Union Calendar No. 439

109TH CONGRESS, *2d Session* – – – – – – – – – – – – – House Report 109–737

ACTIVITIES REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

Convened January 4, 2005

Adjourned December 22, 2005

SECOND SESSION

Convened January 31, 2006

Adjourned December 9, 2006

DECEMBER 27, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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[1] January 6, 2005—Chairman Buyer and Ranking Minority Representative Lane Evans were appointed to the Committee.

[2] January 26, 2005—Reps. Michael Bilirakis, Terry Everett, Cliff Stearns, Jerry Moran, Richard H. Baker, Rob Simmons, Henry E. Brown, Jr. of South Carolina, Jeff Miller of Florida, John Boozman, Jeb Bradley of New Hampshire, Ginny Brown-Waite, and Rick Renzi were appointed to the Committee.

[3] January 26, 2005—Reps. Bob Filner, Luis V. Gutierrez, Corrine Brown of Florida, Vic Snyder, Michael H. Michaud, and Stephanie Herseth were appointed to the Committee.

[4] January 26, 2005—Rep. Rick Renzi resigned from the Committee.

[5] February 2, 2005—Reps. Ted Strickland, Darlene Hooley, Silvestre Reyes, Shelley Berkley, and Tom Udall of New Mexico were appointed to the Committee.

[6] February 2, 2005—Reps. Michael R. Turner and Devin Nunes were appointed to the Committee to rank after Mrs. Brown-Waite. On February 10, 2005, the Deputy Clerk of the House notified the Committee that the order should be switched to Rep. Nunes before Rep. Turner.

[7] February 9, 2005—Rep. Rob Simmons resigned from the Committee to serve on the Select Committee on Homeland Security.

[8] March 8, 2005—Rep. Dan Burton was appointed to the Committee to rank after Mr. Stearns.

[9] May 5, 2005—Rep. Devin Nunes resigned from the Committee to serve on the Committee on Ways and Means.

[10] February 8, 2006—Rep. John Campbell was appointed to the Committee.

[11] February 15, 2006—Rep. John T. Salazar was appointed to the Committee.

[12] June 29, 2006—Rep. Brian P. Bilbray was appointed to the Committee.

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[1] March 8, 2006—Rep. John Campbell assigned to the Subcommittees on Economic Opportunity and Health to fill the voids created when Rep. Devin Nunes resigned the Committee on May 5, 2005.

[2] March 8, 2006—Rep. John T. Salazar assigned to the Subcommittee on Oversight and Investigations.

[3] July 20, 2006—Full Committee Markup and business meeting held. Subcommittee ratios adjusted to accommodate the appointment of new committee members. Subcommittee on Economic Opportunity ratio adjusted to 5:4.

[4] July 24, 2006—Rep. Brian P. Bilbray assigned to the Subcommittee on Economic Opportunity.

COMMITTEE STAFF

JAMES M. LARIVIERE, *Staff Director—May 23, 2005*
JAMES H. HOLLEY, *Democratic Staff Director*
KELLY CRAVEN, *Deputy Staff Director—January 24, 2005*
KINGSTON SMITH, *Chief Counsel*

JOHN BRADLEY, *Staff Director—January 3, 2005–January 6, 2005*
MICHAEL A. COPHER, *Acting Staff Director—January 7, 2005–May 23, 2005*

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LINDA BENNETT, *Democratic Subcommittee Staff Director, Subcommittee on Health—June 1, 2005*
MICHAEL F. BRINCK, *Subcommittee Staff Director, Subcommittee on Economic Opportunity—February 1, 2005*
LEAH H. CAPUTO, *Democratic Executive Assistant, Subcommittees on Disability Assistance and Memorial Affairs, Economic Opportunity and Health*
JONATHAN CLARK, *Staff Assistant—July 25, 2006*
DEBORAH COLLIER, *Legislative Coordinator/Printing Specialist—June 27, 2005*
GEOFFREY COLLVER, *Democratic Staff Director, Subcommittee on Economic Opportunity/Communications Director*
VERONICA CROWE, *Professional Staff Member, Subcommittee on Oversight and Investigations—resigned May 8, 2005*
PETER DICKINSON, *Communications Director, January 3, 2005–January 6, 2005*
BERNADINE DOTSON, *Chief Clerk/Financial Administrator*
DOLORES A. DUNN, *Professional Staff Member, Subcommittee on Health*
SUSAN EDGERTON, *Democratic Staff Director, Subcommittee on Health—resigned May 31, 2005*
SEAN FOERTSCH, *Democratic Professional Staff Member–September 26, 2005–July 25, 2006*
KATHLEEN GREVE, *Professional Staff Member, Subcommittee on Health—resigned May 22, 2005*
SHERIE D. GROVE, *Executive Assistant—September 6, 2005*
KIMO HOLLINGSWORTH, *Professional Staff Member, Subcommittee on Oversight and Investigations—February 28, 2005–March 12, 2006*
DARRYL KEHRER, *Subcommittee Staff Director, Subcommittee on Benefits—retired February 1, 2005*
STEVEN KIRKLAND, *Director of Information Systems—resigned March 19, 2006*
MARY ELLEN MCCARTHY, *Democratic Staff Director, Subcommittee on Disability Assistance and Memorial Affairs*

