THE DEPARTMENT OF VETERANS AFFAIRS NATIONAL CEMETERY ADMINISTRATION

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

ONE HUNDRED NINTH CONGRESS

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HEARING ON THE DEPARTMENT OF VETERANS AFFAIRS' NATIONAL CEMETERY ADMINISTRATION

Wednesday, April 20, 2005

U.S. House of Representatives,
Subcommittee on Disability Assistance and Memorial Affairs,
Committee on Veterans' Affairs,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:05 a.m., in Room 334, Cannon House Office Building, Hon. Jeff Miller [Chairman of the Subcommittee] presiding.

Present: Representatives Miller, Berkley, Evans, and Udall.

OPENING STATEMENT OF CHAIRMAN MILLER

Mr. Miller. The hearing will come to order.

Good morning, everybody.

This is the first hearing of our Subcommittee on Disability Assistance and Memorial Affairs, and Ranking Member Berkley and I want to add our personal welcome to each of you for being here this morning.

I'd like to remind everyone that the audio portion of this Subcommittee hearing is being broadcast live around the world via the Internet, and also the hearing is being recorded without any additional natural sound in the background for play over our Committee's award-winning website.

We are meeting today to examine the policy and operational issues facing the National Cemetery Administration -- including the State Cemetery Grants Program -- as well as the efforts the NCA is taking to address the major and minor restoration projects that were identified in 2002 by the Logistics Management Institute.

I'm pleased to say that it appears that there are no obvious problems with the National Cemetery Administration.

In fact, in a 2004 survey of government agencies and private organizations, NCA received a higher rating than an agency or organization had ever received -- that being 95 out of a possible 100 points -- and 94 percent of the respondents in fiscal year 2004 rated the quality of service provided by the national cemeteries as excellent.

As well, the states seem to be pleased with the State Cemetery Grants Program, which Congress made permanent in 2003 with Public Law 108-193.

However, I would presume there are areas that can be improved upon.

As you may be aware, the Committee, in its Budget Views and Estimates for Fiscal Year 2006, requested an additional $45.6 million for cemetery restoration and repair projects. This is an area where I have a particular interest, and look forward to working with the NCA to ensure we hold firm to the National Shrine Commitment.

I look forward to hearing from each of our witnesses here today.

And at this time, I recognize the Ranking Member, Ms. Berkley, for any comments she may have.

OPENING STATEMENT OF HON. SHELLEY BERKLEY

Ms. Berkley. Thank you, Mr. Chairman.

And I also want to thank you for holding this hearing on the National Cemetery Administration, as our first hearing of the Subcommittee this Congress. I think that demonstrates the importance and significance we place on this issue.

Our veterans have earned a dignified and serene resting place.

The written testimony of our nation's funeral directors and recognition by the 2004 American Customer Satisfaction Index confirm that the VA's National Cemetery Administration has worked with compassion and diligence to serve the needs of those who have served this nation with great distinction.

Nevada does not have a national cemetery, but we do have two remarkably beautiful state cemeteries, one in Fernley, which serves Northern Nevada; one in Boulder City, that serves Southern Nevada, the Las Vegas area, which I'm very familiar with and spend a great deal of time at that cemetery.

The Southern Nevada Veterans' Memorial Cemetery opened in 1991 and is the second-busiest state cemetery in the nation.

It currently has 17,000 veterans buried there, and as more and more older veterans move to the Southern Nevada area, and we have the fastest-growing veterans population in the United States, the demand for burial spaces will continue to grow.

In order to honor these veterans and their families, we must provide, we simply must provide adequate support for both national and state cemeteries.

I believe that we should be increasing the plot allowance and burial benefits provided to the families of deceased servicemembers, and to that end I have introduced legislation, H.R. 805, the "Veterans' Burial Benefits Improvement Act of 2005," to do so.

I remember distinctly when I was a candidate in 1997 and 1998

meeting with veterans' organizations and families who shared stories with me of how difficult it was to bury their loved one on the amount of money that we allocate.

We have not kept up with inflation, and the numbers in 1973, which were very adequate at that time, simply are no longer adequate now.

In addition, I am concerned that the VA may be too restrictive in its interpretation of who can be buried in a veterans' cemetery. I hope the VA will address whether a state can provide a section of a veterans' cemetery for those who are veterans under state law or veterans of the National Guard or Reserve without active service.

And again, I want to thank all of you for being here. I'm anxious to hear your testimony, and I look forward to it.

Thank you.

MR. MILLER. Thank you, Ms. Berkley.

Mr. Evans?

OPENING STATEMENT OF HON. LANE EVANS

MR. EVANS. Thank you, Mr. Chairman.

I appreciate your holding this hearing, as well. It's important for us to continually insist that we have the most efficient and well-run cemeteries across the world, and I know we do. We do have a great cemetery system, part of it in Europe, with our forces.

So we know how tough things can be, but we want to make it more accessible and open to people who don't often get the time to get out to those burial sites.

So perhaps today we'll get some people who have been through these things and who have an interest in improving and maintaining the management, as they do so well in my district.

Thank you, Mr. Chairman. I look forward to the testimony of our witnesses.

[The statement of Hon. Lane Evans appears on p. 33]

MR. MILLER. Thank you for your comments, Mr. Evans.

Mr. Udall.

MR. UDALL. Thank you, Mr. Chairman.

I appreciate the opportunity for this hearing.

During the last Congress, I introduced a bill called the "Native Americans Veterans' Cemetery Act." This legislation makes all Native American tribes eligible to apply for state cemetery grants.

As you know, under current law, only states are eligible for veterans' cemetery grants. Then Secretary Anthony Principi sent me a letter stating he strongly supported this bill's enactment.

So when we get to the question section, I'd like to ask you a little bit about that and I also want to inquire with regard to the burial of rural veterans, because I know that we have many more veterans

that are dying that are from rural areas than from urban areas. I think the numbers are almost two to one.

So I appreciate the opportunity to hear from you today, and from the Chairman, for doing this hearing, and yield back.

MR. MILLER. Thank you very much.

I'd like to welcome the first panel to the table today.

Mr. Richard Wannemacher is Acting Under Secretary for Memorial Affairs, and he is accompanied by Daniel Tucker, Director of the Office of Finance and Planning at NCA and Mr. William Jayne, Director of the State Cemetery Grants Service.

For your information, Mr. Wannemacher was named Acting Under Secretary for Memorial Affairs on January 31st of 2005. He served as Acting Deputy Under Secretary for Memorial Affairs beginning in June of 2003, and prior to that he was the senior advisor to the Under Secretary at NCA, and has also served as the Deputy Assistant Secretary for Legislative Affairs in the Department of Veterans Affairs.

He served in the U.S. Navy from 1967 to 1969, when he was medically retired after receiving multiple shell fragment wounds from an enemy satchel charge explosion.

Mr. Wannemacher, we welcome you. You may begin when you are ready, please.

STATEMENT OF RICHARD A. WANNEMACHER, JR., ACTING UNDER SECRETARY FOR MEMORIAL AFFAIRS, NATIONAL CEMETERY ADMINISTRATION, DEPARTMENT OF VETERANS' AFFAIRS, ACCOMPANIED BY DANIEL TUCKER, DIRECTOR, OFFICE OF FINANCE AND PLANNING AND CHIEF FINANCIAL OFFICER, NATIONAL CEMETERY ADMINISTRATION, AND G. WILLIAM JAYNE, DIRECTOR, STATE CEMETERY GRANTS SERVICE, NATIONAL CEMETERY ADMINISTRATION

MR. WANNEMACHER. Thank you, sir, and good morning, Mr. Chairman and members of the Subcommittee.

I appreciate the opportunity to be here today to discuss with you the memorial affairs that are provided by the Department of Veterans' Affairs.

I am accompanied, as you noted, by Dan Tucker, director of the Office of Finance and Planning, and he's also NCA's chief financial officer, and Mr. Bill Jayne, director of State Cemetery Grants Service.

I would like to submit my written testimony for the record, if I could.

Mr. Chairman, NCA maintains more than 2.6 million gravesites in 120 national cemeteries. Last year, we provided more than 350,000 headstones and markers, as well, and issued more than 436,000 presidential memorial certificates honoring our nation's heroes, the men

and the women who wore the uniform of the United States in defense of a free and democratic America.

At the current time, VA is within the largest expansion of the National Cemetery Administration since the Civil War, with 11 new cemeteries on the books in the various construction phases.

NCA's primary mission is to ensure that the burial needs of veterans and their families are met, and with the annual interment and death rates rising, there is going to be 676,000 veterans in 2008 that expire.

As VA deaths increase, as veterans' deaths increase, and new national cemeteries are opened, NCA projects increases in the number of annual interments from the current 93,000 in 2004 to 115,000 in 2010. This will be an increase of 24 percent.

We are also meeting the needs of families who have lost a loved one while serving overseas on the war on terror.

As of March of this year, 273 servicemembers killed in Iraq or Afghanistan have been interred in either a national or a state veterans' cemetery.

Our ability to provide reasonable access to burial options is a critical measures of the effectiveness of our service delivery. Currently, 75 percent of veterans reside within 75 miles of a national or state veterans' cemetery, and our goal is to increase this to 90 percent by the year 2010.

I would like to update you on the progress that we've been utilizing in establishing 11 national cemeteries.

Over the next two years, five new cemeteries will begin serving veterans in the areas of Atlanta, Detroit, Pittsburgh, Sacramento, and South Florida.

As directed by the National Cemetery Expansion Act, we are also establishing six additional national cemeteries in California, Alabama, South Carolina, Pennsylvania, and Florida. Our goal is to open six new cemeteries by the end of 2009.

We will continue to expand our existing national cemeteries by acquiring additional land and completing development projects. We have a number of projects underway to expand the life cycle of several national cemeteries.

We've also been implementing operational efficiencies throughout our system in order to maximize the amount of burial space that we can get at our national cemeteries.

This includes the use of grave liners installed at the time of construction and the greater use of columbaria for the interment of cremated remains.

Through the State Cemetery Grants Program, NCA funds up to 100 percent of the cost to establish, expand, or improve state veterans' cemeteries.

Since the establishment by Congress in 1978, the program has

awarded 140 grants totalling more than $215 million for 62 cemeteries.

In 2004, state veterans' cemeteries provided more than 19,000 gravesites.

In response to legislation that raised the amount of funding we can provide, state interest in the program has increased significantly. Since 2001, 17 new state veterans' cemeteries have opened in 12 states.

With the opening of Idaho's state veterans' cemetery, we are pleased to report that there's a national or a state veterans' cemetery in every state of the union.

Another NCA statutory mandate is to maintain our national cemeteries as national shrines. Our national cemeteries carry expectations of appearance and set them apart from our civilian counterparts.

The 2002 congressionally mandated report entitled "National Shrine Commitment" provided the first independent study, system-wide assessment of the condition of VA national cemeteries, and it identified 928 projects with an estimated cost of $280 million to fulfill.

Through 2004, $77 million of these repair projects and costs have been addressed. NCA has completed 89 of the identified projects and work has been initiated in 151 additional projects, including several large-scale gravesite renovation projects.

NCA is making steady progress and using multi-faceted strategy to address cemetery maintenance and repair needs.

For example, we've established a comprehensive set of operational standards to provide guidance and direction for maintaining VA cemeteries as national shrines. These standards provide quantifiable goals and expectations that are applied at all of our national cemeteries, both open and closed.

We also continue to focus on meeting the burial needs of veterans as well by fulfilling the maintenance needs of our cemeteries.

We have also undertaken numerous related projects which I've highlighted in my written statement.

These accomplishments include our improvement in timeliness of marking graves in national cemeteries; the establishment of a centralized training center for our employees, and launching a web-based nationwide gravesite locater system, and formalized a research and development program within NCA.

Finally, we are most proud of the results, as you noted, of our 2004 American Customer Satisfaction Index Survey. NCA did achieve a customer satisfaction rating of 95 out of a possible 100 points for the national cemeteries, and this is the highest score ever received by either a federal agency or a private organization.

The outstanding results are a testament to the dedication and hard work of NCA's employees as they serve veterans and their families

during difficult and emotional times.

I want to thank you for the opportunity to share my views, both written and oral, and I stand ready to address any questions or concerns that you may have.

[The statement of Richard A. Wannemacher, Jr. appears on p. 34]

MR. MILLER. Thank you very much for your testimony today.

Several of us have questions.

I'd like to start off by saying that in your testimony, you had said that the number of annual interments are expected to increase by 24 percent between 2004 and 2010.

MR. WANNEMACHER. Mm-hmm.

MR. MILLER. And in 2006 this year, you ask for an additional 13 FTE.

My question is, in order to maintain your current level of customer satisfaction, do you foresee requiring additional FTE as demand for your services increases, and if so, are there plans to ramp up those levels in the future?

MR. WANNEMACHER. We believe that this year the 2006 budget submission will adequately serve the needs of the National Cemetery Administration in the growth period. The 2007 may be completely different.

But the request that we presented and that was accepted by the President and submitted to Congress is adequate to serve our needs.

MR. MILLER. You also talked about 89 restoration projects having been completed and 151 other projects underway.

Of course, there are 928 projects out there, so at this pace, how long do you anticipate, given the current pace to finish all of the projects?

MR. WANNEMACHER. With the steady progress that we've already made, and one fourth of the projects have been completed to date, we feel that we're on a steady scale to be able to complete those by 2009, 2010.

MR. MILLER. Are other maintenance projects being deferred because of this ongoing work, or is this in addition to your regular work schedule?

MR. WANNEMACHER. This is in addition to regular work schedule, sir.

MR. MILLER. Could you tell us a little about the -- I haven't had an opportunity to go there, but a little bit about the NCA training center?

Some of the Committee members may want to know a little bit about that. I think we may make a site visit there sometime in the near future.

MR. WANNEMACHER. The Committee is more than welcome.

I had the opportunity to be out there earlier this year, and we were at that time putting together a class of candidates for director train-

ing, assistant director training, and those individuals received the best of the best when it came to instruction.

Bill Jayne from the State Cemetery Grants Program was out there to make them aware of the State Cemetery Grants Program.

Dan Tucker was out there to assist them. Steve Merrill, who is my deputy right now, the field director was out there.

And what we've done, we've put together courses that assist veterans in -- our employees in meetings the needs.

We're also working with the VA Chaplain Service in order to accommodate the work that is required, but also the personal aspect in dealing with death and dying on a regular basis.

Our employees are sometimes just as effective as the families themselves.

So in developing coping skills, we're working on that.

But this training center is going to be more than just training the assistant directors and directors. We're also putting together training to train ground maintenance personnel, cemetery representatives, everyone within the system.

