



**AMVETS**  
AMERICAN VETERANS  
DEPARTMENT OF NORTH DAKOTA



**SENATE BUDGET COMMITTEE HEARING**

March 28, 2008

COMMITTEE HEARING ON

**"VETERANS: A BUDGET PRIORITY"**

HEARING HELD AT AMVETS POST 9

Bismarck, ND

PRESENTED BY:

LYLE SCHUCHARD  
NORTH DAKOTA AMVETS DEPARTMENT COMMANDER  
(701) 223-9267

Source: Mr. Raymond C. Kelley'  
National Legislative Director  
AMVETS  
4647 Forbes Blvd.  
Lanham, MD 20706  
(301) 683-4016

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The Independent Budget

## Health Care

For FY 2009, the Administration requests \$41.2 billion for veterans' health care. This included approximately \$2.5 billion from medical care collections. Although this represents another step forward in achieving adequate funding for the VA, it still falls short of the recommendations of AMVETS.

For FY 2009, AMVETS recommends approximately \$42.8 billion for total medical care budget authority, an increase of \$3.7 billion over the FY 2008 and approximately \$1.6 billion above the Administration's FY 2009 request.

For FY 2009, AMVETS recommends approximately \$38.2 billion for Medical Services. Our Medical Services recommendation includes the following recommendations:

Current Services Estimate	\$32,574,528,000
Increase in Patient Workload	\$1,045,470,000
Policy Initiatives	\$1,000,000,000
Medical Administration	\$3,625,762,000
Total FY 2009 Medical Services	\$38,245,760,000

In order to develop our current services estimate, we first added the estimated collections for FY 2008 to the Medical Services appropriation for FY 2008. This best reflects the total budget authority that the VA will use to provide health care services. This amount was then increased by relevant rates of inflation. We also use the Obligations by Object in the President's Budget submission in order to set the framework for our recommendation. We believe this method allows us to apply more accurate inflation rates to specific subaccounts within the overall account. Our inflation rates are based on five-year averages of different inflation categories from the Consumer Price Index-All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics every month.

Our increase in patient workload is based on a projected increase of 120,000 new unique patients—Category 1-8 veterans and covered non-veterans. We estimate the cost of these new unique patients to be approximately \$792 million. The increase in patient workload also includes a projected increase of 85,000 new Operation Iraqi Freedom and Operation Enduring Freedom (OIF/OEF) veterans at a cost of approximately \$253 million.

The policy initiatives include \$325 million for improvement of mental health services and traumatic brain injury care. This amount represents the growing trend both within the Administration and the Congress to enhance the mental health services within the VA. Furthermore, it reinforces our belief that resources should be provided to the VA to allow

them to be the lead for providing these specialized services, not outside health care organizations. We also recommend \$250 million for long-term care services. The policy portion of AMVETS further explains the shortfall that the VA has in meeting the Average Daily Census mandated by the Millennium Health Care Act. We also recommend that the VA be appropriated \$325 million for funding the fourth mission which encompasses homeland security and emergency preparedness initiatives. Currently, the VA already spends approximately this amount, but this funding is drawn directly out of the Medical Services account. Finally, we recommend \$100 million to support centralized prosthetics funding.

As mentioned previously, our Medical Administration recommendation must be added to our Medical Services recommendation to properly reflect the format of the FY 2009 budget submission. As such, AMVETS recommends approximately \$3.6 billion for Medical Administration for FY 2009.

Finally, for Medical Facilities AMVETS recommends approximately \$4.6 billion. This amount includes an additional \$250 million for non-recurring maintenance for the VA to begin addressing the massive backlog of infrastructure needs.

AMVETS opposes prescription drug co-payments from \$8 to \$15 and an indexed enrollment fee based on veterans' incomes. These proposals will simply add additional financial strain to many veterans. These proposals will cause an estimated 200,000 veterans to leave the system and more than 1,000,000 veterans will choose not to enroll. It is astounding that this Administration would continue to recommend policies that would push veterans away from the best health care system in the world. Congress has soundly rejected these proposals in the past and we call on you to do so once again.

For Medical and Prosthetic Research, AMVETS recommends \$555 million. This represents a \$75 million increase over the FY 2008 appropriated level and \$113 million over the Administration's request for FY 2009. Research is a vital part of veterans' health care, and an essential mission for our national health care system. VA research has been grossly underfunded in contrast to the growth rate of other federal research initiatives. At a time of war, the government should be investing more, not less, in veterans' biomedical research programs.

AMVETS' recommendation also includes a significant increase in funding for Information Technology (IT). For FY 2009, we recommend that the VA IT account be funded at approximately \$2.165 billion. This amount includes approximately \$121 million for an Information Systems Initiative to be carried out by the Veterans Benefits Administration.

