



**STATEMENT
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**FOR THE
HOUSE COMMITTEES
ON VETERANS' AFFAIRS**

**FY 2007 PRIORITIES OF THE DEPARTMENT OF
VETERANS' AFFAIRS**

February 16, 2006

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CURRICULUM VITAE

CMSgt (Retired) James E. Lokovic is the Deputy Executive Director and the Director of Military and Government Relations for the Air Force Sergeants Association. Chief Lokovic works for the Executive Director and is the association's primary liaison with Congress, the administration, the military services, and other military and veteran's associations—in carrying out the association's chartered mission to protect and enhance the quality-of-life benefits for current and past military members and their families. Chief Lokovic served 25 years in the United States Air Force at numerous stateside and overseas locations. His last assignment was on the Air Staff as the Chief of Enlisted Professional Military Education. He has worked for the association since January 1994.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Air Force Sergeants Association (AFSA) does not currently receive, nor has the association ever received, any federal money for grants or contracts. All of the association's activities and services are accomplished completely free of any federal funding.

Mr. Chairman and distinguished committee members, on behalf of the 130,000 members of the Air Force Sergeants Association, thank you for this opportunity to offer the views of our members on the FY 2007 priorities of the Department of Veterans' Affairs. This hearing will address issues critical to those serving and who have served our nation. AFSA represents active duty, Guard, Reserve, retired, and veteran enlisted Air Force members and their families. Your continuing effort toward improving the quality of their lives has made a real difference, and our members are grateful. In this statement, I will list several specific goals that we hope this committee will pursue for FY 2007 on behalf of current and past enlisted members and their families. The content of this statement reflects the views of our members as they have communicated them to us. As always, we are prepared to present more details and to discuss these issues with your staffs.

How a nation fulfills its obligation to those who serve reflects its greatness. How we treat them also influences our ability to recruit future service members since a significant percentage of those wearing the uniform today were once members of military families. They watched to see how their moms and dads were treated as they put their lives on the line for America. And that trend continues. People observe how the service member is taken care of during service and after they have served. Simply speaking, if we want to keep good people in the military, it is important that our country live up to the commitments made to our veterans--the role models for today's force and tomorrow's.

It is important that this committee view America's veterans as a vital national resource rather than as a financial burden. As you deliberate on the needs of America's veterans, this association is gratified to play a role in the process and will work to support your decisions as they best serve this nation's veterans. We believe this nation's response for service should be based on certain principles. We urge this committee to consider the following principles as an underlying foundation for making decisions affecting this nation's veterans.

GUIDING PRINCIPLES

1. **Veterans Have Earned a Solid Transition Back Into Society.** This country owes its veterans dignified, transitional, and recovery assistance. This help should be provided simply because they served in the most lethal of professions.

2. **Most Veterans Are Lower-paid Enlisted Members.** Enlisted veterans served with lower pay, generally re-entered the civilian populace with non-transferable military skills, probably had relatively little civilian education, and most likely served in skills that are less marketable. We should factor in the unique circumstances of enlisted veterans, especially in the area of transitional education; i.e., the Montgomery G.I. Bill.

3. **Decisions on Veterans' Funding Primarily Should be Based on Merit.** Funding for military veterans must, of course, be based on fiscal reality and prudence. However, Congress and, in turn, the VA must never make determinations simply because "the money is just not there" or because there are now "too many" veterans. Funding for veterans' programs should be viewed as a national obligation—a "must pay" situation.

4. **Remember that Reservists are Full-fledged Veterans.** In Iraq, Afghanistan, and around the world, reserve component members are valiantly serving, ready to sacrifice their lives if necessary. Record numbers have been called up to support operations since September 11, 2001. By spring of this year, nearly half of U.S. forces serving in Iraq will be guardsmen and reservists. Without question, enlisted guardsmen and reservists are full-time players as part of the "Total Force." Differences between reserve component members and the full-time force, in terms of VA programs or availability of services, need to be critically examined.