All of the employees of the National Cemetery Administration will have an opportunity to go there and receive training so that they can better serve the veterans that we serve.

MR. MILLER. Thank you very much.

Ms. Berkley?

MS. BERKLEY. Thank you, Mr. Chairman.

I have an absolutely beautiful cemetery right outside my district, and I'm there quite often for various ceremonies and for private burials, as well, and I think they do just a remarkable job.

Since I only have state cemeteries in my state, of course, I'm particularly interested in that.

If the VA does not receive funding for additional state cemeteries, how long do you think it would take for the applications that are currently pending to obtain funding? If we don't provide adequate funding in this budget, how much longer would be have to wait?

MR. WANNEMACHER. I'll let Bill Jayne address that.

But the 2006 budget submission will address the current needs, the current pre-applications, but Bill, if you'll share that?

MR. JAYNE. Yes, ma'am.

We have -- step back a second.

We use a process where we start with what we call a pre-application from the state, and the purpose of that pre-application is to open up the lines of communication with VA and to assess these projects, whether they're valid or not, and to refine the scope of the projects.

Then we go through a process that usually takes, at best, a year sometimes two to three years, of in effect perfecting that pre-application, and the states need to meet all of our requirements for a grant before we actually award a grant.

So we've got 39 pre-applications on hand right now with an estimated cost of about 140 million, but not all of those are ready to be funded right now.

And what has happened over the past few years is that what happens is that usually these pre-applications don't follow a very smooth, predictable course. Some go faster than others. Some take much longer than we expected.

So with that process, in effect, we've been able, with the $32-million-a-year appropriation, to address the most important needs of the projects that are ready to be funded, the ones that have met all of our requirements, and that includes some important expansion and improvement projects such as one we've got working right now at Boulder City, where we're going to put in crypts and columbaria and a new maintenance building, that's more adequate to their workload.

MS. BERKLEY. Thank you for that.

Let me ask you something. If the state goes ahead and allocates money for maintenance but there's -- but VA funding is not available, what happens to the state money? What happens in that case?

MR. JAYNE. That would be a state matter. If they appropriate money at the state level to operate a new cemetery, and that cemetery is not built, I would assume that under the state budget they would reprogram that money or something like that.

MS. BERKLEY. Okay.

If a state wanted to designate -- and I mentioned this in my opening remarks -- if a state wanted to designate a distinct portion of a state veterans' cemetery for use by veterans recognized under state law but not federal law, under what conditions could that be done?

MR. JAYNE. Currently, the law authorizes us to only provide a grant for cemeteries that are operated solely for veterans as defined under Title 38, and eligible dependents and so on.

So in general, we would probably not be able to assist a state in building a facility that would provide services for people who are not eligible for burial under Title 38.

MS. BERKLEY. Let me ask you something.

If the state decides to set aside a small portion of the state cemetery, would the feds have any problem with that, if they paid for it and funded it; and do you see any circumstances where somebody with the National Guard or Reserve who has served with distinction but may not fall into the federal guidelines or federal definition do you see any time when it would be appropriate to bury them in the veterans' cemetery?

MR. JAYNE. Well, your first question about a facility that would be built totally with state funds and operated totally with state funds, I think we'd have to look at --

MS. BERKLEY. Well, not actually all state funds. It would be a similar situation to what's happening in Boulder City, which is not solely

state funds.

MR. JAYNE. Right.

That would be -- the plot allowance issue for operations would be a separate question. I would assume that, you know, the plot allowance is payable on behalf of a veteran as defined under Title 38, so the plot allowance would not be paid for someone who is ineligible.

But as far as grant funds for construction, I don't think we could award grant funds, but if the state were to build a separate, adjacent facility, I think we'd have to look at the plans to be sure but potentially something like that could be done.

But maybe perhaps the entire issue of eligibility is one that needs to be looked at perhaps by the Committee.

MS. BERKLEY. Okay.

And if I could have just one more minute?

MR. MILLER. Sure.

MS. BERKLEY. It's come to my attention, and we received some inquiries about this, so let me share with you what the inquiry was.

Is there a uniform procedure, or should there be a uniform procedure for contacting national cemeteries on weekends or holidays in order to schedule services for the following weekday?

I received some information that it's not uniform throughout the United States and it creates some confusion.

MR. WANNEMACHER. Well, it is uniform.

The funeral directors would contact the cemetery where they normally would contact, and that phone line would link up to St. Louis, Missouri.

We have a hub in St. Louis, Missouri that's staffed on weekends and holidays, and they take care of all of the weekend arrangements, and then what they do is contact the cemetery and tell them what is planned.

MS. BERKLEY. Okay. Thank you very much.

MR. MILLER. Mr. Udall.

MR. UDALL. Thank you, Mr. Chairman.

As a member who represents a rural district, I'm concerned that the policy requiring 175,000 veterans within a 75-mile radius adversely impacts rural veterans, recent research showing that veterans from rural areas are dying at twice the rate of those from cities and suburbs.

What can be done to provide a dignified resting place for our rural veterans?

MR. WANNEMACHER. The National Cemetery Administration for the construction of the national cemeteries, you're correct, the 75-mile, 170,000 veteran populations.

Well, that's where our State Cemetery Grants Program comes in, to address those programs in areas where there aren't sufficient veterans residing.

But I also want to tell you, Congressman, that National Cemetery Administration issues with pride and dignity headstones for every veteran's grave, and those headstones are sent to that cemetery for placement.

We also issue presidential memorial certificates in order to memorialize that individual veteran's service to his country.

What our goal is, by 2006 -- or 2009, I'm sorry -- we'll be reaching 90 percent of the veterans within 75 miles with either a state or a national cemetery.

But the placement of those individual headstones throughout the nation continues to honor with dignity the sacrifice of veterans.

MR. UDALL. Thank you.

In July of 2002, some staff from the VA's Office of the Under Secretary of Memorial Affairs visited New Mexico to do an initial site review for a new national cemetery in New Mexico.

Where in your list of planned new national cemeteries does New Mexico fall? What is the timeline?

I have many constituents who are interested in being involved in the site selection process for a new national cemetery.

Who participates in this process, and what kind of public input from veterans do you plan?

MR. WANNEMACHER. When that assessment was delivered, National Cemetery Administration was responding to legislation that was put forward by Congressman Wilson, and her legislation requested that NCA, the National Cemetery Administration, look at burial option within the Albuquerque area.

The Albuquerque area is served by the national cemetery in Santa Fe, and with that, with the Santa Fe, the expansion that's going on out there, we feel that those veterans in Albuquerque are well served.

We did do a study and came up, but there's no priorities list or anything. All we were doing is responding to congressional mandate to look into the cemetery.

MR. UDALL. When you get ready to do a new national cemetery, what kind of public input do veterans have? I mean, what is your traditional way of doing that?

MR. WANNEMACHER. There will be full public input.

Once the -- we utilize the Census results, and then those Census results are updated through the VA's Office of Actuary.

And so when we find a situation, then we go and go to the public, we talk to the funeral directors, we talk to veterans service organizations, we talk to everyone, because we don't want to create something that isn't going to be well utilized within the community.

MR. UDALL. Thank you.

During the last Congress, I introduced a bill called the ``Native American Veterans' Cemetery Act.'' This legislation makes all Na-

tive American tribes eligible to apply for state cemetery grants.

As you know, under current law, only states are eligible for veterans' cemetery grants.

As I mentioned earlier, then Secretary Principi sent a letter to me stating he strongly supported this bill's enactment.

What action is needed for the VA to provide the opportunity to tribes to apply for state cemetery grants; what obstacles do you see to allowing tribes to apply for state cemetery grants?

MR. WANNEMACHER. As you noted, Secretary Principi did, and the administration did support H.R. 2983.

This year, we haven't been asked to respond to your current legislation. H.R. 601.

What the criteria is is that the individual entity would have to meet the requirements for all grants, whether it be a state or territory. There are certain criteria, and those are posted within public record, Directive -- was it 39? -- 38 CFR Part 39.

If they meet that criteria, then they would be considered.

MR. UDALL. Thank you.

Thank you, Mr. Chairman.

MR. MILLER. Thank you very much, Mr. Wannemacher, Mr. Jayne, and Mr. Tucker, for being here. This Committee and I commend the role that you play, along with your staff, in assisting the survivors of our servicemembers and veterans. I appreciate your testimony and do look forward to working with you in the future.

You're excused.

I'd like to ask the next panel, if they would, to come forward.

Members and guests, retired Brigadier General Leslie Beavers is the president of the National Association of State Directors of Veterans' Affairs.

He is a 1960 graduate of the Military Academy at West Point, sir, and has a distinguished career in the United States Army.

His awards include the Legion of Merit, three Bronze Stars for valor, two Meritorious Service Medals, Air Medals, the Army Commendation Medal, the Army Achievement Medal, the Combat Infantryman's Badge, the Parachutist Badge, the Department of Army Staff Badge, and Ranger qualification, which means he has spent at least one week in the Yellow River in my district, in Florida.

Mr. John Fitch, Jr. is the Senior Vice President for Advocacy for the National Funeral Directors Association.

He has a B.A. from the University of Virginia and an M.A. from the Industrial College of the Armed Forces, and a law degree from the University of Mississippi.

Mr. Fitch served nine years as an officer in the U.S. Army with active duty assignments in West Germany and Vietnam.

Mr. Paul Elvig is here in his capacity as Vice President of Products and Services and Chairman of the Federal Affairs Subcommittee for

the International Cemetery and Funeral Association. He's currently the president and CEO of Evergreen-Washelli Funeral Home and Cemetery in Seattle, Washington.

Mr. Elvig has served as executive director of both the Washington State Cemetery Board and the Washington State Funeral Directors and Embalmers Board, and is a founder of the North America Cemetery Regulators Association.

Mr. Richard Jones is legislative director for AMVETS.

Mr. Jones has spent almost 20 years working in various staff positions in the House and the Senate, including several years on the staff of this very Committee.

He is a veteran of the U.S. Army, where he served as a medical specialist during the Vietnam era.

We'd like to welcome all of you today.

And General Beavers, you may begin.

STATEMENTS OF BRIGADIER GENERAL LESLIE E. BEAVERS, U.S. ARMY (RETIRED), PRESIDENT, NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS' AFFAIRS (NASDVA) AND COMMISSIONER, KENTUCKY DEPARTMENT OF VETERANS' AFFAIRS, ACCOMPANIED BY STEVE ABEL, STATE DIRECTOR, NEW JERSEY]; JOHN H. FITCH, JR., SENIOR VICE PRESIDENT FOR ADVOCACY, NATIONAL FUNERAL DIRECTORS ASSOCIATION; PAUL M. ELVIG, VICE PRESIDENT OF PRODUCTS AND SERVICES AND CHAIRMAN OF THE FEDERAL AFFAIRS SUBCOMMITTEE, INTERNATIONAL CEMETERY AND FUNERAL ASSOCIATION (ICFA) AND PRESIDENT AND CEO OF EVERGREEN-WASHELLI FUNERAL HOME AND CEMETERY, SEATTLE, WASHINGTON; AND RICHARD "RICK" JONES, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

STATEMENT OF BRIGADIER GENERAL LESLIE E. BEAVERS

GEN. BEAVERS. Thank you, Mr. Chairman.

I have with me this morning also Mr. Steve Abel, the state director from New Jersey, and the reason I invited him, he had the largest state cemetery operation in all 50 states, so he might be able to answer some of the questions, as well.

It's an honor for me to represent the 50 States, the Commonwealths, and the Territories, and I think in my oral comments I'll address some of the questions that have been previously asked, and I would like to submit my statement for the record.

Memorial affairs is an area in which the states have been highly

effective participants with the federal VA with the inception of the State Cemetery Grants Program.

I think of all the grant programs that I've been associated with as a State Director, this is the most effective and the best managed, and I applaud Mr. Bill Jayne on the cooperation and the coordination that he effects with the State Directors. It is a highly effective program.

I think they've also earned the National Cemetery Administration award of "excellence" as a governmental agency.

In our relationship with the national cemeteries in our states, they truly are effective, and the veterans are highly appreciative of the services that they provide and what we're doing in the state cemeteries.

When you look at it over the history of this grant program, 139 grants have been awarded, and that's only been an expenditure of federal dollars of 215 million, for a highly sensitive and memorial service that we're providing for those who served our country.

We currently now have 32 states and Guam involved in the cemetery grant program, and it's allowed us to provide gravesites for veterans in those areas where VA national cemeteries are unable to fully meet the veterans' needs, particularly in the rural and remote areas of the country, areas that have concentrated military, veteran, and retiree populations, such as I address at Fort Campbell in Hopkinsville, our first state veterans' cemetery in the Commonwealth of Kentucky, and I hand-carried with me today the plans for Fort Knox, my second state veterans' cemetery, where I have a high retiree and a veteran population in the Louisville area.

I think the cemetery grant program, the State Cemetery Grants Program also serves those moderate sized population areas such as Memphis, Nashville, Little Rock, and Las Vegas, so it is a real compliment and a supplement to the national cemetery system.

I disagree with my federal colleagues about the budgeting for fiscal year 2006. The proposed appropriation of 32 million is insufficient, I think, to address the 40 pre-applications, which total some 160 million.

States have to make a big commitment to receive a grant. We have to get the land, often purchased by the veterans' service organizations, or transfer federal land, like I have at Fort Knox.

We have to do a full design, which takes A&E front money, as well as a commitment in our state budgets to operate these.

And that's often the biggest question we get from our general assembly about our commitment to the perpetual care of these state veterans' cemeteries.

So I strongly think that the State Cemetery Grants Program should be increased to 50 million so that we don't generate a backlog of these projects similar to what we had with the nursing home grant program.

I know that they are better prepared to answer that question, from our view, as state directors, I don't think we should hold up these projects for lack of funding with that commitment that we've made with our general assemblies to go forward, and our governors.

Next, I'd like to address the plot allowance issue, because it directly ties into our operational costs.

The operational cost, the average we figured for an interment is around $2,000 per interment, and our plot allowance of only $300 is the only offset that we get in the state for operational costs, which is only covering 15 percent.

The state directors I think would support legislation that's proposed for an increase in that plot allowance, because it would go directly to offsetting that operational cost, and I know that there's H.R. 831 and the one that you mentioned, Congresswoman Berkley, and we would support an increase in plot allowance, and I propose that that should be $1,000.

Next, I'd like to address the question about eligibility for interment.

You know, our nation has an obligation to honor and memorialize the service of Reserve component and National Guard members for their military service, as well, particularly since the all-volunteer force of 1973.

Currently, only those Reserve and Guard members who have earned veteran status by being federalized, or those that are retired, or those who suffer injury or disease from performing training can be interred in a national cemetery system.

