

**STATEMENT OF
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OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
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Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you on behalf of the Disabled American Veterans (DAV), which is one of the four member organizations of *The Independent Budget* (IB). We are grateful for the opportunity to comment on, and compare, the President's proposed fiscal year (FY) 2007 budget for the Department of Veterans Affairs (VA) Education Service, Vocational Rehabilitation and Employment (VR&E), and Loan Guaranty programs with the recommendations of the 2007 IB. As you know, the IB is a budget and policy document that sets forth the collective views of the DAV, AMVETS, the Paralyzed Veterans of America (PVA), and the Veterans of Foreign Wars of the United States (VFW). Because the Subcommittee has jurisdiction, I will also include the IB recommendations for specially adapted housing grants for severely injured veterans.

This statement highlights some of our recommendations for ways to improve education, vocational rehabilitation, home loan, and specially adapted housing grant programs. Along with recommendations, we include recommended staffing levels to administer the respective programs.

We view adequate staffing levels for the Veterans Benefits Administration (VBA) business lines as an important issue for consideration. Clearly, an efficient benefits delivery system is necessary for VA to fulfill its mission. The IB is a needs based budget. The 2007 IB recommendations builds on our 2006 IB and uses commonly accepted percentages to make staffing and inflation adjustments. We believe sufficient staffing levels for VBA are more closely reflected by the following IB recommendations regarding VBA services.

For Education Service, the President's budget seeks funding for 44 additional FTE. This recommendation would bring the total number of FTE to 930. While we appreciate the additional support, we believe the President's recommended staffing level for Education Service falls short of what is needed. As it has with its other benefit programs, VA has been striving to provide more timely and efficient service to its claimants for education benefits. Though the workload (number of applications and recurring certifications, etc...) increased by 11 percent during FY 2004 and FY 2005, direct program FTE were reduced from 708 at the end of FY 2003 to 675 at the end of FY 2005. Based on experience during FY 2004 and FY 2005, it is very conservatively estimated that the workload will increase by 5.5 percent in FY 2007. VA must

increase staffing to meet the existing and added workload, or service to veterans seeking educational benefits will decline. Based on the number of direct program FTE at the end of FY 2003 in relation to the workload at that time, VBA must increase direct program staffing in its Education Service in FY 2007 to 873, 149 more direct-program FTEs than authorized in FY 2006. In total, the IB recommends that Education Service should be provided 1,033 FTE for FY 2007.

The education benefits provided to veterans have served them well throughout generations. History illustrates that when our veterans have educational opportunities, the entire nation gains the benefits. Following WWII, veterans using the GI Bill became a catalyst in the economic and social development of our country. Today's veterans carry the same potential and we should grant them the highest level of resources possible to reward them for their service and ensure our nation's economic vitality. To improve education benefits the IB makes the following recommendations:

- Congress should remove the restriction on eligibility for the Montgomery GI Bill (MGIB) to those who first entered the service after June 30, 1985
- Congress should change the law to permit refund of an individual's MGIB contributions when his or her discharge was characterized as "general" or "under honorable conditions" because of minor infractions
- Congress should make education benefits more equitable for National Guard and Reservists

For VR&E Service, the President's budget seeks funding for 1,255 FTE. The IB recommends 1,375 FTE for this business line. VR&E's workload is expected to continue to increase primarily as a consequence of the war in Iraq and ongoing hostilities in Afghanistan. Also, given its increased reliance on contract services, VR&E needs approximately 50 additional FTE dedicated to management and oversight of contract counselors and rehabilitation and employment service providers. As a part of its strategy to enhance accountability and efficiency, the VA Vocational Rehabilitation and Employment Task Force recommended in its March 2004 report the creation of new staff positions and training for this purpose. Other new initiatives recommended by the Task Force also require an investment of personnel resources. To implement reforms to improve the effectiveness and efficiency of its programs, the Task Force recommended VA add approximately 200 new FTE positions to the VR&E workforce. The FY 2006 total of 1,125 FTEs should be increased by 250, 1,375 total FTEs.

The VR&E program is responsible for providing services and assistance to service-connected disabled veterans that will enable them to obtain and maintain stable, gainful employment. By helping disabled veterans help themselves, we not only serve them, we serve the nation as a whole. Like the MGIB, VR&E benefits can have a direct impact on the country's economic and social development. To improve VR&E benefits the IB makes the following recommendations:

- VR&E should continue efforts to improve case management techniques and use state-of-the-art information technology

- VR&E must place higher emphasis on academic training, employment services, and independent living services for severely disabled veterans
- VR&E should rewrite operational policies and procedures manuals
- VR&E should develop plans and partnerships to enhance entrepreneurial opportunities for disabled veterans
- VR&E should monitor the progress of disabled veterans for at least two years to ensure rehabilitation is successful
- VR&E should reduce the caseload for managers from the current 145 to 100 cases per counselor to allow closer monitoring of progress
- VR&E should have an employment coordinator at each VA Regional Office
- VR&E should employ a results-based criteria to evaluate and improve services
- VR&E must become an employment-driven program to successfully return disabled veterans to the workforce.

Veterans who are entitled to compensation for certain permanent and total service-connected disabilities are eligible for a grant to adapt their home with fixtures made necessary by the nature of their disabilities. The Specially Adapted Housing (SAH) program provides 50 percent of the cost of an adapted home. Veterans who sacrificed so dearly in the name of freedom have earned any measure we can provide to make their lives as normal as possible. The SAH program is intended for this purpose. To improve SAH benefits the IB makes the following recommendations:

- Congress should increase specially adapted housing grants and provide for future automatic adjustments indexed to the rise in the cost of living
- Congress should establish a grant to cover the costs of home adaptation for veterans who replace their specially adapted homes with new housing

With regard to Loan Guaranty, the IB has just one recommendation that Congress should refrain from increasing home loan fees and should, as soon as possible, repeal such fees entirely.

Closing

In preparing the IB, the four partners draw upon their extensive experience with the workings of veterans' programs, their firsthand knowledge of the needs of America's veterans, and the information gained from their continual monitoring of workloads and demands upon, as well as the performance of, the veterans' benefits system. Historically, this Committee has acted favorably on many of our recommendations to improve services to veterans and their families, and we hope you will give our recommendations full and serious consideration again this year.