5. **The VA Must Openly Assume the Responsibility for Treatment of the Maladies of War.** We are grateful for VA decisions in recent years that show a greater willingness to judge in favor of the service member. The VA focus on health care conditions caused by battle should be on presumption and correction, not on initial refutation, delay, and denial. It is important that the decision to send troops into harm's way also involves an absolute commitment to care for any healthcare condition that may have resulted from that service. Many veterans call and write to this association about our government's denial, waffling, then reluctant recognition of illnesses caused by conditions during past conflicts. We applaud past decisions of this committee toward reinforcing a

commitment to unconditional care after service, and encourage the committee to do the same in the future.

This statement will focus on three main areas: education, health care, and general issues that we hope you will consider as you deliberate the FY 2007 VA budget and policies.

EDUCATION PROGRAMS

Frankly speaking, this is an enlisted, non commissioned officer issue. Unlike commissioned officers, few enlisted members enter the service with a college degree. Relatively few of them are able to achieve one while in the service.

Prior to 9/11 this committee did a good job of increasing the value of the Montgomery G.I. Bill (MGIB), but very little has been done since. There's no escaping the fact that college costs are rising and last year the average public school tuition rates jumped 10.5 percent. As the gap between the cost of an education and value of the MGIB widens, the significance of the benefit becomes less apparent. Without an overhaul to reinvigorate the MGIB, this benefit will lose its effectiveness when it comes to recruiting this nation's finest young men and women into service. As a member of the The Military Coalition and Partnership for Veterans' Education, we strongly recommend you transform the program to something similar to the post-WW II G.I. Bill. We ask this committee to work toward funding a program that pays for books, tuition, and fees, and that the benefit be annually indexed to reflect the *actual* costs of education, especially for enlisted members.

When young enlisted men and women opt for military service, they should know that this "company" will provide them with a no-cost, complete education, as do numerous companies in the private industry. But our government does not do this in the way that it should. It gives them a one-time chance to enroll in the MGIB during basic training. It charges them \$1,200 to enroll at a time when they can least afford it. It limits the use of the benefit to a designated monthly amount which prevents its use for all educational expenses as needed, or in amounts to support accelerated programs, or courses with lab requirements, or advanced programs; and it imposes a benefit-termination clock that starts ticking when the service member separates from military duty. Each of these provisions suggests the government's lack of sincerity toward providing a user-friendly benefit that may be fully used to benefit the service member and this nation. Remember, enlisted initially make about half that a new commissioned officer makes. Enlisted members who actually need the MGIB, must proportionally agree to pay twice the portion of their initial pay as commissary officers do. This is just plain unfair.

Despite the extremely commendable, fairly recent value increases in the MGIB (which, in October 2005 increased to \$1,034 per month for 36 months), more needs to be done. If this nation is going to have an effective, beneficial military educational benefit program, it should mirror the comprehensive ones provided by civilian industry. Recent studies show that the average costs for colleges and universities are approximately \$1,770 per month—a figure that reflects the cost of books, tuition, and fees at the average college or university for a commuter student (based on the annual “College Board” report). That means that despite the recent increases in the MGIB, it will only cover about 58 percent of the average cost of a four-year public college or university for academic year 2005-2006. As educational costs rise and if Congress does not increase funding, the value of the MGIB will continue to deteriorate. Without automatic indexing for inflation, MGIB purchasing power continues to erode, thereby negating the previous hard work of this committee. We ask that you look toward further increases in the MGIB program by legally indexing the MGIB benefit to annual increases in “educational” inflation.