If a state inters an ineligible Reservist or Guard member in their veterans' cemetery, then we're no longer eligible to receive the federal cemetery grant.

We believe it is time to amend the law to include the following provision, and I offer this provision:

"Any member of the Reserve component or National Guard who originally enlisted on or after July 1, 1973 and is currently serving or was discharged or released therefrom under conditions other than dishonorable."

I think that amendment in Title 38 would clear up the issue of eligibility for our Guard and Reservists who are serving so well in this war on terrorism.

So I offer that provision for the record.

In terms of the operational grant, in lieu of plot allowance, then I think under the purview of the state cemetery grant program, we could have an operational grant.

Because their program is so well-managed, I would think that the cemetery grant program could include an operational grant component for the states, based upon the size and the burial rates, and that could be determined about what appropriate level, but with the plot

allowance being increased, then that would be offset with that recommendation.

In terms of burial honors, I'd like to go beyond the State Cemetery Grants Program and say it is so important when you attend these services, what occurs at a committal shelter.

This has been a labor of love for me in terms of establishing State Cemetery Grants Programs in our state, and I worked on it for four years.

And when we had our first burial of a black NCO E-6, Lemuel Graham, who had entered the Army when it was segregated, with his distinguished spouse present, and when I was there and we presented her flag and we made our first burial, I knew that we had done the right thing.

Secondly, the second burial that first day on 1 March of 2002 was the spouse of a retired Sergeant Major Matosky, the two of them had served for 30 years in the military as a team, and the only person present was their daughter, who had been taking care of both of them for the last five years.

And the lady's name was Tedi. She was cremained, and we put her in the first columbarium niche, and it happened to be her birthday, and the daughter put a little Teddy Bear in the cremain niche. I knew we were doing the right thing at that moment.

And that's why I pursue this program so strongly.

In attending these, I think the honors that we provide at these services are so important. The two-person detail the DOD is committed to from the service that they were in is so important to them. We're fortunate in the Fort Campbell area to get the 101st to support us, and the VSOs also do a great job in the burial honors.

But I think all retirees should get a seven-man detail, and not just a two-man detail based upon economics, and I know that's tough on them right now because of their deployment rate.

So Mr. Chairman, distinguished members of the Committee, we respect the important work that our colleagues in the federal VA do, particularly in this program, and I think we're answering a service to our veterans who served us, and in so doing, we're giving them a dignified and compassionate burial.

In the states, what I would ask you to be mindful of, we have a fiscal crisis, as well, and this operational need that we have is important to us, just as you face the federal fiscal challenge.

So that concludes my comments, Mr. Chairman, and I would be available for any questions.

Thank you, sir.

[The statement of Gen. Leslie E. Beavers appears on p. 43]

MR. MILLER. Thank you very much, General.

What I'd like to do is to go ahead and proceed through all of the panel if we could, and then go to questions.

So Mr. Fitch, you are recognized.

STATEMENT OF JOHN H. FITCH, JR.

MR. FITCH. Thank you, Mr. Chairman, members of the Subcommittee, for the opportunity to present the views of the National Funeral Directors Association on the NCA and the national cemetery system.

The National Funeral Directors Association represents more than 13,000 funeral homes and over 21,000 licensed funeral directors and embalmers in all 50 states.

The average NFDA member is an independently owned and operated business with fewer than 10 employees and has been in the same family for over 60 years.

The NFDA has a great interest in the national cemetery system as our members provide both funeral and burial services for our veterans and their families on a daily basis. As a result, they use the national cemeteries and state veterans' cemeteries very often.

In a recent survey of our members on this question, we have received an almost unanimous response that our nation's national cemeteries and state veterans' cemeteries operate efficiently, effectively, and with much compassion for those being buried there, as well as their families.

Our members have found the management and operation of these cemeteries to be courteous, flexible, and accommodating to the needs of the funeral director and the family members of the deceased veterans.

As one of our members from Florida stated:

"Being in Southwest Florida and with the amount of retired veterans that have come to our beautiful side of the state, we deal regularly with the Florida National Cemetery as well as many times with Arlington National.

"I couldn't be more pleased with how we are taken care of when we call the Florida National Cemetery. Everyone is pleasant, efficient, and knowledgeable, and the cemetery is kept up beautifully."

An Illinois member stated:

"We use the Rock Island National Cemetery quite often. In fact, I have expressed my desire to be buried there, since I am an eligible veteran of the Vietnam War.

"I really do not know of any way to make improvements. It is impossible to say enough good about the management, the way the families are treated, and the way funeral directors are treated. Please encourage the Veterans' Administration to leave it just as it is."

And there are other examples of this in my testimony.

I use these examples from around the country to illustrate that our national cemetery system and its operation and management from

our members' standpoint is of the highest caliber. Believe me, if it was not, they would say so.

They tend to be very protective of the families they serve, and they want to ensure that they are treated with respect and dignity during all phases of the funeral and interment.

I also received just yesterday a letter from Ken Knaus of Palm Mortuary who gives his regards, to say that, "The National Veterans' Cemetery in Riverside, California and the Southern Nevada Veterans' Cemetery provide a wonderful benefit for our women and men who have served so bravely and unselfishly.

"We have assisted thousands of families over the years with their burials at veterans' cemeteries. Families are very grateful for these services."

And he sends his regards.

While most of our members are well-satisfied with the services provided them, there are a couple who have said that there may be some problems in their areas.

One member from Texas who uses the DFW National Cemetery stated, and I think you addressed this issue earlier:

"It has been a problem serving our families during the weekend hours. Upon the death of a veteran on a Friday evening or on the weekends, we cannot make any notification to the national cemetery.

"This prevents a family from making any gravesite service arrangements until the following Monday, which means the service won't be held until Tuesday or Wednesday."

That's one example.

One member talked about Arlington National Cemetery and indicated that his biggest concern is the fact that "Arlington National ... does not accept cremated remains from the Post Office."

"It has presented a bit of a problem in having to send [the cremated remains] to another funeral home [in Washington, D.C. area] rather than directly to Arlington and thereby causing an additional charge that the families have to pay."

Finally, the New Jersey State Funeral Directors Association has indicated that the ``New Jersey veteran families are underserved by the location of the Midatlantic National Cemeteries.

"Funeral processions from [New Jersey] travel a minimum of three hours to the closest cemetery, Calverton, Arlington, or Indian Gap. Such excessive travel adds to the cost of the funeral and creates a travel burden on families who would like to visit the grave."

Mr. Chairman, that concludes my testimony. I'll be happy to answer any questions.

[The statement of John H. Fitch, Jr. appears on p. 46]

MR. MILLER. Thank you very much, Mr. Fitch.

Mr. Elvig.

STATEMENT OF PAUL M. ELVIG

MR. ELVIG. Chairman Miller and Ranking Member Berkley, we thank you for the opportunity to be here and say hello from the private and the religious and the municipal cemeteries in America.

The ICFA has approximately 6,700 members around the country and in a few other countries, and our concern is the same concern that this Committee has, and that is the obligation that we all have in this business, if you will, to provide the services forever. That's something that people just don't seem to understand. It is forever.

It's to that extent and to that end we want to compliment the Chair for the special effort being made towards the 900-plus projects that need to be addressed in the various maintenance issues of the national cemeteries, and we recognize that this is a type of an ongoing issue that you face now.

We would also like to suggest that possibly you might look at the concept of endowed care.

The private cemeteries, religious and municipal cemeteries have addressed this issue of endowment care. That's where monies are set aside and only the earnings, the interest, if you will, is used to maintain a cemetery.

We have found, I have found, having been the regulator nationally, president of the Regulators Association, we have found that it seems to be the best assurance that cemeteries will continue to meet the community expectations and demands of their cemeteries.

So we would urge that you might look at that in the future while you're putting together the support you need for this year's bill on the maintenance issues.

We also would like to respectfully suggest that in the future you may consider readdressing the issue of providing veterans' families with a benefit that was stopped by Congress in 1990, and that was the burial allowance of $150.

Many veterans who pass away have already had a spouse pass away and are buried possibly in a municipal or private or religious cemetery, and to tear that family apart seems almost cruel.

The veterans' benefit of $150 which was used kept families together, gave families choices, and frankly, relieved the government, the Federal Government, of an ongoing obligation of maintenance that we just talked about.

So we would urge that that be a look at again, as a possibility, to provide those veterans' families that have served us so well with the options and the choices they may wish to have.

Also in 1990, Congress stepped away from the marker -- or shall we call it the government marker support -- whereby that if a per-

son did not use a marker that was supplied by the government, the family was given an immediate wholesale cash allowance to apply it towards whatever method they would wish, whether it be cremation, memorialization, or in a crypt, or whatever type of final disposition the family may have chosen.

So we would suggest that, in the future, so that you aren't faced with this issue of all the time coming back with more projects that will be needed, we suggest that you visit the subject of endowing, we suggest that you visit the subject of reinstatement of the allotment for a veteran's grave, and we suggest that you revisit the subject of matching on the memorial cost, the wholesale cost for a family that chooses to use something differently.

We want to compliment the Committee for your attention to this issue.

I know from having spoken to many legislatures and people around this country, getting attention paid to those who have gone on before us is a hard thing to do, and until you've sat and looked in the eyes of a family member who has lost someone, you really can't respect what's going on, and your participation shows it so, so much.

We thank you for that, and we're happy to answer any questions that you may have.

[The prepared statement of Paul M. Elvig appears on p. 50]

MR. MILLER. Thank you, Mr. Elvig.

Mr. Jones, with AMVETS.

STATEMENT OF RICHARD ``RICK" JONES

MR. JONES. Chairman Miller, Ranking Member Berkley, members of the Subcommittee, my name is Richard Jones, AMVETS legislative director.

Mr. Chairman, we wish you well with your new Subcommittee. You are well-staffed, and we want you to know that we stand ready, AMVETS and several other veterans' service organizations, to help in any way that you see appropriate.

As you know, the NCA --National Cemetery Administration -- burial rate has begun to average more than 100,000 interments per year. Annual individual burials will peak in 2008.

If the National Cemetery Administration is to continue its commitment to ensure national cemeteries remain dignified and respectful settings that honor our deceased veterans, there must be a comprehensive effort to greatly improve the condition, function, and appearance of national cemeteries.

AMVETS strongly supports the full Committee's recommendation that Congress establish a five-year $300 million program to restore and improve the condition and character of NCA and the cemeteries

as part of the coming year's operations budget.

The NCA burial program calls for activation of six new cemeteries. The fiscal year 2005 budget has six cemeteries that have advance planning.

We believe the completion of these new cemeteries that are on line will represent an 85 percent expansion according to VA of the number of gravesites available in the national cemetery system. That is gauged from the baseline of 2001, which almost doubles the number of gravesites during the period.

The National Cemetery Administration really faces two major challenges.

First is, of course, to provide for the passing generation of men and women that defended freedom and democracy in World War II and Korea and Vietnam, and I think that, with your with congressional help, they're on their way to doing that.

The second is to ensure the maintenance of current cemeteries and the continued planning, design, and construction of world-class, quality cemeteries that honor our deceased veterans. There's where they need some assistance.

As mentioned, AMVETS supports an accelerated shrine initiative.

We've spoken previously about the project repair conditions that have accumulated over the past several years, and clearly, as any public facilities manager knows, failure to correct identified deficiencies in a timely fashion usually results, or often surely results in continued deterioration of the facilities and increasing costs related to necessary repair.

We recommend that Congress and VA work together to establish an accelerated time frame for addressing those projects.

One more point that deserves comment is individual burial benefits used by veterans in church, community, and other private sector cemeteries, to include state cemeteries.

We should not overlook the erosion of these earned benefits, Priority 8 or otherwise. These are valiant men, brave women, who have served honorably in the military.

AMVETS recommends Congress consider several legislative updates, one in particular, H.R. 805, sponsored and championed by Ranking Member Berkley. Here we have support for veterans who would desire burial in state facilities.

We would ask that the plot allowance be increased to $745 from the current level of 300.

We would also suggest an increase in service-connected burial benefits from the current level of $2,000 to $4,100.

And we would note that often these service-connected deaths occur out of the normal death cycle, if you would.

A normal individual has a certain life period. An injured veteran has a certain life period. There are differences there.

We would note that Congress has recognized the importance of providing money to those who are killed instantly in combat. Some of those wounds are carried on in a shortened lifetime, and we would ask that you increase those benefits a modicum, as we said, some $4,100. Ms. Berkley's bill has that figure.

We would also ask that you increase the non-service connected benefit from the current level of $300 to $1,270.

This benefit was last adjusted in 1978, and today it covers just 6 percent of the burial expenses. As you know, the inflation factor has been enormous over that period.

To correct the erosion of inflation, we would ask that these benefits be indexed into the future to avoid a future erosion.

Regarding the State Cemetery Grants Program, the program has helped develop more than 60 operating cemeteries across the country that have accounted for over 19,000 burials of veterans and their eligible family members.

The program deserves your support and attention. It allows states to work in concert with the NCA to plan, design, construct really top-notch, first-class, quality cemeteries.

And Mr. Chairman, we applaud the Subcommittee for holding this hearing. We wish you well in your new duties with this new Subcommittee. We're pleased to be here before you today.

And this concludes my statement. I'll be happy to answer any questions you might have.

[The statement of Richard ``Rick'' Jones appears on p. 57]

MR. MILLER. Thank you very much to the panel members.

I have a couple of questions.

Mr. Jones, thank you for all of your hard work and everything that AMVETS does to further the cause.

As one of the authors of the Independent Budget section for NCA, you're aware of the need for the repair at the national cemetery level and what this Subcommittee and Committee is trying to put forth in this budget year, and I believe that VSOs are very important stakeholders in this particular effort.

Can you elaborate a little, if you will, on AMVETS or other VSOs, what you may be doing to help develop volunteer opportunities out there in conjunction with NCA?

MR. JONES. Our departments and posts across the nation are strong in their volunteer service to the National Cemetery Administration.

We participate in Honor Guard, we participate in providing the delivery of flags to those family members who have buried loved ones. We work in conjunction, as best we're able, with NCA to serve.

As you know, NCA is very busy. As mentioned just a moment ago, the death rate is accelerating, and the burial space, the time of the burials are multiple, so there's a great need for volunteer work.

And we at AMVETS, along with other service organizations, have many people who dedicate time and travel and sometimes that travel is amazing, when you speak with those people, the hours that they're on the road to get to some of these facilities to provide support to NCA and support to the family.

May I just mention one quick story, sir, talking about the sincerity of service at NCA?

