606, the Guard and Reserve Select Reserve GI Bill, needs to reflect the Chapter 33 scale.
- Chapter 35 survivors and dependent educational benefits should also be comparable to Chapter 33.
- Ultimately, phase out Chapter 30 and simplifying benefits based on Chapter 33.

Furthermore, the VFW believes that members of the National Guard and Reserve who serve under Title 32 USC, Active Guard Reserve program, should have their service recognized under Chapter 33. By virtue of their status, approximately 45,000 veterans who serve our country under Title 32 do not receive credit toward accruing benefits under the Post-9/11 GI Bill, even though their service was often in support of federal initiatives. All military men and women should be rewarded equally.

The VFW also supports allowing veterans who attend on-line universities under the Post-9/11 GI Bill to draw an equitable living stipend. Veterans often decide to attend online universities through necessity — family and work obligations, service-connected disability limitations, as well as financial restrictions that prevent them from becoming traditional, on-campus students. Veterans enrolled in online universities today receive no cost of living stipend. The VFW wants

this inequity fixed, and supports their receiving a cost of living stipend based on their home zip code.

EMPLOYMENT ISSUES

Veterans' employment must be part of the final jobs bill because the unemployment numbers are shocking — 213,000 or 12.6 percent of current war veterans are unemployed. We vigorously urge Congress to include the following three policy improvements that have proven successful as veterans' employment solutions:

1. Broaden the tax credit beyond recently separated veterans to encompass all veterans. Nationwide, there are 1.1 million unemployed veterans who are motivated, educated and responsible. Encourage employers to put hard working veterans at the top of the list by increasing the \$2,400 credit for hiring a veteran and \$4,800 for hiring a disabled veteran. Public awareness is central to the solution. We must continue incentivizing American industry to hire veterans **FIRST**.
2. Modernize the Vocational Rehabilitation & Employment (VR&E) program, which in 2009 served more than 32,000 disabled veterans by training, educating and helping them finding employment. Improve the program's effectiveness by providing higher educational stipends that are on par with the Post-9/11 GI Bill, eliminate the arbitrary 12-year "use or lose" program window, and provide additional family services, such as child care to eligible veterans.
3. Lastly, increase opportunities for veterans interested in starting businesses, which inevitable leads to veterans hiring other veterans. Invest in their ingenuity through proper education, training, and access to small business start-up capital. Increase funding and access to the Small Business Administration Patriot Express Loan Guarantee program.

Veterans need to be at the forefront of congressional efforts get America back to work. Through expansion and improvements to existing programs, Congress can reverse the veteran unemployment rate. Congress has the power to make a difference now.

INFORMATION TECHNOLOGY

An integrated IT system would allow VA to transfer information, records and files instantaneously. It would enable VHA and VBA to access a veteran's medical history as well as other critical information to help determine benefits. And ultimately, it would enable the Seamless Transition of DOD records into the VA system.

An integrated IT system is the goal to bring VA into the 21st Century, but a major roadblock to fruition might be the Administration's FY 2011 flat budget request of \$3.3 billion, which is the same as in FY 2010, and which is more than \$245 million less than the *Independent Budget* recommendation.

The VA electronic medical health record is an IT success story, but the system needs to continue to enhance its electronic recordkeeping by incorporating medical records from outside sources, such as military and private providers. Further, VHA needs to become more user-friendly by permitting veterans to schedule appointments, track their continuum of care, and communicate with their physicians through a secure online profile.

The VBA is in dire need of an IT systems overhaul, especially since the majority of claims are processed in a paper-based environment. Ideally, a veteran would have an online profile that allows them to securely file and track a claim, as well as to communicate electronically with the VA and VSO service officers who helped them file their claims. An electronic profile would also allow them to update personal information, such as home addresses, as well as learn about other VA benefits and programs.

VA's electronic infrastructure has developed slowly over the years through false starts and discouraging dead ends. The future of VA rests on a comprehensive plan to fully integrate all components of VA services.

VFW supports a fully integrated system, one that allows the VA to operate in a paperless environment as much as possible. We urge Congress to fully fund VA's IT infrastructure and upgrades, and to use its oversight authority to ensure VA successfully transforms from paper centric to paperless.

OTHER BENEFITS

VA Home Loan: VA's successful home loan program is an essential benefit that provides eligible servicemembers and veterans the ability to obtain a home loan without a down payment. These guaranteed loans also protect lenders from loss if for some reason the loan is not repaid. VFW thanks Congress for passing legislation in 2009 to increase maximum loan rates so that the current benefit matches federal housing rates and is adjusted in high cost areas.

The same cannot be said, however, about VA's adaptive grants and insurance programs. Both programs provide essential benefits to today's servicemembers and veterans, but the value of the benefits have degraded substantially over time.

Adaptive Grants: This benefit allows modifications to homes and automobiles to help seriously disabled veterans to regain independence and mobility — a key quality of life factor and readjustment and recuperation aid. Unfortunately, the value of these programs has eroded as rates have not kept pace with current costs in the housing market or the automobile industry. The VFW asks Congress to increase rates to coincide with private sector costs, and to provide automatic annual adjustments, as needed.