We are aware of recent interest among some members of Congress to “renovate” the MGIB. Specific characteristics that a new comprehensive benefit should include are as follows:

Provide an MGIB Enrollment Opportunity for All Currently Serving Enlisted Members Who Declined Enrollment in the Old Veterans Educational Assistance Program (VEAP). We are mindful that VEAP was intended to be a transitional benefit which enabled departing service members to secure necessary skills as they transition back into the civilian workforce. It’s only in more recent years that the MGIB has evolved into a recruiting incentive. That being the case, and without question, one of the greatest needs cited by our members is to provide a second chance for those who turned down their initial opportunity to enroll in the Veterans Educational Assistance Program (VEAP). VEAP was the program in place for those who were serving immediately prior to the July 1985 initiation of the Montgomery G.I. Bill. VEAP was a far-less beneficial program than the MGIB.

Hundreds of thousands of military members chose not to enroll in the VEAP program. Many were advised not to enroll in VEAP because a better program was coming along. Unfortunately, when the MGIB program began, those who turned down the VEAP program were not allowed to enroll in the MGIB program. So many turned down their one-time opportunity (during the 1980s) to enroll in the VEAP program that approximately 50,000 military members who declined VEAP enrollment are still serving.

Approximately 15,000 still-serving commissioned officers turned down VEAP; by definition they already have at least bachelors degrees when they enter service—most have graduate and higher degrees by the time they reach retirement. For that reason, and considering funding challenges, AFSA would contend that the MGIB enrollment opportunity should be limited to still-serving enlisted (noncommissioned) members who turned down the old VEAP program.

Rep. Dave Camp has introduced H.R. 269 which would provide an MGIB enrollment opportunity to the estimated less than 50,000 currently serving who turned down the old VEAP program—including commissioned officers. In evaluating this same legislation in the 108th Congress, CBO scored this bill at \$173 million over 10 years (figure based on the 96,000 plus eligible active duty personnel at that time) Taking into consideration that the number of eligibles is now halved, estimated costs of implementation would now be in the range of \$86 million. However, if we limit the enrollment opportunity to enlisted members only, it will reduce the number by more approximately one-fourth and, therefore, the cost by 25 percent. The projected scoring would then be reduced to somewhere in the neighborhood of 65 million over 10 years if limited to enlisted members only.

Time is running out for Congress to provide these deserving individuals an MGIB enrollment opportunity; unfortunately many have already retired. *As of July 1, 2005, all actively serving members who enlisted in this era were eligible to retire.* We urge these committees to act quickly before it is too late to at least provide a transitional education assignment to the remaining VEAP-era enlisted members. Remember these citizens served a full career of dedicated service and sacrifice fighting this nations wars and preserving the peace.

Provide a Second Chance for those Currently Serving Enlisted Members Who Declined Enrollment in the MGIB. Since the end of the VEAP program, tens of thousands more have declined enrollment in the MGIB. Most enlisted members did so because they were (and still are) given only a one-time, irrevocable enrollment opportunity at basic military training when many simply could not afford to give up \$100 per month for the first 12 months of their career. While this may not apply to all accessions, it certainly applies to enlisted members.

In fact, in the Air Force alone, there are now over 25,000 on duty who came in during the MGIB era but who declined to enroll in the MGIB. Hundreds of noncommissioned members tell us that they want a second chance to get into the MGIB, now that they can afford to do so. This is particularly a serious problem among enlisted members—those who generally enter military service without a college degree and with prospects of relatively little income. As we said earlier, thanks to the fine work of these committees, the MGIB value has been significantly increased in recent years. Although more work needs to be done, the benefit is now a comparatively “lucrative” benefit—a far cry from that which most VEAP and MGIB non-enrollees turned down. For that reason alone, fairness would dictate an enrollment opportunity for any military member not currently enrolled in the MGIB. They have made freedom possible during their service; now let’s say “Thank You” to them! H.R. 3195 by Rep. Peter Visclosky specifically calls for an enrollment opportunity for these deserving individuals.