Not too long ago, Acting Secretary Wannemacher was at a facility where he noticed beyond the manicured grounds a small woodlot that had overgrown, and he looked in there and saw that there was a tombstone, the tombstone, was, of course, an unkept grave of a veteran, happened to be an AMVETS member, as I understand it, and he mentioned the situation to the personnel of the facility.

Upon return, the facility had made the changes. They had rooted out the undergrowth and cleaned up the facility, and it was amazing upon hearing why that had gone unkept for a while. It had simply fallen out of regular maintenance and gone unnoticed. People thought that no one really cared.

But someone did care, because shortly after the cleanup, Secretary Wannemacher received a letter thanking him for what he had done for their uncle's gravesite.

That is the sincerity that goes through the NCA system. Not only do they receive a 95 percent rating, they really care, and it's incredible to see. And that's just one story among many.

I didn't relate it very well, but I wanted to relate it.

MR. MILLER. Thank you very much.

General Beavers, you talked about trying to establish or have Congress establish a state veterans' cemetery operational grant program to assist states in the operational efforts of those cemeteries.

Hearing that in these budget times at the state and federal level concerns me somewhat from the standpoint that it makes me wonder why the states may not be able to continue with their operational efforts as they should.

And my question to you is, do you see states balancing their budgets, if you will, on the backs of the operational needs of the state cemetery programs?

GEN. BEAVERS. Sir, let me address it with several components.

First of all, we want to maintain, in the state cemeteries, a national shrine status, as well, which takes a real commitment, both with personnel, but also with operational costs to maintain the facility.

So in my experience so far, my average operational cost for where we have a burial rate of roughly one or two a day at the Hopkinsville facility, my anticipated operational cost for this coming year is $400,000, and that's only five employees; and the plot allowance that we receive currently of only $300, simply buys the liner for that gravesite.

So I get no commitment or no support from an operational standpoint, other than the state appropriated funds that I get for my department.

So in lieu of an increase in plot allowance to meet that perpetual need, which is a burden that the state has accepted, and we face each biannual cycle of budget requests, then they obviously are looking ahead and saying, ``Okay, if you're going to put five cemeteries in here, what's going to be our cost annually to operate these?'' And, you know, that will go up each year with inflation.

So all we're asking for is some help. That plot allowance currently doesn't support any operational costs, as I indicated, so we're looking at some mechanism, either an operational grant that wouldn't cover the whole operational cost, but just a portion of it, like we do with per diem in the nursing homes, where the nursing homes are supported by about 31 percent of our cost of operation through the $59 that we get a day for the care of a veteran.

We could have a similar program in the cemetery operation, where we could get an operational grant to support just a portion of that operational cost, or, in absence of that, with an increase in plot allowance, that would directly offset the operational cost.

The plot allowance would be the simplest and the easiest way to do that.

MR. MILLER. Please don't take my questions as negative in any way.

GEN. BEAVERS. No, sir.

MR. MILLER. But isn't that the whole idea of the state cemetery program, where the federal government does come in with the grant program, offers the ability to establish the cemetery, with the understanding that the state would thereby take the operational cost within their budgets?

GEN. BEAVERS. That's true, sir, and I think the commitment is made with that third element in the grant process. You have to have the land. You have to have your design. And you have to have a commitment in your budget to operate it. But we face that with every budget cycle.

So that commitment has been made on the part of the states to operate them, and it's a matter that we need some support, some help in view of our fiscal crisis with each state, and it varies by state.

But the plot allowance would be the easiest way to do it.

MR. MILLER. It sounds to me, though, that the states are not doing their part.

GEN. BEAVERS. No, sir, I disagree. I think we are doing our part, because we've increased the number of state veterans' cemeteries by 38 percent since 1999.

We're committed to this program. We see the value of it, particularly where it addresses rural areas and where we know the National

Cemetery Administration will not be able to put in national cemeteries.

MR. MILLER. And I'm not being critical of your organization at all. I'm talking about the legislatures and the governors within the states and the appropriations process.

GEN. BEAVERS. Well, it fits into the picture, sir, of a budget where you're dealing with Medicaid shortfalls, you're dealing with health care issues of the state, and you're dealing with education.

When you throw state veterans' cemetery operations in the mix of education and Medicaid, which are the big nugget issues in a state budget, then we have to fight for that operational cost.

My experience in my state, in the Commonwealth of Kentucky, they have not resisted or turned against the support for the operational cost of these. I've heard of no state director saying that he's had trouble having that commitment from his general assembly.

All we're saying is that, as we go forward with budget crises, plot allowance or an operational grant would surely help us to maintain these at the national shrine status.

MR. MILLER. Thank you very much, General.

GEN. BEAVERS. Yes, sir.

MR. MILLER. One more thing.

Mr. Fitch. Yes, sir.

MR. JONES. May I just add one thing?

The plot allowance surely has eroded with inflation. I'm sure that when these states gauge what they can afford, part of that calculus is what the plot allowance is today and the expectation that Congress will retain a certain portion of that.

So with the erosion of that plot allowance goes also an erosion of potential support. As you know, the plot allowance today is $300, and that is the same amount of benefit that was provided in 1973.

Well, it has increased recently. But it's still only 6 percent of what was provided in 1973.

MR. MILLER. And let the record reflect that I'm not referring to plot allowance increases. I was directly--

GEN. BEAVERS. Yes, sir.

MR. MILLER. --talking about the operational program for state cemeteries whereby there would be a federal component in funding of that.

And my questions are just from an informational standpoint. I in no way was implying that the plot allowance was sufficient.

I also would like to say to Mr. Fitch that I contacted Mr. Metzler out at Arlington, and they conducted 6,552 funerals last year in fiscal year 2004. Given the large number of services out there, without question, there probably have been some scheduling errors, which you discussed.

I would like to say that their response to me was, in an effort to

alleviate some of these scheduling situations, they've added to their website the current day and three additional days forward of funeral information so that anybody can go on-line, check and see what the schedule is out there at Arlington. They've hired additional staff members to assist in funeral arrangements.

And I'm still wondering a little bit about the issue of receiving remains through the United States Postal Service.

As you know, after September 11th, they stopped receiving cremated remains because they do not have a special handling facility.

Certainly, there's got to be a way to resolve that issue. I don't know how many cremated remains come to the cemetery on an annual basis, but it's certainly an issue that this Subcommittee can look into and see if there's a way that we can help solve that problem.

MR. FITCH. We would also be more than willing to work with Jack on solving this problem, as well.

MR. MILLER. Very good. Thank you very much.

Ms. Berkley.

MS. BERKLEY. Thank you, Mr. Chairman.

Mr. Fitch, when you talk to Ken Knaus, would you say hello for me? I will be residing with him in perpetuity when my time comes, because I already have a plot.

He does an extraordinary job, and he's also a very good friend.

I'm glad that the chairman -- the chairman actually brought up a couple of issues that I'd like to emphasize with my comments and my questions.

I was surprised, because I had received the same testimony regarding the funeral director for the Dallas-Fort Worth National Cemetery that obviously had the problem in getting through on a weekend or holidays, and so I was surprised when Mr. Wannemacher explained that there was a uniform program or criteria.

So I would hope that perhaps if a uniform criteria does exist, a uniform procedure, perhaps we ought to communicate that to all of our veterans' cemeteries and funeral directors across the country. Apparently, there's a breakdown in communication.

It doesn't do us very much good, if we have a uniform procedure, if people that need to access it don't know about it.

So while I think it's very good that they added more people and their website is going to be updated, but, you know if you're not computer savvy, we may not be able to get that information to the people that need it.

So if I could ask Mr. Wannemacher to give us a better idea next time, or perhaps communicate with me how we're going to be communicating with the funeral directors across the country, that might be a good thing.

MR. MILLER. One, if I might, my comments were directly relating to Arlington. They were not relating to any other national cemeteries,

but Arlington specifically.

Ms. Berkley. I think he was trying to get a hold of Arlington and couldn't. I think that was the issue.

But nonetheless, it doesn't matter. If it's not working in one place, it may not be working in another, and if we have the procedure, let's inform everybody that we have the procedure.

General Beavers, I agree with you that the $32 million is simply not adequate.

The needs are dramatic, and as you know, and according to the testimony that I reviewed, veterans' burials are going to peak in the year 2008, I believe, and the $32 million proposed is simply not adequate, and I would hope that we would look into the possibility of beefing that up to the $50 million level that has been proposed. I think it's important.

I also want to talk to you about plot allowance.

I have reviewed the H.R. 831, the legislation that increases the plot allowance that you spoke of, and it goes from 300 to 1,000.

I have another piece of legislation that Mr. Jones spoke of, and the reason for the numbers in my legislation is because it is tied to inflation and tied to what the numbers were in 1973, so it has some sense, rather than an arbitrary number which, according to your testimony, is approximately half of the cost of the burial, and we wouldn't need the state operational money as much if we had a decent plot allowance that at least, at the very least represented what Congress intended initially in 1973, and it makes no sense to me that we're not keeping up with inflation; because we're not giving anyone an additional benefit, we're just not eroding any of the benefit, either.

So I would urge all of you to speak to your Members of Congress and people you know about H.R. 805. and if you could support that, and urge them to do that, maybe we could take care of this. I think it would help a lot.

I know with perhaps the possible exception of the state of Nevada, which is running a rather obscene surplus at this time -- God bless the gaming industry -- most states that I am aware of are running serious deficits and have constitutional provisions that say that they have to have a balanced budget.

And I quite agree with you, General, that when the veterans are competing with the educational needs of their students and their school systems that are all hurting, and Medicaid is going through the roof, and we have very serious issues on the state level, that unfortunately, veterans' needs, especially for burials, tends to, in lists of priorities, moves further down to the bottom.

So if we could increase the burial plot allowance, we might be able to alleviate the need for additional operational money from the states, particularly since most of the states don't have the money to

allocate, although they will have the best of intentions.

I know that they agonize over this, but when they have children and sick people to deal with, sometimes veterans funding for burial of our veterans doesn't come front and center.

I like the idea of having an endowment. I'm not sure we'll be able to get that accomplished, but it certainly makes good common sense, which may be one of the reasons why it doesn't get passed this year, but it certainly is something that we should explore.

I was not here in 1990, but it occurs to me you said it's almost cruel that we took away that, that Congress took away that $150 and the marker allocation.

I don't think it's almost cruel. I think it's outrageously cruel, and I would like to see that reinstated and will introduce legislation. I'll commit that to you, with the hope that the Chairman will join with us, because there's no excuse for that whatsoever.

And when I met with the families, as I spoke of in my opening statement, when I was first a candidate, these were the issues that they were bringing to my attention. They were painful in 1997. They're totally unacceptable, particularly given the fact that we're at war now.

One other issue that I wanted to bring up, and I think that was General Beaver's testimony regarding the National Guard and Reservists being buried in the state cemeteries.

Sixty percent of Nevada's National Guard is now deployed in Iraq and Afghanistan. There's going to be deaths, and they will, even if they don't make the ultimate sacrifice, they will have served this nation with distinction under extraordinarily difficult conditions. They deserve to be buried in those state cemeteries, and I would hope that we could make a change and allow that to happen; so I agree with you wholeheartedly on that.

I thank you all very much. It was not only most informative, but wonderful, both panels, wonderful. I appreciate your coming and giving your time to us.

MR. MILLER. Thank you very much.

I would say that budget reconciliation, which was what was going on in 1990, is not an easy process. It's certainly not pretty to go through, and I'm glad that the Ranking Member does agree with me that those that were in control in 1990 never should have done what they did in the first place.

I do want to say that I am pleased, as our Ranking Member is, that you all came to testify today. It's very important to us. That's why we made it our first hearing.

I also want to say thank you to Secretary Wannemacher for staying the entire time. You very easily could have got up and moved on to something different.

We are very much appreciative of you staying here. It shows your

personal level of commitment, and the Committee certainly thanks you.

You know, our final gesture to servicemembers and veterans is burial in a national cemetery, and we owe them the dignity that they have earned through service to our nation.

Ms. Berkley and I both, and this entire Subcommittee, look forward to working with you in the future to ensure that our veterans receive a fitting final tribute.

Representative Brown-Waite, I do want to add, was unable to be here. She sent a letter to the Committee.

As we all do, we were stacked up, she has a statement for the record.

[The statement of Hon. Ginny Brown-Waite appears on p. 32]

MR. MILLER. Also, some of the panel members asked that their full statements be entered into the record. That will be done.

So without objection, and without anything further, this hearing is adjourned.

[Whereupon, at 11:25 a.m., the Subcommittee was adjourned.]

APPENDIX

Chairman Jeff Miller

Opening Statement
Oversight Hearing of the National Cemetery Administration

April 20, 2005

Good morning. The hearing will come to order.

This is the first hearing of the Subcommittee on Disability Assistance and Memorial Affairs, and Ranking Member Berkley and I welcome you. I'd like to remind everyone that the audio portion of our hearing is being broadcast live throughout the world, in real time, over the Internet. Additionally, the hearing is being recorded and will be accessible on the Committee's award-winning website.

We are meeting today to examine the policy and operational issues facing the National Cemetery Administration (NCA) – to include the State Cemetery Grants Program – as well as the efforts NCA is taking to address the major and minor restoration projects identified in 2002 by the Logistics Management Institute.

I am pleased to say there are no obvious problems with the National Cemetery Administration. In fact, in a 2004 survey of government agencies and private organizations, NCA received a higher rating than an agency or organization had ever received – 95 out of a possible 100 points, and 94 percent of respondents in fiscal year 2004 rated the quality of service provided by the national cemeteries as excellent. As well, the states seem to be pleased with the State Cemetery Grants Program, which Congress made permanent in 2003 with Public Law 108-183.

However, I would presume there are areas that can be improved upon. As you may be aware, the Committee, in its budget views and estimates for fiscal year 2006, requested an additional $45.6 million for cemetery restoration and repair projects. This is an area where I have a particular interest and I look forward to working with NCA to ensure we hold firm to the National Shrine Commitment.

Statement of Congresswoman Shelley Berkley
Subcommittee Hearing on VA's National Cemetery Administration
April 20, 2005

First, I would like to thank Chairman Miller for holding this hearing on the National Cemetery Administration as the first hearing of our Subcommittee this Congress. Our veterans have earned a peaceful and serene resting place. The testimony of our nation's funeral directors and recognition by the 2004 American Customer Satisfaction Index confirm that VA's National Cemetery Administration has worked with compassion and diligence to serve the needs of those who have gone before us.

Nevada does not have a national cemetery. However, we have two state cemeteries, one in Fernley, which serves Northern Nevada and one in Boulder City, which serves the Las Vegas area. The Southern Nevada Veterans Memorial Cemetery opened in 1991 and is the second busiest state cemetery in the nation. It currently has 17,000 veterans buried there and as more and more older veterans move to Southern Nevada, the demand for burial space continues to grow. In order to honor veterans and their families, we must provide adequate support for both national and state cemeteries.