MARY MCDERMOTT, *Administrative/Financial Assistant/Chief Clerk—retired May 1, 2005*
PAIGE MCMANUS, *Subcommittee Staff Director, Subcommittee on Disability Assistance and Memorial Affairs*
JEANNIE MCNALLY, *Legislative Coordinator—retired July 3, 2005*
CHRIS MCNAMEE, *Professional Staff Member, Subcommittee on Disability Assistance and Memorial Affairs—March 28, 2005*
ANDREW NAPOLI, *Senior Investigator—January 3, 2005–January 6, 2005*
MARY M. NOONAN, *Staff Advisor—January 3, 2005–January 6, 2005*
HOLLY PALMER, *Professional Staff Member, Subcommittee on Health—resigned August 21, 2006*
JEFFREY PHILLIPS, *Communications Director—April 5, 2005*
KELLY REYNOLDS, *Office Manager, May 5, 2005–July 31, 2006*
VIRGINIA E. RICHARDSON, *Democratic Research Assistant, Subcommittee on Oversight and Investigations*
ANNE ROEDL, *Legislative Assistant, Subcommittee on Oversight and Investigations—September 5, 2006*
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JEREMIAH B. TAN, *Printing Clerk—retired October 20, 2005*
DAVID M. TUCKER, *Democratic Counsel, Budget/Health—June 1, 2005*
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ARTHUR K. WU, *Subcommittee Staff Director, Subcommittee on Oversight and Investigations*
LAURA ZUCKERMAN, *Press Secretary—January 7, 2005–February 27, 2005; July 1, 2005*

LETTER OF SUBMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, December 27, 2006.

Hon. KAREN HAAS,
Clerk, House of Representatives,
Washington, D.C.

DEAR MS. HAAS: In accordance with Clause 1(d) of Rule XI of the Rules of the House of Representatives, I submit herewith the report of the Committee on Veterans' Affairs setting forth its activities in reviewing and studying the application, administration, and execution of those laws, the subject matter of which is within the jurisdiction of our committee.

STEVE BUYER,
Chairman.

FOREWORD

The 109th Congress produced strong discretionary budget increases, benefits enhancements, and effective oversight that continued to strengthen a decade-long program of improved veterans' health care and benefits. Veterans who constitute the core constituency of the Department of Veterans Affairs (VA), those with service-connected disabilities, catastrophic disabilities such as blindness and spinal cord injuries, and the indigent, benefited from increased access to quality health care. Simultaneously, excessive waiting times for the great majority of all veterans receiving care were reduced from record highs.

With thousands of servicemembers returning from the global war on terror suffering from mental health concerns and complex injuries that often include traumatic brain injury, Congress, working with the administration, took steps to enhance associated funding and services. The VA's four polytrauma rehabilitation centers have provided excellent care and continue to push forward the boundaries of care for these complex injuries. For the 110th Congress, I anticipate a further enhancement of these services that must include more effective post-acute rehabilitation.

Helping veterans transition into civilian life and take advantage of America's opportunities has been the goal of the Subcommittee on Economic Opportunity, which I formed in the 109th Congress. The Subcommittee, working with the whole Committee, helped Congress expand the outreach of the Department of Labor's Veterans Employment and Training Service to the nation's employers, who almost uniformly are seeking and having difficulty finding quality candidates for good jobs.

This session we strengthened VA's rehabilitation programs and reinforced the federal government's commitment to contract with service-disabled veteran-owned businesses. Families benefited with increased servicemember and veteran group life insurance benefits and health insurance protections for newly released members of the Guard and Reserve. Families burying their beloved dead in national cemeteries received protection against disruption by those who would use the sacrifice of our heroes as a platform for their own disgraceful messages.

To increase the access of veterans' and military service organizations (VSOs and MSOs) and their ability to provide the views of their members during the annual formation of the VA budget, the Committee advanced the annual budget and legislative hearings of the VSOs and MSOs into February. Formerly, VSOs and MSOs had been relegated to testifying weeks and even months after the Committee submitted its Budget Views and Estimates to the Congress. I also added a September "Look Back, Look Ahead" hearing

to survey the past fiscal year and discuss the year ahead. This hearing improved the opportunity for these groups to provide insights at a time when the Administration is beginning to determine its budget request. Nineteen MSOs and VSOs testified in the February 2006 hearings and 20 in September, providing invaluable and timely information.