Eliminate the \$1,200 MGIB Enrollment Fee. The Montgomery GI Bill is the one of the only company-provided educational programs in America that requires a student to pay \$1,200 (by payroll deduction during the first 12 months of military service) in order to establish eligibility. This \$1,200 DoD payroll cost-avoidance method amounts to little

more than a tax penalty on a benefit that must be paid before it is received. Sadly, this fee causes many young noncommissioned service members to decline enrollment simply because they are given a one-time, irrevocable decision when they are making the least pay and under the pressure of initial training. Those who decline enrollment—many due to financial necessity—do not have a second chance to enroll in the program. This is probably the biggest complaint we get from the lowest-ranking airmen. *They feel that, in a sense, it is a “dirty trick” to offer such an important program only when it is clearly a financial burden for enlisted members to enroll in the program. After all, because of lower pay, enlisted members must sacrifice a significantly higher percentage of their income (in relation to new commissioned officers) in order to be eligible for the program.* Further, it sends a very poor message to those who enter service expecting a world-class educational benefit.

We would imagine that a good case could be made to show that eliminating the fee will not be as expensive as estimated since the administration of the fee (tracking and collection) most likely costs nearly as much as, if not more than, the fee itself. To our knowledge, this has never been explored, and we encourage these committees to investigate this matter further. S. 43, by Sen. Chuck Hagel, and its companion bill, H.R. 786, by Rep. Lee Terry, would eliminate the \$1,200 user fee for those serving during the period of Executive Order 13235. Both bills would also give a second MGIB enrollment opportunity for those serving during this period. AFSA maintains that both elimination of the \$1,200 payroll reduction and a second MGIB enrollment opportunity should be permanently provided for enlisted service members.

Allow Enlisted Military Members to Enroll in the MGIB Later During Their Careers.

As I explained above, the one-time enrollment opportunity at Basic Training is a problem. Of course, abolishing the \$1,200 fee would eliminate the non-enrollment problem while simultaneously reintroducing some honesty into the recruitment promises made concerning educational benefits. This would alleviate the need for young recruits to make a monumental financial decision under the pressure of Basic Military Training when they are making very little money. Another option would be to allow them to enroll at any time during their first or subsequent enlistments. In the 108th Congress, H.R. 3041, which was introduced by House Veterans Affairs Committee Vice Chairman Congressman Michael Bilirakis, would have allowed individuals to make an election to participate in the MGIB at any time during the first two years of service. AFSA would strongly encourage the committee to incorporate this legislation as they look to revamp the benefit.

Extend or Eliminate the Ten-year Benefit Loss Clock. Once an MGIB enrollee separates or retires, they have ten years to use their benefit or they lose any unused portion. Transitioning from a military career to civilian life requires a period of readjustment and satisfying survival needs—especially for enlisted members. These include relocation, job and house hunting, and family arrangements, just to name a few. For many, using their “earned” educational benefit (for which they paid \$1,200), must be delayed a few years--or their education must be pursued piecemeal (e.g., a class at a time) due to conflicting work and family obligations. However, the benefit self-destruct

clock is ticking as the government prepares to take the benefit away. We urge you to extend that ten-year clock to 20 years, or repeal the “benefit-loss” provision altogether. The benefit program has been earned, the federal computer program that tracks the MGIB usage is not earmarked to go away, and extending the 10-year benefit loss clock would have negligible cost implications.

Provide “Portability” (Transferability) of MGIB to Family Members. “Critical skills” portability for family members was signed into law in the FY 2002 NDAA. To date, this powerful retention incentive has gone largely unused as only a very small percentage of personnel were ever provided this opportunity. Part of the problem is the service secretaries get to determine just what “critical” means. For example, in the Air Force, less than 500 personnel in a dozen career fields were provided this opportunity despite the fact that over 60 career fields were considered critical enough to require Selective Reenlistment Bonuses. The vast majority of MGIB enrollees, many of whom have been told their jobs are “critical,” find it unfair that they have not also been afforded this opportunity. As an issue of fairness, we urge that the portability feature be extended to all MGIB enrollees.