I believe that we should increase the plot allowance and burial benefits provided to the families of deceased servicemembers and I have introduced legislation, H.R. 805, the "Veterans Burial Benefits Improvement Act of 2005," to do so.

In addition, I am concerned that the VA may be too restrictive in its interpretation of who can be buried in veterans' cemeteries. I hope the VA will address whether a state can provide a section of a veterans cemetery for those who are veterans under state law or veterans of the National Guard and Reserve without active service.

Again, thank you for being here today and I look forward to your testimony.

Congresswoman Brown-Waite Statement for the Record
Disability Assistance & Memorial Affairs Subcommittee
April 20, 2005 / 10 a.m. / 334 Cannon

I would like to thank all of the witnesses who are here to testify before the Subcommittee today. Our nation's veterans are a source of pride, and their final resting place should accord them the honor and respect they have earned.

As your testimony notes, there is a growing need for the construction of new veterans' cemeteries in the United States. This demand is matched by the ongoing need for restoration and repair of our existing lot and monument sites.

I am eager to hear about the National Cemetery Administration's efforts, particularly in the state of Florida, where my district alone is home to nearly 107,000 veterans. All servicemen and women deserve a final resting place that will be cared for and honored by future generations.

As our veteran population ages, Congress must make sure that we meet their needs, including their memorial affairs. I look forward to working with Chairman Miller and my colleagues on this Subcommittee to provide better care for our veterans. I greatly appreciate your involvement and expertise on veterans' affairs. Once again, I welcome you to today's hearing, and look forward to hearing your thoughts and proposals.

Hearing Statement of the Honorable Lane Evans
Before the Subcommittee on Disability Assistance and Memorial Affairs
April 20, 2005

Thank you, Chairman Miller and Ranking Member Berkley.

Your new Subcommittee has the opportunity to improve the lives of our Nation's veterans and their families. I am pleased that you are beginning with a hearing on our Nation's National cemeteries.

I am very proud of the VA National Cemetery in Rock Island, Illinois. I am pleased that an Illinois member of the National Funeral Directors of America agrees stating that it "is impossible to say enough good about the management" of Rock Island.

I thank all of the witness and look forward to your testimony.

Thank you Mr. Chairman.

STATEMENT OF RICHARD A. WANNEMACHER, JR.
ACTING UNDER SECRETARY FOR MEMORIAL AFFAIRS
NATIONAL CEMETERY ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

HOUSE VETERANS' AFFAIRS COMMITTEE
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS
April 20, 2005

Mr. Chairman and members of the subcommittee, good morning. I appreciate the opportunity to be here today to discuss with you the current activities of the National Cemetery Administration (NCA). I am accompanied by Daniel A. Tucker, Director, Office of Finance and Planning, who is also NCA's Chief Financial Officer, and G. William Jayne, Director, State Cemetery Grants Service.

NCA is one of three mission-driven Administrations within the Department of Veterans Affairs (VA). NCA and the Veterans Benefits Administration, which is responsible for burial flags and monetary burial benefits, jointly administer the VA's burial and funeral benefits for veterans. We, in NCA, have four statutory missions under title 38, United States Code:

- To provide burial for eligible veterans and their eligible dependents and to maintain those places of burial as national shrines;

- To provide Government-furnished headstones and markers for the graves of eligible veterans worldwide;

- To administer the State Cemetery Grants Program (SCGP), which provides Federal funds up to 100 percent of the development cost for establishing, expanding and improving veterans cemeteries owned and operated by the States; and

- To administer the Presidential Memorial Certificate (PMC) program, which provides the families of honorably discharged, deceased veterans Certificates bearing the signature of the President, to commemorate the veterans' service.

NCA currently maintains more than 2.6 million gravesites at 120 national cemeteries in 39 States and Puerto Rico, as well as 33 soldiers' lots and monument sites. Since 1973, when Congress created a National Cemetery System under the jurisdiction of VA, annual interments in VA national cemeteries have more than doubled from 36,400 to about 93,000 in FY 2004. NCA processed more than 350,000 applications for Government-furnished headstones and markers for the graves of veterans worldwide in FY 2004. In FY 2004, NCA also issued 436,000 Presidential

Memorial Certificates to the families of eligible veterans. Sixty state veterans cemeteries funded under the SCGP are operated in 30 States and Guam.

Two and a half years ago at a hearing before the full Committee, we testified on the results of the reports required by the Veterans Millennium Health Care and Benefits Act of 1999. We stated that the reports were serving as valuable tools for the Department by providing data for use in our planning processes. Since that time, we have been able to take action on our planning goals, particularly in the areas of meeting the burial needs of veterans and in maintaining our national cemeteries as national shrines. I would like to take this opportunity today to describe some of our current initiatives as well as several of our major accomplishments.

Meeting the Burial Needs of Veterans

One of VA's primary missions is to ensure that the burial needs of veterans are met. In support of this mission, VA's goal is to increase service delivery by providing more veterans with reasonable access to a burial option (whether for casketed or cremated remains) in a national or state veterans cemetery within 75 miles of their residence.

Annual veteran deaths are continuing to increase as World War II and Korean War-era veterans advance in age. Based on the 2000 U.S. Census, there were an estimated 626,000 veteran deaths in FY 2000. Annual veteran deaths are projected to peak at 676,000 in 2008. As veteran deaths increase, and as new national cemeteries are opened, NCA projects increases in the number of annual interments from 93,000 in FY 2004 to 115,000 in FY 2010, an increase of 24 percent.

Not only are we working to meet the burial needs of those individuals who served during previous periods of conflict, we are also doing everything we can to accommodate the special needs of family members that have lost a loved one serving overseas in Operation Enduring Freedom or Operation Iraqi Freedom. As of the end of March 2005, 273 active duty members killed in action during these conflicts have been interred in either a national or a state veterans cemetery.

Of the 120 national cemeteries operated by NCA, 60 cemeteries have gravesites available for the first interment of casketed and cremated remains; 22 cemeteries can accommodate the first interment of cremated remains and subsequent family member remains; and the remaining 38 can only provide burial for subsequent family member remains.

Our ability to provide reasonable access to a burial option is a critical measure of the effectiveness of our service delivery to veterans and their families. Currently, 75 percent of all veterans in the Nation reside within a 75-mile radius of a national or state veterans cemetery. NCA has established a performance target to increase the percentage of veterans served to 90 percent by FY 2010. Strategic initiatives are in place to meet this goal to increase the percentage of veterans served with reasonable

access to a burial option in a national or state veterans cemetery within 75 miles of the veteran's place of residence. The key strategies are:

- Establish additional national cemeteries in unserved areas;
- Expand existing national cemeteries to continue to provide service; and
- Establish or expand state veterans cemeteries through the SCGP.

The Future Burial Needs report, completed in 2002, is the most recent demographic study completed to assist the National Cemetery Administration in its long range planning. The report assessed the number of additional cemeteries needed to ensure that 90 percent of veterans live within 75 miles of a national or state veterans cemetery between 2005 and 2020. The report identified 31 areas in the United States with the greatest concentration of veterans whose burial needs will not be served. In June 2003, VA transmitted to Congress revised veteran population estimates, based on 2000 United States Census data, for all locations identified in the report. From these two listings, 11 locations were identified as meeting VA's veteran population threshold of 170,000 for planning new national cemeteries. In five of these locations, the burial needs of veterans will be met by expanding existing national cemeteries in order to continue to provide service or by establishing a state veterans cemetery. The remaining six locations identified by VA as needing a new national cemetery are the same locations identified in Public Law 108-109, the National Cemetery Expansion Act of 2003.

Establishing New National Cemeteries

As required by law, VA is in the process of establishing 11 new national cemeteries. The geographic areas where these new cemeteries will be located were determined from demographic studies of the veteran population and are consistent with current VA policy.

Over the next two years, new national cemeteries will open and begin providing service to veterans in five geographic areas: Atlanta, Georgia; Detroit, Michigan; Pittsburgh, Pennsylvania; Sacramento, California; and South Florida. The establishment of national cemeteries in these areas was in response to statutory provisions in the Veterans Millennium Health Care and Benefits Act. Land has been acquired and construction funds appropriated for each of these five new cemeteries. When opened, these cemeteries will provide service to two million veterans who reside in areas not currently served by a national or state veterans cemetery.

Based on the VA's veteran population threshold for establishing new cemeteries and the locations recommended by the Future Burial Needs report, the National Cemetery Expansion Act of 2003 was enacted in November 2003. This legislation directs VA to establish six additional national cemeteries near Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Jacksonville, Florida; Philadelphia, Pennsylvania; and Sarasota County, Florida. Funding for site selection in

these six locations is included in the FY 2005 appropriation, and $41 million has been requested in the FY 2006 President's budget for land acquisition costs.

The development schedule of new national cemeteries generally takes 5 to 7 years. Public Law 108-109 requires VA to set an aggressive timeframe for establishing the six new national cemeteries. NCA's goal is to have "fast track" gravesite sections open in all six new cemeteries by the end of 2009. NCA has begun opening "fast track" gravesite sections in new cemeteries to expedite burial operations rather than waiting for the construction of the entire cemetery to be completed. We have found that the families of veterans truly appreciate this initiative.

Expanding and Improving Current National Cemeteries

NCA will continue to expand, as well as make improvements to, existing national cemeteries by acquiring additional land and completing development projects in order to make additional gravesites or columbaria available for interments. We have several major and minor construction projects underway to expand the life cycle of several national cemeteries so that they can continue to meet the burial needs of veterans in their geographic locations.

We've been implementing various efficiencies in our cemeteries to maximize the amount of burial space we can get at our cemeteries. This includes the use of pre-placed graveliners that are installed at the time of construction. Pre-placed graveliners allow a greater number of gravesites in a section because there is no need for any buffer space between each individual site.

Also, we are constructing a greater number of columbaria for the interment of cremated remains not only as a means for maximizing the number of burials that can be accommodated, but also to be responsive to the demands of veterans and their families for this burial option. The choice of cremation over full-casket burial continues to increase in private as well as national cemeteries across the country. The Cremation Association of North America projects that the national cremation rate will increase from its actual rate of 28 percent in 2002 to 35 percent in 2010 and to 43 percent in 2025. Some States already exceed the projected national average. In 2002, both California and Florida had cremation rates of 48 percent. For fiscal year 2004, NCA's cremation rate was 38 percent of all interments performed and we project this number will increase consistent with the national trend.

Providing Grants for State Veterans Cemeteries

Through the State Cemetery Grants Program, NCA provides funding up to 100 percent of the development costs for state veterans cemetery projects. The SCGP was established by Public Law 95-476 in 1978 to complement VA's network of national cemeteries and the program received permanent authority in 2003, with the enactment of Public Law 108-183. The program assists States in providing gravesites in those areas where VA has no plans to operate and maintain a national cemetery.

The purpose of the grants is to establish, expand or improve veterans cemeteries that are owned and operated by the State. Cemeteries established under the grant program must conform to VA-prescribed standards and guidelines for site selection, planning, construction, appearance and operations. The cemeteries must be operated solely for the interment of service members who die on active duty, veterans, and their spouses, minor children, and disabled adult children.

To date, VA has awarded 140 grants totaling more than $215 million to establish, expand or improve 62 veterans cemeteries in 32 States plus Guam. Sixty cemeteries in 30 States and Guam are now operational. Two new cemeteries are under construction. There is no limit to the number of veterans cemeteries a State may have under the grant program. Some States, such as Missouri, North Carolina, Tennessee, and Wisconsin, have been pro-active and have opened state veterans cemeteries to coincide with the anticipated closure of a nearby VA national cemetery. In FY 2004, state veterans cemeteries provided for 19,246 burials.

When the SCGP was established, the program could provide grants up to 50 percent of the total cost of the establishment, expansion or improvement of state veterans cemeteries. Under the original law, the value of the land could be counted toward the State's matching share, with certain limitations. The Veterans Benefits Enhancement Act of 1998, Public Law 105-368, went into effect on January 11, 1999. This legislation authorized the Federal Government to pay up to 100 percent of the development cost of establishing, improving or expanding state veterans cemeteries. Under the new 100 percent formula, the value of land is not included as an allowable cost under the grant award. In addition, VA may provide funding for the purchase of equipment needed to operate new state veterans cemeteries at the time the cemetery is first established.

Largely in response to the new legislation, State interest in participating in the SCGP has increased. Since 2001, 17 new state veterans cemeteries have opened in 12 States, including the Idaho Veterans Cemetery in Boise. With the opening of the Idaho Veterans Cemetery, we are pleased to report that there is a national or state veterans cemetery in each State in the Union.

In addition, States have submitted 39 pre-applications totaling an estimated $150 million that have been approved by VA. These projects include 22 projects to establish new cemeteries. Several would be built near major military installations such as Fort Riley, Kansas; Fort Stewart, Georgia; Ft. Leonard Wood, Missouri; and Fort Polk, Louisiana. Others will serve veterans in moderate sized metropolitan areas such as Des Moines, Iowa; Shreveport, Louisiana; and Louisville, Kentucky. Many are in rural areas remote from existing national or state veterans cemeteries, such as Missoula, Montana and Capitan, New Mexico.

Maintaining National Cemeteries as National Shrines

One of NCA's statutory mandates is to maintain our national cemeteries as national shrines. A national shrine is a place of dignity and memory that declares to the visitor or family member that each veteran who rests within is honored for his or her sacrifice. Visitors should depart feeling that the grounds, the gravesites and the environs of the national cemetery are a beautiful and awe-inspiring tribute to those who gave much to preserve our Nation's freedom and democratic way of life. The commitment of our Nation is to create and maintain these sites as national shrines, transcending the provision of benefits to an individual. As national shrines, VA's cemeteries serve a purpose that continues long after burials have ceased and visits from immediate families and loved ones have ended.

National cemeteries carry expectations of appearance that set them apart from their civilian counterparts. As required by the Veterans Millennium Health Care and Benefits Act, VA contracted for an independent study to identify the repairs needed to ensure a dignified and respectful setting at each national cemetery. The report, National Shrine Commitment, was delivered to Congress in August 2002. This report provided the first independent, system-wide, comprehensive assessment of the condition of VA assets at 119 national cemeteries. It also identified projects needed to repair, alter, or improve existing cemetery elements. The report identified 928 projects at an estimated cost of $280 million.

Through 2004, $77 million of these repair costs have been addressed. NCA has completed 89 of the identified projects and work was initiated on 151 additional projects, including several large scale gravesite renovation projects.