No record of a congressional session is complete without recognition of the challenges ahead. During this session, the department's total backlog of disability compensation and benefits claims grew significantly and now tops 800,000, including appeals and education claims. Congress, responding to this unacceptable situation, must continue to examine the full array of potential solutions, including more effective hiring and training of adjudicators, better management and accountability, use of more advanced technology, and intergovernmental partnerships. In the 109th Congress, we began examining the problem and potential solutions; we owe this nation's veterans a system that produces timely and accurate benefits decisions.

Major Committee Legislation—The Servicemembers' Group Life Insurance Enhancement Act of 2005 (Public Law 109–80) strengthens Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) by increasing the maximum coverage, the increments available to policy holders, and protections for spouses of SGLI policyholders. Major provisions of Public law 109–80 as enacted:

- Make permanent the maximum coverage available to service-members and veterans. A temporary $400,000 ceiling was enacted earlier in 2005 in the war supplemental appropriations act and expired on September 30, 2005. H.R. 3200, as amended, makes the increases permanent.
- Boost the incremental increases in both levels of coverage for both these life insurance programs from the current $10,000 to $50,000.
- Affecting only SGLI, requires the Department of Defense to notify the servicemember's spouse in writing if the servicemember declines SGLI coverage or chooses an amount less than the maximum. The military also must notify a spouse should someone other than the spouse or child be designated as the policyholder's beneficiary.
- The new maximums are effective retroactive to September 1, 2005. The coverage of all policies in force, regardless of coverage amount, upon enactment was changed to the maximum $400,000. Policyholders have the opportunity to decrease coverage if they choose.

The Veterans' Compensation Cost-of-Living Adjustment Act of 2005 (Public Law 109–111) increased the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation paid to certain spouses and dependent children of service-disabled veterans. Important features of Public Law 109–111:

- A cost-of-living increase of 4.1 percent, the largest increase since 1991.
- Surviving spouses of veterans whose deaths were service-connected and their children benefit from the increase, as do

surviving spouses who are so disabled that they need aid or are permanently housebound.

- Funding increase that also benefits surviving children who are between 18 and 22 and are seeking higher education in an approved educational program.

The John H. Bradley VA Outpatient Clinic Naming Legislation (Public Law 109–206) renamed the Department of Veterans Affairs outpatient clinic in Appleton, Wisconsin, after John H. "Doc" Bradley (July 10, 1923–January 11, 1994). Bradley, who was born in Antigo, Wisconsin, and grew up in Appleton, was a U.S. Navy corpsman during World War II. He was one of the six men who took part in the famous flag raising on Iwo Jima. Bradley received a Navy Cross for rushing to a wounded man's aid under heavy Japanese fire, and received several shrapnel wounds in his legs a few days later.

The Respect for America's Fallen Heroes Act (Public Law 109–228) protects the sanctity of military funerals in national cemeteries and Arlington National Cemetery from disruption by protestors. Major provisions of Public Law 109–228 as enacted:

- Prohibits demonstrations taking place within 300 feet of the entrance of a national cemetery and within 150 feet of a road, pathway, or other route of ingress or egress from national cemeteries and Arlington National Cemetery
- Prohibits demonstrations 60 minutes before and 60 minutes after a funeral in a national cemetery or Arlington National Cemetery.

The Jack C. Montgomery VA Medical Center Naming Legislation (Public Law 109–231) renamed the Department of Veterans Affairs in Muskogee, Oklahoma, as the Jack C. Montgomery Department of Veterans Affairs Medical Center. Montgomery, born in Long, Oklahoma, of Cherokee Indian ancestry, was awarded the Medal of Honor in World War II for his actions near Padiglione, Italy, on February 22, 1944. In addition to the Medal of Honor, Montgomery was awarded the Silver Star, the Bronze Star Medal, and the Purple Heart with Oak Leaf Cluster. On his release from the Army after World War II, Montgomery began a career with the VA in Muskogee, Oklahoma. When the Korean War began, Montgomery volunteered to serve as an instructor. After his discharge in 1953, he returned to the VA in Oklahoma, volunteering there after his retirement from government service. Montgomery died on June 11, 2002.