Portability would be an important career incentive for the vast majority of military members and, if we are wise, a good retention tool across the board. For enlisted members, in particular, it could mean the ability to offer greater educational opportunities to their children. ***A career-promoting alternative would be to offer the option to transfer (at least a portion of) the benefit to family members once the individual has served 12 to 15 years.*** This would make the option available in time to help send their kids to college, and it would serve as an incentive to stay in the service. Please work to extend the “portability” option across the board to all military enrollees (enlisted ones in particular).

MEDICAL CARE

The health care system administered by the Veterans Administration impacts, in one way or another, all of those who served. As reported, the Administration’s FY 07 budget proposal provides an 8 percent or \$2.65 billion increase in discretionary funding for VA health care, which gives Congress a much better starting point in the appropriations process than in previous years. AFSA, like most military and veterans associations remain concerned that the requested levels of funding and the calculations utilized to arrive at these figures may not reflect the true needs of this department. We recommend the committee scrutinize the Administrations proposals closely so as to avoid previous It is critical that those fighting wars today receive care when needed, while at the same time, full funding is provided to cover past veterans. Recent practice is that in order to keep funding down we progressively redefine the categories of eligibility to exclude a portion of currently eligible veterans.

Once again the Administration is proposing to increase prescription co-payments and create an annual “enrollment fee” of \$250 for almost two million Category 7 and 8 veterans who do not have service-connected disabilities. The co-payment would jump

88 percent — from \$8 to \$15 — per 30-day supply, per prescription. AFSA feels these two proposals are unacceptable and urges Congress to reject it in similar fashion to last year's proposed \$250 "enrollment fee." Our feeling is that such an enrollment fee should only be applied prospectively. Current veterans should not be charged a fee for access which earlier Congresses determined was not appropriate. One would have to wonder what the next Congress is going to add or eliminate as the policies relative to veterans health care change based on the changing economy and personal preferences and interpretations. Upon what can veterans depend when it comes to national provision of benefits and services?

The FY 2007 VA Budget should be sufficient to provide full health care and program needs for those who are currently defined as eligible for care. Funding should not be based on additional redefinitions of who is eligible and on a proposed institution of additional co-payments and enrollment usage fees.

I wish to briefly touch on some issues that have been reflected in the many letters and phone calls that AFSA has received from the field. As a general rule, we tend to hear most loudly (and frequently) from those who are not happy with the adjudication of their claims or the treatment they have received. I am not going to go into isolated problems, because anecdotal information is just that. Rather, I want to briefly touch on some specific health-related situations/conditions that we feel need to be addressed.

Work Toward Mandatory Funding and Program Permanence. This association believes that the parameters of who will be served, what care will be provided, the facilities needed, and the full funding to accomplish those missions should be stabilized as mandatory obligations. If that were so, and Congress did not have to go through redefinition drills as economic philosophies change, the strength of the economy fluctuates, and the numbers of veterans increases or decreases—these committees and this nation would not have to re-debate obligations and funding each year. We believe that these important programs should be beyond debate and should fall under mandatory rather than discretionary spending.

Policy Consistency Needed. The pervading feeling among veterans is that the Administration's approach to providing adequate service to an ever-growing number of veterans is to shrink the number of patients by excluding increasing classes of veterans. These veterans who are being excluded were expressly included in earlier congressional legislation. In other words, rather than funding for increased needs, the VA's allowable clientele definition is changed by adding an increasing number of "Priority" groups, raising co-pays, and charging fees for use. The VA's "temporary" moratorium on Priority Group 8 enrollment has now assumed a "permanent" status.

Seek Proactive Cost-saving Approaches. Provisions in the FY 2005 budget proposal allowed the VA to pay for emergency room care at non-VA facilities. This proactive approach prevented delays in treating life-threatening conditions, thereby saving the lives of veterans who do not reside in close proximity to a VA medical facility. Periodically the VA has agreed to a change in policy and filled prescriptions written by

non-VA providers under very specific circumstances. These are excellent examples of how the VA can enhance the care provided to veterans at a modest cost through using new approaches!