NCA is making steady progress and is using a multi-faceted strategy to address cemetery maintenance and repair needs. We are using the information in the National Shrine Commitment report to plan and accomplish the repairs needed at each cemetery in addition to performing normal maintenance operations. We are also using data from NCA's Annual Survey of Satisfaction with National Cemeteries to factor in the viewpoint of veterans and their families when determining project priorities. Project priorities are revalidated on a semi-annual basis within NCA's facilities and construction planning process.

We are addressing long-standing deferred maintenance needs in a variety of ways. Repair and renovation projects to improve the overall appearance of national cemeteries remain a high priority in allocating operational resources. These projects include establishing a healthy stand of turf appropriate for the geographic area, renovating gravesites to ensure a level grade (i.e., there are no sunken graves), and realigning and cleaning headstones and markers. Improvements to cemetery infrastructure, including repairs to buildings, roads, committal shelters, irrigation systems and historic structures, are being addressed through major and minor construction projects. In addition, cemetery staff members are able to complete some of the identified repairs.

NCA has implemented several management initiatives to make the most effective use of existing resources to ensure that national cemeteries are maintained in a manner befitting their status as national shrines. For example, we have established operational standards and a new accountability system for assessing progress toward achieving our performance goals.

In January 2003, NCA issued a comprehensive set of standards for performance in the key cemetery operational areas of Interments, Grounds Maintenance, Headstones and Markers, Equipment Maintenance, and Facilities Maintenance. These standards were developed to provide guidance and direction for maintaining national cemeteries as national shrines. The standards and measures provide quantifiable goals and expectations that are applied at both open and closed national cemeteries In November 2004, we updated our standards and measures based on input received from NCA managers and field operations staff at a lessons-learned conference held for that purpose.

NCA also established a new program by which the performance of all organizations within NCA can be assessed, monitored, and reported. The Organizational Assessment and Improvement Program uses a creative approach that combines the traditional elements of an inspections program with the proven concepts of organizational excellence. The program is structured after the quality criteria contained in the VA Carey Organizational Excellence program, which is based on the Malcolm Baldrige criteria for performance excellence. The structure assesses organizational leadership, planning, customer focused quality, performance measurement, human resources, and process management to ensure the effective and efficient delivery of benefits and services to our Nation's veterans. The concept incorporates both a focus on operational processes and compliance with internal controls as well as a management program to improve organizational performance. The program is based on a combination of regular self-assessment and periodic site visits by teams of NCA employees to validate business and service delivery results as well as to measure the progress of all national cemeteries in meeting the standards of appearance commensurate with their status as national shrines.

Additional NCA Achievements

NCA will continue to focus on meeting the short and long term burial needs of veterans as well as fulfilling the maintenance needs of our cemeteries. We have undertaken numerous related projects, and I would like to share some additional recent successes and accomplishments with you—

American Customer Satisfaction Survey. As part of the 2004 American Customer Satisfaction Index (ACSI) surveys, NCA achieved a customer satisfaction rating of 95 out of a possible 100 points for its national cemeteries. This is the highest score ever achieved by a Federal agency or private organization participating in the ACSI. The ACSI study polled next of kin or other people who had arranged for the

interment of a loved one in a VA national cemetery within the past six months to one year. The ACSI has been a national indicator of customer evaluations of the quality of goods and services available to U.S. residents since 1994. The outstanding results achieved by NCA are a testament to the dedication and hard work of NCA's employees as they serve veterans and their families during difficult and emotional times.

Timeliness of Marking Graves in National Cemeteries. The amount of time it takes to mark the grave with a government-furnished headstone or marker after an interment is important to veterans and their family members. The headstone or marker is a lasting memorial that serves as a focal point not only for present-day survivors but also for future generations. In addition, it may bring a sense of closure to the grieving process to see the grave marked. In 2004, 87 percent of graves in national cemeteries were marked within 60 days of interment, a significant improvement over the performance level of 49 percent in 2002.

Nationwide Gravesite Locator. In 2004, NCA launched a Web-based (Internet) Nationwide Gravesite Locator (NGL) system. This innovation will make it easier for anyone with Internet access to search for the gravesite locations of deceased family members and friends, and to conduct genealogical research. The nationwide grave locator contains more than three million records of veterans and dependents buried in VA's 120 cemeteries since the Civil War. It also has records of some burials in state veterans cemeteries and burials in Arlington National Cemetery from 1999 to the present. Making burial location information more accessible should bring additional visitors to the honored resting places that VA considers national shrines and historical treasures. The NGL was accessed 1.5 million times in its first year of service.

NCA Training Center. In order to ensure a high-performing, well-trained workforce, the National Cemetery Administration Training Center was established in 2004. The Training Center will provide employees with the training necessary to continue to provide high quality service to veterans and their families and to maintain our national cemeteries as national shrines. Initially focused on training cemetery directors and assistant directors, the new facility will eventually expand its classes to train foremen, equipment operators, grounds keepers, cemetery representatives, and other employees. As 11 new national cemeteries become operational, the Training Center will ensure consistency in operations throughout all national cemeteries as well as a high-performing workforce and well-trained staff for key positions. The first class of cemetery director interns graduated in March 2005.

Memorial Inventory Project. NCA is partnering with Save Outdoor Sculpture! (SOS!), a non-profit organization that uses volunteers to survey public outdoor sculpture nationwide, to develop the first comprehensive inventory of memorials located in VA national cemeteries as well as the soldiers lots and monument sites that it maintains. Since national cemeteries were established in 1862, they have become the sites of memorials erected to recall distinctive heroics, group burials, and related commemorations. The inventory will help NCA prioritize conservation needs as well as

develop a maintenance plan for all its memorials. As of March 2005, over 850 monuments and memorials were identified. Nearly 400 volunteers participated in this first all-volunteer inventory project. Survey results will be available to the public in a searchable database on NCA's website by the end of 2006 and, later, through the Smithsonian's art inventory database.

Increased Volunteerism. NCA works closely with the VA's Voluntary Service Program (VAVS) to increase opportunities for individuals to perform volunteer work at VA national cemeteries. VAVS coordinates with public and private voluntary service programs to match up volunteers with our national cemeteries. Volunteers are an enthusiastic force dedicated to serving veterans. In fiscal year 2004, volunteers provided 364,000 hours of support to our national cemeteries. During the past few years, NCA has developed volunteer opportunities ranging from the provision of military funeral honors to supporting historic preservation needs at our cemeteries.

Technology and Innovation. In our search for identifying how best to accomplish our mission, NCA has formalized a Research and Development program to encourage and share innovation throughout our system. Through this program, we have received provisional patents on a Mower/Trimmer that was developed at Calverton National Cemetery and a pivotal casket carrier developed at Rock Island National Cemetery that allows cemetery staff to maneuver caskets easily between headstones. Toro is building prototypes of both innovations, based on our designs, for possible commercial application. Also, we have partnered with the National Park Service to test biological cleaning products on marble headstones. The goal is to find products that effectively clean headstones, and that are user-friendly, environmentally safe, and cost effective.

Closing

Thank you, again, for the opportunity to share with you an overview of NCA's current activities. I look forward to working with the members of this subcommittee to continue to meet the burial needs of our veterans. That concludes my formal remarks. I and my staff would be pleased to answer any questions.

Statement

of the

NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS AFFAIRS

Oversight Hearing

on

The National Cemetery Administration

before the

Subcommittee on Disability Assistance and Memorial Affairs

April 20, 2005

Presented by

BG Leslie E. Beavers, U.S. Army Retired
President, NASDVA
Commissioner, Kentucky Department of Veterans Affairs

INTRODUCTION

Mr. Chairman and distinguished members of the committee, on behalf of the National Association of State Directors of Veterans Affairs (NASDVA) I am honored to have this opportunity to testify this morning and present the views of the State Directors of all fifty states, commonwealths and territories.

I appreciate the opportunity to familiarize Congress with the role of the State Departments of Veterans Affairs (SDVAs) in complementing the efforts of the National Cemetery Administration (NCA) to honor veterans with a final resting place and lasting memorial to commemorate their service. We are neither stakeholders nor Veteran Service Organizations (VSOs); we are governmental partners with the federal VA in providing memorial services to veterans.

Memorial Affairs is an area in which the states have been highly effective participants with federal VA since the inception of the State Cemetery Grants Program (SCGP) in 1978. The SCGP is well managed and enormously successful, having awarded 139 grants with a cumulative expenditure of only $215 million. This program has made possible the establishment, expansion or improvement of 62 veterans' cemeteries in 32 states and Guam. It has allowed us to provide gravesites for veterans in those areas where VA's national cemeteries are unable to fully meet veterans' burial needs.

NASDVA strongly supports an increase in funding for the State Cemetery Grant Program to address the construction application backlog.

Increased Funding for State Veterans' Cemetery Grant Program (SCGP). The SCGP has greatly expanded the SDVAs' ability to provide gravesites for veterans and their eligible family members, particularly in rural and remote areas of the country. Additionally, state veterans' cemeteries serve areas that have concentrated military/veteran/retiree populations such as Fort Campbell and Fort Knox, Kentucky, as well as areas with moderate-sized population centers like Memphis, Nashville, Little Rock, and Las Vegas. Interments in state veterans' cemeteries have grown 36% and the number of state veterans' cemeteries have increased by 38% since 1999. These increases were made possible by the SCGP. However, the FY06 $32M proposed appropriation is insufficient to address the 40 pre-applications for establishment of new cemeteries and expansion and/or improvement of existing cemeteries, with outstanding projects totaling $160M. Obviously, this constrains the design of cemeteries and contributes to a backlog for grant funding. Thus, we strongly recommend that the SCGP funding be increased to at least $50M in the FY06 budget with annual increases matching projected growth for this small but vital program.

NASDVA supports H.R. 831, which recommends an increase in the plot allowance for all veterans to $1,000 per interment.

Increase in Plot Allowance. The operational costs of state veterans' cemeteries add to the fiscal burden of many SDVAs. The average operational cost per interment in a state veterans' cemetery is approximately $2,000. The current plot allowance of $300 per qualified interment provides ~15% of the overall cost. NASDVA recommends the plot allowance be increased to $1,000, as reflected in H.R. 831 introduced by Representative Waters, in order to offset operational costs. The increase should also apply to the plot allowance for veterans' interment in private cemeteries to help defray costs for family members at the time of a veteran's death.

NASDVA recommends expansion of eligibility criteria for interment in national cemeteries to include certain reservists and guard members who served in the All Volunteer Force.

Eligibility for Interment in National Cemeteries. The nation has an obligation to honor and memorialize the service of Reserve Component and National Guard members for their military service in the All Volunteer Force by providing them with a final resting place in veterans' cemeteries. Currently eligibility for interment in national cemeteries is limited to those reservists and guard members who have earned veteran status by being "federalized," are retired or those who suffer an injury or disease while performing training. This leaves a large number of reservists and guard members ineligible. Additionally, Title 38 USCS § 2408 prohibits the SCGP approving grants for the construction, expansion or improvement of state veterans' cemeteries if the state inters ineligible reservists and guard members in their veterans' cemeteries.

We believe it is time to amend Title 38 USCS § 2402, which addresses interment eligibility, to allow the interment "*of a person who originally enlisted in the Reserve Component or National Guard on or after July 1, 1973 and is currently serving or was discharged or released there from under conditions other than dishonorable*" in national cemeteries. This provision would also allow interment in state veterans cemeteries. An amendment expanding eligibility criteria as stated above would allow these deserving reservists and guard members to be interred in both national and state cemeteries without jeopardizing access to grants under the SCGP.

NASDVA recommends the addition of an Operational Grant Program under the SCGP to support state operational costs.

Establishment of a State Veterans' Cemetery Operations Grant Program. As previously covered, the SCGP provides states construction grants for veterans' cemeteries and a limited plot allowance is received to partially offset the cost of interment. VA has devoted significant resources to its "National Shrine Commitment," and state cemeteries are now required to meet national standards. Most "national shrine"-type projects are considered maintenance and repair (such as raising and re-aligning headstones) so they are the responsibility of the states and cannot be funded under grants. Increased Federal support would help ensure that standards of maintenance are more consistent from state to state. Operational costs for both state and national cemeteries continue to rise. Funding for the operation of the National Cemetery Administration has appropriately increased with each budget cycle. However, once a state establishes a state veterans' cemetery there is no further source of federal funding to defer operational costs other than plot allowance. NASDVA recommends the establishment of an operational grant under the purview of the SCGP to assist state veterans' cemeteries with operational costs.

Committal Service and Burial Honors. The committal service is a significant emotional occasion for family and friends. It is the final act of respect to the veteran for his or her service. I have attended the burial of many veterans and have witnessed first-hand the importance of the ceremony and the honors rendered. Having proper protocol is critical to the reverence of this service. It warrants DOD fully supporting interments with a memorial honors team. Retirees should receive a full seven-member team.

CONCLUSION

Mr. Chairman and distinguished members of the committee, we respect the important work that you are doing to improve support to veterans who answered the call to serve our country. NASDVA remains dedicated to doing our part. We firmly believe no veteran or eligible family member should be denied a final resting place or lasting memorial to commemorate his or her service to our nation. But we urge you to be mindful of the increasing financial challenge that states face, just as you address the fiscal challenge at the federal level. I would like to emphasize again, that we are partners with VA in the delivery of memorial services to our Nation's patriots.

This concludes my statement and I am happy to respond to your questions.

National Funeral Directors Association

STATEMENT
OF THE
NATIONAL FUNERAL DIRECTORS ASSOCIATION

ON THE
NATIONAL CEMETERY ADMINISTRATION AND THE NATIONAL CEMETERY SYSTEM

BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

UNITED STATE HOUSE OF REPRESENTATIVES

APRIL 20, 2005

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to present the views of the National Funeral Directors Association (NFDA) on the National Cemetery Administration (NCA) and the national cemetery system. I am John H. Fitch, Jr., Senior Vice-President for Advocacy.

The National Funeral Directors Association represents more than 13,000 funeral homes and over 21,000 licensed funeral directors and embalmers in all 50 states. The average NFDA member is an independently owned and operated business with fewer than 10 employees and has been in the same family for over 60 years. NFDA is the leading funeral service organization in the United States, providing a national voice for the profession. .

The NFDA has a great interest in the national cemetery system as our members provide both funeral and burial services for our veterans and their families on a daily basis. As a result, they use the national cemeteries as well as the state veterans cemeteries often.

In a recent survey of our members on this question, we have received an almost unanimous response that our nation's national cemeteries operate efficiently, effectively and with much compassion for those being buried there as well as their families. Our members have found the management and operation of these cemeteries to be courteous, flexible and accommodating to the needs of the funeral director and the family members of the deceased veterans.