The Administration's request slashes funding for Major Construction from the FY 2008 appropriations level of \$1.1 billion to \$582 million. The Minor Construction account is also significantly reduced from the appropriated level of \$631 million to only \$329 million. These funding levels do little to help the VA offset the rising tide of necessary infrastructure upgrades. Without the necessary funding to address minor construction

needs, these projects will become major construction problems in short order. For FY 2009, \$1.275 billion for Major Construction and \$621 million for Minor Construction is recommended. The Minor Construction recommendation includes \$45 million for research facility construction needs.

## **NCA**

The administration requests \$181 million for the NCA for fiscal year 2009. AMVETS recommends that Congress provide \$252 million and 51 additional FTE for continuing operations and workload increases of NCA. 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.

The national cemetery system continues to be seriously challenged. Though there has been progress made over the years, the NCA is still struggling to remove decades of blemishes and scars from military burial grounds across the country. Visitors to many national cemeteries are likely to encounter sunken graves, misaligned and dirty grave markers, deteriorating roads, spotty turf and other patches of decay that have been accumulating for decades. If the NCA is to continue its commitment to ensure national cemeteries remain dignified and respectful settings that honor deceased veterans and give evidence of the nation's gratitude for their military service, there must be a comprehensive effort to greatly improve the condition, function, and appearance of all our national cemeteries.

In accordance with "An Independent Study on Improvements to Veterans Cemeteries," which was submitted to Congress in 2002, AMVETS continues to request Congress to fully fund the National Shrine Initiative by providing \$50 million in FY 2009 budget and a commitment of \$250 million over a period of five years to restore and improve the condition and character of NCA cemeteries.

It should be noted that the NCA has done an outstanding job thus far in improving the appearance of our national cemeteries, but critical under funding does not allow NCA to remove the backlog of improvements that need to be met. To date, NCA has invested \$99 million to the initiative, making nearly 300 improvements. Additionally, \$28.2 million will be invested in restoration in 2008. This money is the full amount of supplemental funding that was given to NCA in FY2008, a fact that should be a wake-up call of the importance of the National Shrine Initiative. Even with the funding that has been spent on these improvements, new areas requiring restoration are identified. By enacting a five-year program with dedicated funds and an ambitious schedule, the national cemetery system can provide veterans and their families with the utmost dignity, respect, and compassion.

### **The State Cemetery Grants Program**

The State Cemetery Grants Program (SCGP) complements the NCA mission to establish gravesites for veterans in those areas where the NCA cannot fully respond to the burial

needs of veterans. Several incentives are in place to assist states in this effort. For example, the NCA can provide up to 100 percent of the development cost for an approved cemetery project, including design, construction, and administration. In addition, new equipment, such as mowers and backhoes, can be provided for new cemeteries. Since 1978, the Department of Veterans Affairs has more than doubled acreage available and accommodated more than a 100 percent increase in burials through this program.

To help provide reasonable access to burial options for veterans and their eligible family members, AMVETS recommends \$42 million for the SCGP for fiscal year 2009. The availability of this funding will help states establish, expand, and improve state-owned veterans' cemeteries.

States have intentions of beginning construction of 24 new state cemeteries in 2008. Many states have difficulties meeting the requirements needed to build a national cemetery in their respective state. The large land areas and spread out population in these areas make it difficult to meet the "170,000 veterans within 75 miles" national veterans' cemetery requirement. Recognizing these challenges, VA has implemented several incentives to assist states in establishing a veterans' cemetery. For example, the NCA can provide up to 100 percent of the development cost for an approved cemetery project, including design, construction, and administration.

#### **Burial Benefits:**

There has been serious erosion in the value of the burial allowance benefits over the years. While these benefits were never intended to cover the full costs of burial, they now pay for only a small fraction of what they covered in 1973, when the federal government first started paying burial benefits for our veterans.

In 2001 the plot allowance was increased for the first time in more than 28 years, from \$150 to \$300, which covers approximately 6 percent of funeral costs. AMVETS recommends increasing the plot allowance from \$300 to \$745, an amount proportionally equal to the benefit paid in 1973.

In the 108th Congress, the burial allowance for service-connected deaths was increased from \$500 to \$2,000. Prior to this adjustment, the allowance had been untouched since 1988. AMVETS recommends increasing the service-connected burial benefit from \$2,000 to \$4,100, bringing it back up to its original proportionate level of burial costs.

The non-service-connected burial allowance was last adjusted in 1978, and also covers just six 6 percent of funeral costs. AMVETS recommends increasing the non-service-connected burial benefit from \$300 to \$1,270.