Support VA Subvention. With more than 40 percent of veterans eligible for Medicare, VA-Medicare subvention is a very promising venture, and AFSA offers support for this effort. Under this plan, Medicare would reimburse the VA for care the VA provides to non-disabled Medicare-eligible veterans at VA medical facilities. This funding method would, no doubt, enhance some older veterans' access to VA health care. The VA has an infra-structural network to handle this, and we anticipate the effort would be successful. This is an opportunity to ensure that those who served are not lumped in with all those who have not, and would, no doubt, save taxpayer dollars by potentially reducing an overlap in spending by Medicare and the VA for the same services.

Support Judicious VA-DoD Sharing Arrangements. We believe the enlisted force would be pleased with judicious use of VA-DoD sharing arrangements involving network inclusion in the DoD health care program, especially when it includes consolidating physicals at the time of separation. This decision alone represents a good, common sense approach that should eliminate problems of inconsistency, saves time, and takes care of veterans in a timelier manner. In that sense, such initiatives will actually save funding dollars. AFSA supports testing such program but recommends that the committee closely monitor the collaboration process to ensure these sharing projects actually improve access and quality of care for eligible beneficiaries. DoD beneficiary participation in VA facilities must never endanger the scope or availability of care for traditional VA patients, nor should any VA-DoD sharing arrangement jeopardize access and/or treatment of DoD health services beneficiaries. VA and DoD each have a lengthy and comprehensive history of agreeing to work on such projects but have yet to follow-through on most of them. A memorandum of understanding to renew their commitment to joint ventures was recently signed by the two departments. With this committees urging, perhaps this latest effort won't go by the wayside as past "restarts."

Support State Veterans Homes. One hundred and thirty-three state-run veterans' homes, serve about 30,000 former service members. These homes are a good federal investment since the states provide funding for two-thirds of total operating costs. Funding reductions in this area could be devastating and would force the closure of several facilities. We urge the committees to take a close look at the required level of support to protect these important national assets. We urge these committees to provide full funding for state veterans homes--building on levels established in the past with inflation factored in. If changes are to be made in the future, they should be announced for future implementation and should be applied prospectively without harming those who have come to depend on these facilities.

Care for Women Veterans. We applaud the actions of these committees in recent years to directly address the issue of the unique health challenges faced by women veterans. Between 1990 and 2000, the women veteran population increased by 33.3

percent from 1.2 million to 1.6 million, and women now represent approximately 7 percent of the total veteran population. By the year 2010, the VA estimates that women veterans will comprise well over 10 percent of the veteran population. Currently women make up 15 percent of the active duty force and approximately 23 percent of the reserve force. Many of these female veterans have served in more recent years. Tens of thousands of female troops have been serving, or have already returned from service in Iraq and Afghanistan. As the number of women veterans increases, the VA must be funded to increasingly provide the resources and legal authority to care for female-specific healthcare needs.

GENERAL ISSUES

Speedier Claims Processing and Improved Accuracy. For many veterans association with the VA begins with the claims process. Two years ago, the Veterans Benefit Administration announced they had reached a steady state of 250,000 claims in progress but recent numbers reflect a number three times that. Not mentioned in the Administrations FY 07 budget plan was how this agency intends to address a claims backlog that currently exceeds more than 813,000 cases!

The key to sustained improvements in claims processing rests primarily on adequate funding to attract and retain a high-quality workforce of claims workers who are supported by full investment in information management and technology. This agency is facing a mass exodus of experience once the baby-boomer generation retires from federal service over the next five years. It's becoming more and more apparent that this particular section of the agency needs additional funding consideration verses funding reductions to overcome this growing backlog. Additionally, proper training impacts the quality and consistency of claims decisions. An infusion of funding specifically for this purpose could save the agency millions, if not more as errors in processing claims and the subsequent appeals they generate are reduced. Much of the past success of this agency can be directly attributed to the funding and support of this committee. The time to take a closer look is long overdue.