As one of our members from Florida stated: "*Being in Southwest Florida and with the amount of retired veterans that have come to our beautiful side of the state, we deal regularly with the Florida National Cemetery as well as many times with Arlington National. I couldn't be more pleased with how we are taken care of when we call the Florida National Cemetery. Everyone is pleasant, efficient and knowledgeable and the cemetery is kept up beautifully.*

An Illinois members stated: "*We use the Rock Island National Cemetery quite often, in fact I have expressed my desire to be buried there since I am an eligible veteran of the Vietnam War. I really do not know of any way to make improvements. It is impossible to say enough good about the management, the way families are treated and the way funeral directors are treated. Please encourage the Veteran's Administration to leave it just as it is.*"

A Massachusetts member writes: " *I am a funeral director at the Conley Funeral and Cremation Service in Brockton, Mass. We have interments at the Massachusetts National Cemetery in Bourne probably 40-50 times a year. The entire staff at Bourne is fantastic. They are very helpful and accommodating to our families and us. I especially appreciate the improvement of being able to call the Jefferson Barracks in Missouri on weekends to schedule funerals in Bourne.*

Finally an Arizona member wrote: *"I am very pleased to be able to respond to your request regarding our National Cemeteries - in a positive light. We have a wonderful National Cemetery and Staff here in Phoenix. We have no problems with scheduling; if we need a "favor" every now and then, they are willing to go the extra mile for us. They are compassionate with families and are attentive to their needs as well as ours. I'm sure if you spoke with any of our other Directors they would agree."*

I use these examples from around the country to illustrate that our national cemetery system and its operation and management from our member's standpoint is of the highest caliber. Believe me, if it was not, they would say so. They tend to be very protective of the families they serve and want to insure they are treated with respect and dignity during all phases of the funeral and internment.

In my dealings with the NCA on issues, problems or questions that from time to time arise with our members; I found them to be very responsive and eager to assist in any way possible to find a solution. For example, several months ago one of our members in South Yarmouth, Massachusetts called to express concern over the number of broken or damaged markers they were receiving and the problems that caused for the families. I contacted NCA and they were very helpful in solving this matter directly with the funeral home. They advised them to be sure they inspected the markers before they accepted them and to report any damages to NCA. They also indicated that they would look into revising their transportation requirements for the vendors who manufacture and ship the markers to insure they are being adequately packed and protected. I could not ask more from them.

While most of our members are well satisfied with the services provided them by the national cemeteries, there are some improvements that could be made. For example one of our members in Texas who uses the DFW National Cemetery stated: *" It has been a problem serving our families during week-end hours. Upon the death of a veteran on a Friday evening or on the weekends, we cannot make any notification to the national cemetery. This prevents the family from making any gravesite service arrangements until the following Monday, which means the service, won't be held until Tuesday or Wednesday. Some form of contact during the weekend hours would solve this problem. Not knowing the gravesite service time also prevents us from commencing the funeral services as well."*

As for Arlington National Cemetery, one member wrote: *"Arlington is a little different. Although the people working there are very knowledgeable and in most instances get back to us in a timely fashion, there have been times when we have been concerned that even after setting up services we find that the times and day were not correctly entered*

and it has caused a problem on more than one occasion. Had it not been that we follow up closer to time the families would have had a real problem.

My biggest concern of all however, is the fact that Arlington National Cemetery does not accept cremated remains from the Post Office. It has presented a bit of a problem in having to send them to another funeral home there rather than directly to Arlington and thereby causing an additional charge that the families have to pay.

I certainly understand that after 9-11 we can't be too careful but by the same token I think there would be ways of making sure this could still be done.

A comment from our New Jersey State Funeral Directors Association stated: *"New Jersey has one of the highest per capita population rates in the county. In addition, New Jersey and the surrounding states have some of the most congested roadways in the nation. Unfortunately, New Jersey veteran families are underserved by the location of the Mid-Atlantic National Cemeteries. Funeral procession s from the Garden State (originating in the North, Central or Southern part of the state) travel a minimum of 3 hours to the closest cemetery (Calverton, Arlington, or Indian Gap). Such excessive travel adds to the cost of the funeral and creates a travel burden on families who would like to visit the grave. Considering the population that would be served, the National Cemetery System should build a new cemetery that would be more convenient for New Jersey Veteran families."*

Mr. Chairman, that concludes my testimony. I hope it has been helpful.

Thank you again for the opportunity to appear and present the views of the National Funeral Directors Association. I would be happy to answer any questions you or other Members of the Subcommittee may have.

ICFA
INTERNATIONAL CEMETERY® AND FUNERAL ASSOCIATION

Audubon III, Suite 220
1895 Preston White Drive
Reston, VA 20191
Telephone: 703.391.8400
Toll free: 1.800.645.7700
Fax: 703.391.8416
www.icfa.org
email: gen4@icfa.org

Testimony of

Paul M. Elvig

On Behalf Of

The International Cemetery and Funeral Association

Before the

U.S. House Representatives Committee on Veterans Affairs

Subcommittee on Disability Assistance and Memorial Affairs

Regarding the National Cemetery Administration and Related Burial Benefits

April 20, 2005

Chairman Miller and Members of the Subcommittee:

We appreciate your invitation to testify today regarding the National Cemetery Administration and related burial benefits. The International Cemetery and Funeral Association represents over 6,500 members including non-profit, for-profit, religious and municipal cemeteries, as well as funeral homes, crematories and related businesses primarily in the United States and in 24 foreign countries, Founded in 1887, the ICFA promotes open competition, consumer choices, and prearrangement. I serve in a volunteer capacity as ICFA Vice President of Products and Services, and as Chairman of the Federal Affairs Subcommittee. I am President and CEO of Evergreen-Washelli Funeral Home and Cemetery in Seattle, Washington. Prior to this I served as Executive Director of both the Washington State Cemetery Board and the Washington State Funeral Directors and Embalmers Board. I am a founder of the North American Cemetery Regulators Association.

The National Cemeteries Act

The National Cemeteries Act (P.L. 93-43) was enacted in 1973, which formally established the system that is now known as the National Cemetery Administration. Currently, we understand that there are 120 national cemeteries that are administered by the VA. With respect to maintenance obligations, the ICFA notes that cemeteries in the private sector are required by law in all 50 states to establish and maintain endowment care trust funds, sometimes called perpetual care, in order to provide an ongoing source of income for the continued maintenance needs of the cemetery. It has been said that a cemetery is the only business required to service what it provides forever. This rule

applies whether a cemetery is for-profit or non-profit, and extends to the maintenance obligations of the national cemeteries as well. The ICFA applauds the efforts of Chairman Miller to appropriate more funding for the NCA to address the 928 restoration and repair projects identified in the 2002 Logistics Management Institute report. Similar to the challenges faced by the private sector cemeteries, we can confirm that the necessary ongoing maintenance expenses to preserve our nation's veterans cemeteries as shrines will only increase in future years. Due to this fact, we are concerned that obtaining the necessary funding for these expenses, through the annual Congressional appropriations process, forces the NCA to compete with priorities in other departments and continually subjects the NCA to the uncertainties of obtaining adequate maintenance funding each year.

The ICFA respectfully suggests the consideration of adapting the endowment care trust concept to supplement NCA annual appropriations. By this method, a certain amount would be irrevocably deposited into trust, the income from which would be applied to some of the maintenance needs of the national cemeteries. Since the principal would never be spent or withdrawn, a relatively steady source of income would always be available to serve the obligations of the NCA. Some private cemeteries have developed a method of financial forecasting to estimate the amount of income needed to be generated by the trust in future years, given the current maintenance expenses of the cemetery, and factoring in the effects of inflation, and increases in labor and equipment costs. The ICFA would be pleased to assist this subcommittee or the NCA should there be an interest in pursuing this concept.

Related Burial Benefits

When P.L. 93-43 was enacted, Congress acknowledged that national cemeteries did not operate in a vacuum, but complemented other resources for burial or final disposition that are available in private, religious, and municipal cemeteries. Specifically, the law included a plot allowance of $150 to benefit the many veterans and their families who preferred interment in non-governmental cemeteries for personal or religious reasons. Typically, family members may already have been interred in a private cemetery and the veteran or his/her next of kin wished burial at this site. The plot allowance facilitated this choice and provided a burial benefit to veterans who chose not to opt for burial in a national cemetery. Cost-wise, the plot allowance also discharged the government's obligation to veterans who wished burial in a private or religious cemetery through a cost-effective means that did not entail the obligation to maintain the gravesite in perpetuity. Given these advantages, chief among which was that the plot allowance addressed the needs of these veterans, the ICFA was dismayed when in 1990 Congress decided to curtail this benefit as it applied to private sector cemeteries.

A related burial benefit, the marker cash reimbursement allowance, was also eliminated in 1990. This benefit likewise addressed the wishes of veterans who preferred interment in private and religious cemeteries by paying them the cash equivalent of the wholesale cost of a government-provided marker. Similar to the plot allowance, the marker allowance was a cost-effective way to provided burial benefits without entailing the long term costs of maintenance obligations for these benefits. The ICFA believes that elimination of the plot and marker allowances as applied to burial in private and religious

cemeteries may have led to a forced reliance on national cemeteries by veterans and their families who, given the choice, would have opted for private interment with the modest assistance of these allowances. In the Subcommittee's review of burial benefits, we respectfully urge you to consider reinstating these two benefits that served our veterans so well for many years. We also recommend that consideration be given to raising the amount of the plot allowance from $150, the amount originally provided in 1973, to at least $250.

In conclusion, we appreciate your allowing us to testify today and I would be happy to answer any questions you may have. Thank you.

Curriculum Vitae

PAUL M. ELVIG
President & CEO
Evergreen-Washelli Memorial Park and Funeral Home
11111 Aurora Ave North
Seattle, Washington 98133-8299

206-362-5200 – Fax 206-0682
pelvig@wshelli.com

Professional Background

2004 – date President and Chief Executive Officer

1990 - 2004 Vice President of Administration - Evergreen-Washelli Memorial Park and Funeral Home.

- 1,600 case per year funeral home
- 1,700 burials per year endowment care cemetery
- 850 case per year crematory
- 95-102 employee facility

Portfolio

- At-need (where death has occurred) sales and service
- Governmental and legal affairs
- Employee & customer dispute resolution

1994 - date International Cemetery and Funeral Association – Board of Directors
Portfolio

- Vice President – Products and Services
- Vice President – Industry Relations 3-years
- Vice President – Membership 2-years
- Industry spokesperson before the Senate Special Committee on Aging – hearing April 2000 – Washington DC
- Industry spokesperson before the Federal Trade Commission – November 1999 and June 2002 – Washington DC

1991 - 1999 Washington State Cemetery and Funeral Association – Board of Directors
Portfolio

- President (94-96)
- Testimony before various committees of the Washington and Idaho legislatures … licensing/oversight issues
- Revised Code Of Washington review and legislative recommendation

1978 - 1990 Department of Licensing – Program Manager
Portfolio

- Cemetery Board (78-90)
  - Brought criminal and administrative charges against offenders – jail time for two
  - Re-wrote and organized Revised Code of Washington, submitted same to the 1987 session of the Legislature – passed & signed intact by Governor Gardner
  - Audited all state endowment care and pre-arrangement trust funds
  - Investigated and processed all consumer complaints
- Funeral Directors and Embalmers Board (88-90)
  - Licensed all funeral directors and embalmers
  - Issued all establishment and pre-arrangement sales licenses
  - Redesigned the state board examination tests
  - Developed board Washington Administrative Codes regarding standards
  - Brought unprofessional conduct charges against licensed parties (4)

1987 – 1989 National Cemetery Regulators Association – President
Portfolio
- Federal Trade Commission hearings representative 1988
- Nationwide pre-paid, out-of-state stored merchandise on-sight audits (Minnesota, South Carolina and Arkansas)

1969 – 1987 Greenacres Memorial Park and Funeral Home, Ferndale, WA – Manager (78-87 duties split between state board and Greenacres)
- 300 case per year endowment care cemetery
- 150 case per year funeral home

1969 – date Unique Funeral/Cemetery industry activities
- Supervised over 40 "permitted" disinterments in Whatcom County
- Re-constructed destroyed cemetery records from the '50s & '60s for bankruptcy proceedings
- Directed by a federal court to oversee 100 plus disinterments at Highland Memorial Park – Everett – bankruptcy proceedings
- 1981 & 1996 "Person-of-the-Year" recipient – Washington State Cemetery and Funeral Association

STATEMENT REGARDING FEDERAL GRANT OR CONTRACT

Neither Paul M. Elvig, nor Evergreen-Washelli Memorial Park and Funeral Home, nor the International Cemetery and Funeral Association, have received any Federal grant or contract during the current or previous two fiscal years.

SERVING
WITH
PRIDE

TESTIMONY

of

RICHARD "RICK" JONES
AMVETS NATIONAL LEGISLATIVE DIRECTOR

presented to the

COMMITTEE ON VETERANS' AFFAIRS
Subcommittee on Disability Assistance and Memorial Affairs
U.S. HOUSE OF REPRESENTATIVES

regarding:

Policy and Operational Issues Facing the Department of Veterans Affairs National Cemetery Administration

A M V E T S

NATIONAL
HEADQUARTERS
4647 Forbes Boulevard
Lanham, Maryland
20706-4380
TELEPHONE: 301-459-9600
FAX: 301-459-7924
E-MAIL: amvets@amvets.org

Wednesday, April 20, 2005,
10:00 A.M., Room 334
Cannon House Office Building

MR. CHAIRMAN, RANKING MEMBER, AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for the opportunity to appear before you today as part of the Subcommittee on Disability Assistance and Memorial Affairs oversight hearing on the National Cemetery Administration (NCA). My name is Richard Jones, AMVETS National Legislative Director.

As you know, AMVETS is a congressionally chartered veterans service organization and a leader since 1944 in helping to preserve the freedoms secured by America's Armed Forces. Today, our organization continues its proud tradition, providing not only support for veterans, their families and those on active duty but also an array of community services that enhance the quality of life for this nation's citizens.

The National Cemetery Administration is responsible for five primary missions: one, to inter, upon request, the remains of eligible veterans and family members and to permanently maintain gravesites; two, to mark graves of eligible persons in national, state or private cemeteries upon appropriate application; three, to administer the state grant program in the establishment, expansion or improvement of state veterans' cemeteries; four, to award a presidential certificate and furnish a United States flag to deceased veterans; and five, to maintain national cemeteries as national shrines sacred to the honor and memory of those interred or memorialized.