VA Insurance Programs: VA insurance programs were designed to provide coverage to veterans and servicemembers who may have difficulty obtaining affordable coverage in the private sector due to service-connected disabilities. The Service Disabled Veterans Insurance (SDVI) program must be updated to reflect changes in modern medicine, and its benefits must be based on current mortality tables. SDVI coverage remains the same as the original War Risk

Insurance program of 1917, and has long passed its competitive edge with private insurance. Congress must enact legislation to require VA to update the mortality tables and increase the maximum coverage to at least \$50,000 (as recommended in the *Independent Budget*).

Traumatic Injury Insurance: The 2005 passage of Traumatic Injury Protection under the Servicemembers' Group Life Insurance (TSGLI) program was a major VFW victory, thanks in large part to (then) Senate VA Chairman Larry Craig and Ranking Member Akaka. Close to 7,500 severely wounded veterans and their families have benefited greatly from the extra coverage; however, TSGLI does not apply to those who were severely wounded prior to the program's implementation date of Dec. 1, 2005. To properly acknowledge all who have served and sacrificed in the current War on Terror, the VFW strongly supports grandfathering TSGLI eligibility back to the beginning of the war, Sept. 11, 2001.

Veterans' Mortgage Life Insurance: We also believe that it is time to increase Veterans' Mortgage Life Insurance. The amount of coverage has not increased since 1992, and has remained at \$90,000 despite increases in housing costs over the past decade. It is unlikely that disabled veterans can obtain affordable secondary mortgage insurance to cover the gaps between what VA provides and what the mortgage issuers require. Therefore, we call on Congress to increase the benefit to \$150,000 for 2011, with a subsequent increase to \$200,000 in January 2012.

ACTIVE DUTY ISSUES

The War on Terrorism has greatly increased the demands of those serving on active duty and in the Guard and Reserve. As a result, active military and Reserve Component members are deploying at an alarming rate to fight the present day war on terror at home and abroad. More than one third of today's troops have served at least two tours of duty in Operation Iraqi Freedom and/or Operation Enduring Freedom.

The VFW is committed to improving the quality of life for all active military and Reserve Component members and their families. The VFW is increasing its efforts to provide Guard and Reserve members with benefits and entitlements equal to their participation and contribution in today's conflicts. We will help ensure that our men and women in uniform receive the most modern equipment, best training, and resources they need to succeed, and we will continue to urge Congress to provide critical support services for the family members of those serving.

The VFW firmly believes in taking care of the people who accomplish the mission, and although most of the below issues fall under the purview of your respective Armed Services Committees, each of you has a personal stake in a strong and viable military. We view the following bullets as essential to ensuring a high-quality, all-volunteer military:

- Servicemen and women deserve base pay equity to their private-sector workers.
- Benefits and entitlements must keep pace with inflation.
- Increased funding is necessary to upgrade or replace military family housing, recreation and work facilities, and equipment worn out after almost nine years of war.

- Congress must lower the retirement pay age from 60 to 55 for all Reserve Component members. At the very least, Congress must make retroactive to Sept. 11, 2001, the FY 2008 defense budget provision that allows Reserve Component members to receive retirement pay earlier than age 60 by three months for every 90 days served on active duty in support of a contingency operation.

Concurrent Receipt: The VFW supports legislation for the full concurrent receipt of military retirement pay and VA disability compensation without offset, and regardless of the rating percentage.

In 2004, Congress passed legislation that gradually phased in by 2014 the full current receipt of military retirement pay and VA disability compensation without offset, but only for those 20-year or more retirees who have 50-percent or higher disability ratings. Excluded were those service-connected disabled military retirees with VA ratings of 40 percent and below, and Chapter 61 retirees who were medically retired with less than 20 years, regardless of VA disability rating.

All veterans should be entitled to receive full disability compensation concurrently with their military retirement pay, regardless of the nature of the disability (i.e., combat-related vs. noncombat-related disabilities, the number of years of service, degree of disability, etc.).

Survivor Benefit Plan-Death Indemnity Compensation: The VFW calls on Congress to repeal the “Widow’s Tax.” Congress for years has promised military spouse survivors that they would repeal the dollar-for-dollar offset that plagues the military Survivor’s Benefit Plan (SBP), a purchased insurance that pays a percentage of military retiree pay to surviving spouses. Unfortunately, the “widow’s tax” requires survivors of active duty or retirees who die from service-connected causes to forfeit a dollar of their SBP annuity for every dollar they receive from VA’s Death Indemnity Compensation (DIC) program.

Survivors grieve enough. All should receive SBP and DIC without offset.

POW/MIA ISSUES

The VFW has an unwavering commitment for the nation to obtain the fullest possible accounting for all warriors still missing and unaccounted-for. This is the most sacred of missions, and none of our members will truly rest until we know the whereabouts of everyone who did not return home from war. We urge full funding for the Joint POW/MIA Accounting Command, as well as the Defense POW/Missing Personnel Office.

Mr. Chairmen, 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 your Committees may have.

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