“Seamless,” Transferable Medical Records. The record numbers of veterans being generated by the wars in Afghanistan and Iraq underscore the importance of accelerating DoD and VA plans to seamlessly transfer medical information and records between the two federal departments. A lifetime DoD-VA service medical record could help veterans obtain early, accurate, and fair VA disability ratings, save the Department of Veterans Affairs funding, and facilitate pre- and post-deployment research that could advance standards of care. Additional savings would be realized by preventing the “doubling” of diagnostic testing which currently occurs when VA runs similar testing (MRIs/X-rays, etc) to validate DoD findings.

A good example of the redundancy in the system is retired U.S. Air Force Master Sergeant Morgan Brown. While on active duty, after documented severe-repetitive stress injuries to his spine, in 1996 Brown had his first MRI, several examinations, and

other diagnostic and corrective procedures. Since 1996, he had several additional MRIs and X-rays, countless examinations and medical procedures to treat and track the progression of the injury. He was poked, prodded, and treated by specialists such as orthopedic surgeons, neurologists, and neurosurgeons. His comprehensive retirement physical in early 2002 included nearly all of the above procedures and visits to specialists. However, when Sergeant Brown retired in 2002 and applied for a VA disability assessment, the VA re-accomplished all of the previous tests and consults. The bottom line is that the vast array of detailed, current medical documentation was ignored by the VA, and all data had to be re-accomplished. These were very expensive, unnecessary tests that had already been accomplished shortly before the VA assessment. Common sense and cross flow of information between the DoD and VA systems could have saved the taxpayer a great deal of money. Multiply that amount by the thousands of service members retiring each year and the amount could easily total several billion dollars. Accepting service connected diagnosis's made by DoD providers and their accompanying documentation would help resolve another problem that plagues VA by freeing up thousands of doctors and specialists thereby reducing the wait list times for specialized care. According to recent VA statistics about 50,000 veterans can presently be expected to wait more than 6 months for care its increases in demand and expected changes in the intensity of service delivery.

At an Oversight and Investigations Subcommittee hearing in November 2003, it was pointed out that the technology already exists to accomplish the goal of a seamless record. We urge this committee to assume an oversight role and facilitate implementation of this important document as quickly as possible.

Legitimate, Sincere Veterans' Preference. In recent years, Congress has taken steps toward making "Veterans' Preference" a reality. We have seen commendable moves in this Administration involving the VA and the Department of Labor to enhance the job preferences available to veterans. We continue to urge these committees to support any improvement that will put "teeth" into such programs so that those who have served have a "leg up" when transitioning back into the civilian workforce.

Support of Survivors. AFSA commends this committee for previous legislation which allowed retention of DIC, burial entitlements, and VA home loan eligibility for surviving spouses who remarry after age 57. However, we strongly recommend the age-57 DIC remarriage provision be reduced to age-55 to make it consistent with all other federal survivor benefit programs. H.R. 1462 introduced by Rep. Bilirakis would make this important change in law. We also endorse the view that surviving spouses with military Survivor Benefit Plan (SBP) annuities should be able to concurrently receive earned SBP benefits and DIC payments related to their sponsor's service-connected death. We regret that the 109th Congress felt it was unable to address this issue as it finalized the FY 2006 National Defense Authorization Act.

Protect VA Disability Compensation: Despite being clearly stated in law, veterans' disability compensation has become easy prey for former spouses and lawyers seeking money. This, despite the fact the law states that veterans' benefits "shall not be liable to

attachment, levy, or seizure by or under any legal or equitable process, whatever, either before or after receipt by the beneficiary.” Additional legislation is needed to enforce the probation against court-orders or state legislation that would award VA disability dollars to third parties in divorce settlements.