As the veterans population ages, demand for NCA services will remain high. In recent years, the NCA burial rate has begun to average more than 100,000 interments per year. According to Department of Veterans Affairs projections, annual individual burials will peak in 2008. Clearly, NCA resources must keep pace in order to meet the growing workload of increasing demands of interments, gravesite maintenance, cemetery repairs, general upkeep, and related labor-intensive requirements of cemetery operations.

NCA also faces a challenge of completing a work schedule that attends to the repair and renovation needs of more than 900 projects identified in *Volume 2* of the *Study on Improvements to Veterans Cemeteries*, a review of current and future burial needs submitted to Congress in 2001. According to the study, these project recommendations, which have an estimated cost of $279 million, recognize existing, deteriorating conditions at individual cemeteries in the NCA portfolio.

If the National Cemetery Administration 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 the national cemeteries.

AMVETS strongly supports the full Committee's recommendation that Congress establish a five-year, $250 million program to restore and improve the condition and character of NCA cemeteries as part of this year's operations budget.

In fiscal year 2004, the Department of Veterans Affairs National Cemetery Administration (NCA) maintained more than 2.6 million gravesites in approximately 14,000 acres of cemetery land and provided interments to nearly 100,000 individuals. 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.

In addition, the NCA burial program calls for activation of six new cemeteries in the areas of Detroit, Michigan; Sacramento, California; Ft. Sill, Oklahoma; Miami, Florida; Atlanta, Georgia; and Pittsburgh, Pennsylvania. "Fast track" burials, which allow interment in a designated section of a cemetery prior to final completion of all construction activities, are already available in Oklahoma, Pennsylvania, and Florida and planned for Michigan and Georgia in 2005. Construction funding is planned for California in the fiscal year 2005 budget.

Moreover, the fiscal year 2005 budget contains advanced planning funds for site selection and preliminary activities to serve veterans in six new national cemeteries: Philadelphia, Pennsylvania; Birmingham, Alabama; Jacksonville, Florida; Bakersfield, California; Greenville, South Carolina; and Sarasota, Florida.

With the opening of these new national cemeteries and state veterans cemeteries over the next four years, the percentage of veterans served by burial option within 75 miles of their residence will rise to 83 percent in 2005 from a level of 73 percent in 2001. The completion of these new cemeteries will represent an 85 percent expansion of the number of gravesites available in the national cemetery system since 2001, almost doubling the number of gravesites during this period.

Expanding cemetery capacity is coincident with projections of expanding numbers of veteran deaths and interments performed by the NCA. With the aging of World War II and Korean War veterans, nearly 655,000 veteran deaths are estimated in 2005 with the death rate increasing annually and peaking at

676,000 in 2009. It is expected that one of every six of these veterans will request burial in a national cemetery.

As the volume and intensity of cemetery operations increase, NCA staffing needs become more critical. While AMVETS supports efforts to increase efficiency of operations, it is essential to remember that much of NCA work is labor-intensive, requiring a fully staffed and fully equipped workforce.

In addition to NCA staffing requirements, the visual appearance of national cemeteries as shrines is another NCA high priority. Many individual cemeteries are steeped in history, and the monuments, markers, grounds, and related memorial tributes represent the very foundation of our country. With this understanding, the national cemetery system represents a unique 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 continues to face a serious challenge in improving the appearance of cemetery assets.

In 2001 and as directed in the Millennium Act, the Secretary of Veterans Affairs issued the results of the required report entitled *Study on Improvements to Veterans Cemeteries* in three separate volumes:

- Volume 1: Future Burial Needs
- Volume 2: National Shrine Commitment – Facility Condition Assessment
- Volume 3: Cemetery Standards of Appearance

It is our view that the *Study on Improvements to Veterans Cemeteries* adequately addresses what we believe to be the National Cemetery Administration's two major challenges: First, to provide for the passing of the generation of men and women that defended freedom and democracy in World War II and Korea; and Second, to ensure the maintenance of current cemeteries and the continued planning, design, and construction of world-class, quality cemeteries to honor veterans and their families into the future.

Volume 1: Future Burial Needs reports that 31 additional veterans cemeteries will be required over the next 20 years in order to provide 90 percent of veterans with a burial option in a veterans cemetery. According to the report, current and planned cemeteries under the National Cemetery Administration (NCA) fiscal year 2000 strategic plan, which runs through 2006, will service most large population centers. However, to reach the 90 percent level, the report states that an additional 18 cemeteries would need to be added.

Clearly, the rapid aging of the current veteran population has placed great demands on NCA operations and currently available burial space. Primarily because of the passing of the World War II veterans and eligible family members, the VA interment rate is projected to increase significantly over the next several years, peaking at nearly 108,000 in fiscal year 2008. As veteran deaths accelerate, the demand for veterans' burial benefits will increase.

Volume 1: Future Burial Needs concludes with three important recommendations to achieve a burial option for 90 percent of veterans residing within a 75-mile service area of an open national or state cemetery.

1. Continue to encourage state grant program cemeteries as a means of providing service to veterans.
2. Continue to examine ways to expand the useful life of existing cemeteries to avoid closure and loss of service.
3. Build new national cemeteries at or near the locations of high veteran populations if neither of the previous options is possible.

AMVETS strongly supports these options, and we encourage the Committee's active review of the future burial needs of veterans and their families to ensure a continued effort to meet the growing demand for space. Clearly, without the strong commitment of Congress and its authorizing and appropriations committees, VA would likely fall short of burial space for millions of veterans and their eligible dependents.

Volume 2: National Shrine Commitment provides a system-wide comprehensive review of the conditions at 119 national cemeteries and 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.

A major part of the contributing factor in these project repair recommendations is the accumulation of uncorrected past deficiencies. Clearly, as any public facilities manager knows, failure to correct identified deficiencies in a timely fashion will surely result in continued deterioration of facilities and increasing costs related to necessary repair. AMVETS agrees with this assessment and believes that Congress needs to carefully consider this report to address the condition of NCA cemeteries and ensure they remain respectful settings for deceased veterans and visitors. We recommend that Congress and VA work together to establish a timeline for funding these projects based on the severity of the problems.

Volume 3: Cemetery Standards of Appearance is a careful presentation of the scope of work required to elevate existing national cemeteries as national shrines. *Volume 3* serves as a planning tool to review and refine overall operations in order to express the appreciation and respect of a grateful Nation for the service and sacrifice of military veterans. In developing its response, VA closely examined some of the elements that comprise the finest military cemeteries in the world, including military cemeteries under the jurisdiction of the American Battle Monuments Commission and the Commonwealth War Graves Commission of the United Kingdom. It also examined our nation's most prominent military cemetery, Arlington National Cemetery, to help form a set of national standards to improve the appearance of NCA cemeteries and guide the application of future resources.

The report describes one of the most important elements of veterans cemeteries, namely to honor the memory of America's brave men and women who served in the Armed Forces. "The commitment of the nation," the report finds, "as expressed by law, is to create and maintain national shrines, transcending the provisions of benefits to the individual." An important part of the purpose of veterans cemeteries is to serve beyond the dignified burial of the veterans and "to serve a national purpose after the burials have ceased, even long after the visits of families and loved ones."

AMVETS agrees that the purpose of these cemeteries as national shrines is one of NCA's top priorities. 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.

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))

One more point that deserves comment is individual burial benefits used by veterans in church, community, and other private sector cemeteries to include state cemeteries. The final study submitted by the Secretary appears to overlook the assessment VA contracted PricewaterhouseCoopers to complete in December 2000 on the adequacy and effectiveness of current burial benefits.

country that accounted for 19,246 burials of veterans and their eligible family members in FY2004, an increase of nearly 5.6 percent over the prior year.

In FY 2004, the state cemetery grant program awarded $39.8 million. Currently six new cemeteries are under construction: Boise, ID (the last state in US without a veterans cemetery); Wakeeney, KS (300 miles east of Denver and west of Kansas City, serving rural area in western Kansas); Winchendon, MA (serves densely populated northern MA); Killeen (Ft. Hood), TX; and Suffolk, VA (serves 200,000 veterans in Tidewater area).

The intent of the state cemetery grants program is to develop a true complement to, not a replacement for, our federal system of national cemeteries. With the enactment of the Veterans Benefits Improvements Act of 1998, the NCA has been able to strengthen its partnership with states and increase burial service to veterans, especially those living in less densely populated areas not currently served by a national cemetery.

States remain, as before enactment of the Veterans Benefits Improvements Act of 1998, totally responsible for operations and maintenance, including additional equipment needs following the initial federal purchase of equipment. The program allows states in concert with NCA to plan, design, and construct top-notch, first-class, quality cemeteries to honor veterans.

Mr. Chairman, we applaud the Subcommittee for holding this oversight hearing and thank the Subcommittee for extending the opportunity to present remarks on this important subject. We look forward to working with the Subcommittee to strengthen, enhance, and improve the earned benefits of our nations' veterans and their families. This concludes my statement, and I would be pleased to answer any questions you might have.

Department of Veterans Affairs responses to Post-Hearing Questions
From Representative Lane Evans
National Cemetery Administration Oversight Hearing
April 20, 2005

House Committee on Veterans Affairs
Subcommittee on Disability Assistance and Memorial Affairs

1. I am pleased that the Rock Island National Cemetery developed a pivotal casket carrier to assist workers. If the provisional patent is approved, will VA receive any income from it? How would such income be used?

NCA is very proud of the creativity of its workforce. The men and women who work at our national cemeteries continually strive to improve service to veterans and family members and to improve the effectiveness and efficiency of cemetery operations. The pivotal casket carrier is but one example of this creativity.

If the patent application for the pivotal casket carrier is approved, the NCA Research and Development Program will work to transfer the technology for the invention to the private sector. Under titles 15 and 35, United States Code, federal agencies can enter into working relationships (either licenses or Cooperative Research and Development Agreements) with United States businesses to commercialize inventions developed within the federal government. With regard to the pivotal casket carrier, NCA is in the initial stages of working with the private sector to determine the marketability of the invention for use outside of national cemeteries. If a market exists and the invention is determined to be commercially feasible, the Department of Veterans Affairs (VA) could license the invention to a private sector business. If this occurred, NCA would be entitled to royalty income from the sales of the invention. Royalties must be used to support future research and development projects, after deductions are made for administrative overhead and royalty payments to VA inventors.

2. If VA does not receive more funding than provided in the Administration's budget, how long will it take to complete recommended work on the national shrine commitment?

The FY 2006 budget request provides sufficient funds to keep VA on track to improve the appearance of its cemeteries consistent with the standards of a national shrine. Our goal is to complete all identified projects by 2010. We are committed to ensuring that a dignified and respectful setting appropriate for each national cemetery is achieved.

3. Has VA experienced any delays or other problems in the development of the new national cemeteries under construction? Please provide a current status of any such delays or other problems.

NCA currently is at various stages of developing 11 new national cemeteries. We are making steady progress at each of those 11 sites. However, VA is experiencing issues at two sites currently under construction.

Delays in obtaining environmental clearances have impacted the development schedule for the new cemetery being established in South Florida. Compared to the construction schedule anticipated one year ago, there is now an estimated eight month delay in the opening of this cemetery. NCA has been in negotiations with the U.S. Army Corps of Engineers (COE) regarding the issuance of a permit to proceed with construction. The mitigation of identified wetlands on the site was the primary issue that needed to be resolved. NCA agreed to retain and mitigate approximately thirty acres of prime quality wetlands on-site. The cemetery site is comprised of 313 total acres. In addition, twenty off-site wetland mitigation credits were purchased at an estimated cost of one million dollars. Final negotiations with the COE led to NCA's agreement to purchase an additional six off-site mitigation credits, and NCA has purchased the additional credits. Once the permit is received, construction of the fast-track burial section will be awarded

A significant issue arose at the site in the Pittsburgh, Pennsylvania area. VA purchased property in Washington County, Pennsylvania in December 2002. Chicago Title Insurance Company was retained by NCA to conduct the closing of the purchase and provide a title insurance policy. At the time of closing, all taxes due to Washington County were identified by the Company and the amount was deducted from the seller's proceeds. Chicago Title Insurance Company subsequently submitted payment by check to the County to satisfy the taxes due. The checks submitted by Chicago Title were apparently never cashed by the County, which caused taxes to be considered delinquent and penalty charges were applied. On September 23, 2004, Washington County sold the property at a tax sale to Jambeth Investments, LLC of Marco Island, Florida for $40,000, notwithstanding the fact that the County was fully aware that the property was titled in the name of the United States of America. VA's Office of General Counsel is of the opinion that VA is the legal owner of the property in question. On May 17, 2005, a civil action to quiet title to property owned by the United States was filed in the U.S. District Court of Western District of Pennsylvania by the United States Attorney. The construction of the national cemetery is well underway and will continue uninterrupted with initial burials expected this summer.

Department of Veterans Affairs responses to Post-Hearing Questions
From Representative Shelley Berkley
National Cemetery Administration Oversight Hearing
April 20, 2005

House Committee on Veterans Affairs
Subcommittee on Disability Assistance and Memorial Affairs

1. How are funeral directors informed of the procedures for scheduling a funeral on weekends or holidays? What outreach has VA taken to assure that information concerning these procedures has been disseminated?

The National Cemetery Administration (NCA) established procedures so burial requests received during a weekend or holiday are processed at a single cemetery to ensure families do not face delays in scheduling burial services. Funeral directors that contact a VA national cemetery on weekends or holidays are directed in a recorded message to call Jefferson Barracks National Cemetery (JBNC) for scheduling assistance. JBNC, located in St Louis, Missouri, is staffed on weekends, holidays, and from 8 am EST to 4:30 pm PST, so that burial services can be scheduled for the following week at any national cemetery.

Employees at JBNC determine eligibility and provide funeral homes with confirmations of scheduled services so families may continue to make funeral arrangements for the following week. For those cases where eligibility cannot be immediately determined, JBNC employees establish a case in NCA's electronic burial operations system. All scheduled and pending cases are then electronically accessible to a cemetery's staff when they return to the office on Monday. In addition to having scheduling information on national cemetery answering machines during non-working hours, information is included on the NCA website, which indicates that the person making burial arrangements should have his or her funeral home contact the national cemetery in which burial is desired at the time of need. It also states that scheduling for interments can be done seven days a week, with burials occurring on Mondays through Fridays.

NCA representatives also participate in various outreach events in order to provide information on NCA burial benefits, including scheduling procedures. NCA representatives annually participate in one of the largest forums for reaching funeral directors, the annual convention of the National Funeral Directors Association (NFDA). In 2004, the NFDA convention had more than 2,600 attendees. On a local level, national cemetery directors regularly attend meetings or other outreach events with local funeral directors as well as local Veteran Service Organizations. During these presentations, directors provide information about how to schedule services at a national cemetery, including procedures for weekend and holiday scheduling.

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