Provide a Written Guarantee. Many veterans are frustrated and disappointed because existing programs they thought they could depend on have been altered or eliminated due to changing budget philosophies. That creates a perception among service members and veterans **that the covenant between the nation and the military member is one-sided**, with the military member/veteran always honoring his/her obligation, and hoping that the government does not change the law or the benefits upon which they depend. **We urge this committee to support a guarantee in writing of benefits to which veterans are legally entitled by virtue of their service.** This would demonstrate that the government is prepared to be honest and consistent with its obligation to its service members.

Veterans Disability Benefits Commission. AFSA remains concerned about the intent of the Veterans Disability Benefits Commission set up as part of recent years' concurrent receipt legislation. We are encouraged that various military and veterans' associations and individual veterans have had the opportunity to provide input into the panel's deliberations and hope that trend continues. Congress recently granted the panel an extension that carries its reporting date into the latter part of 2007. Until then, and understanding the budgetary constraints faced by this committee, we simply ask that the following items be included in deliberations on the impact of future decisions as they will apply to current veterans.

Obviously, budgetary parameters/limitations must be set by sound fiscal decisions. However, one dynamic of changing the definition of those who are to be served by the Department of Veterans Affairs in the future is that these decisions can have a life-altering affect on current veterans and their families. Many have already made decisions to purchase housing near a VA facility and have made other financial and life-altering decisions based on earlier decisions and philosophies of governmental decision makers.

Whereas this committee has made “access” decisions in the past (as to who would be eligible for full access to VA programs) based on the urging of veterans groups, the voters, their fellow members of Congress, or simply fiscal restraints, the ultimate decisions was made by Congress. As such, once the congressional decisions are signed into law, it is understandable that veterans would have a reasonable expectation that the VA programs available today will be available on the same terms in the future. Accordingly, these veterans make/made life-affecting decisions based on their faith and trust in the United States government.

It is also understandable that significantly redefining the system, adding user fees, significantly increasing costs for certain categories of veterans who are already using the system, etc., lead to further mistrust, frustration, and in some cases significant

financial hardship. In that sense, this association urges that future funding decisions and the implementation of the decisions of the blue ribbon panel be applied prospectively. That is, current veterans should not be significantly affected by the periodic and aperiodic changing decisions of governmental bodies; citizens ought to be able to depend on standing governmental decisions.

As the government changes its decisions from Congress to Congress, because the economy changes or there are now too many veterans, we would hope that the members of the applicable committees will consider the impact on current veterans and set timetables or effective dates for future applications of its decisions. For that reason, we cannot endorse annual user fees and significantly increased pharmaceutical costs for certain categories of veterans--except prospectively. That is, these congressional decisions should most properly apply to new veterans entering the system. While this may seem unfair to new veterans, we believe that is the way the law generally and properly has been applied for changes to the military retirement system and other major benefit reductions—the changed laws were applied in such a way that they would not negatively affect the financial and family security of those to which the current law applies.

Mr. Chairman, in conclusion, I want to thank you again for this opportunity to express the views of our members on these important issues as you consider the FY 2007 budget. We realize that those charged as caretakers of the taxpayers' money must budget wisely and make decisions based on many factors. As tax dollars dwindle, the degree of difficulty deciding what can be addressed, and what cannot, grows significantly. However, AFSA contends that it is of paramount importance for a nation to provide quality health care and top-notch benefits in exchange for the devotion, sacrifice, and service of military members, particularly while the nation remains at war. So too, must those making the decisions take into consideration the decisions of the past, the trust of those who are impacted, and the negative consequences upon those who have based their trust in our government. We sincerely believe that the work done by this committee is among the most important on the Hill. On behalf of all AFSA members, we appreciate your efforts and, as always, are ready to support you in matters of mutual concern.