The Veterans' Housing Opportunity and Benefits Improvement Act of 2006 (Public Law 109–233) permanently strengthened Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI); enhanced insurance provisions and protections for spouses of insurance policyholders; improved benefits for severely disabled veterans Native American veterans, and holders of VA home loans; codified additional diseases presumed to be caused by captivity as a prisoner of war; improved the assessment of disability claims for post traumatic stress disorder (PTSD); and required VA to improve its outreach activities. Major provisions of Public Law 109–233:

- Makes permanent the increase in the maximum coverage provided by SGLI and VGLI to $400,000 and incremental policy increases from $10,000 to $50,000.
- Requires notification of the spouse of a servicemember when such member elects a reduced amount of SGLI coverage or names a beneficiary other than the member's spouse or child.
- Classify the stillborn children of servicemembers as insurable dependents under the SGLI program.
- Extends from one to two years after active duty separation the period within which a totally disabled veteran may receive premium-free insurance coverage and elect to convert coverage from SGLI to VGLI.
- Permits the Secretary of Veterans Affairs to prescribe interest rate adjustment caps for certain adjustable rate mortgage loans guaranteed by VA.
- Provides permanent authority for VA to make direct housing loans to Native American veterans to buy, build, or improve dwellings on public land.
- Restores VA's authority to make specially adapted housing grants of up to $50,000 for certain severely disabled servicemembers still on active duty (due to a drafting mistake in The Veterans Benefits Improvement Act of 2004, Public Law 108–454, this authorization had been repealed).
- Permits the Secretary of Veterans Affairs, in the case of a service-disabled veteran residing, but not intending to permanently reside, in a residence owned by a family member, to help the veteran get adaptations determined reasonably necessary due to the veteran's disability.
- Codifies the addition of atherosclerotic heart disease or hypertensive vascular disease, stroke, and their complications to the list of diseases presumed to be associated with captivity as a prisoner of war, and therefore compensable under veterans' disability compensation.
- Requires the Assistant Secretary of Labor for Veterans' Employment and Training to provide information on the training and skills of veterans and disabled veterans to employers, and facilitate employment of such veterans through participation in labor exchanges and other means.
- Requires VA to develop and implement policy and training initiatives to standardize the assessment of PTSD disability claims.
- Requires VA to develop an annual plan to accomplish the outreach activities connected with health care and benefits statutorily mandated by United States Code.

The Veterans' Compensation Cost-of-Living Adjustment Act of 2006 (Public Law 109–361) increased the rates of compensation for veterans with service-connected disabilities and the rates of dependency indemnity compensation for survivors of certain disabled veterans. Important aspects of Public Law 109–361:

- A cost-of-living increase of 3.3 percent.
- Surviving spouses of veterans whose deaths were service-connected and their children benefit from the increase, as do

surviving spouses who are so disabled that they need aid or are permanently housebound.

The funding increase also benefits surviving children who are between 18 and 22 and are seeking higher education in an approved educational program.

The Veterans Benefits, Healthcare, and Information Technology Act of 2006 (Public Law 109–____), S. 3421, as amended, passed the House on December 8, 2006, and the Senate on December 9, 2006. It would enhance veterans' benefits and health care by improving the ability of the Department of Veterans Affairs to secure sensitive personal information, allowing veterans to hire lawyers to represent them, and authorizing VA health care facility construction at sites nationwide. Important aspects of S. 3421, as amended include:

- Authorizes advanced planning for an innovative public-private partnership in health care facilities sharing in Charleston, SC.
- Authorizes more than $600 million for repair or replacement of flood-damaged facilities in New Orleans and elsewhere on the Gulf Coast. Further, the bill authorizes $98 million for the replacement of the VA medical center in Denver and directs the Secretary of Veterans Affairs to explore the viability of public-private partnerships as he moves forward there. Twenty-two other major construction projects in 15 states are authorized in the bill, which also approves continued leasing of eight medical facilities and requires VA to explore options for construction of a new medical facility in San Juan, Puerto Rico.
- Increases support for servicemembers returning from the War on Terror with improved VA outreach and $65 million to increase the number of clinicians treating post traumatic stress disorder (PTSD) and improve their training.
- Creates a VA office of rural health and improves outreach for rural veterans.
- Authorizes VA to reimburse state veterans' homes for the costs of care provided to veterans with a 70 percent or higher service-connected condition; further, veterans in these homes with service-connected conditions rated at least 50 percent would get their medications free of charge.
- Increases access to long-term care with a VA pilot program that makes non-VA facilities such as community hospitals eligible for state veterans' home per diem payments.
- Authorizes $2 million for additional blind rehabilitation specialists and increases the number of facilities where these specialists will be located.
- Authorizes establishment of six Parkinson's Disease Research, Education, and Clinical Centers of Excellence, and at least two Multiple Sclerosis Centers of Excellence.
- Directs VA to provide breach notification to individuals, reports to Congress, fraud alerts, data breach analysis, credit monitoring services and identity theft insurance. It also provides for an Information Security Education Assistance program, an incentive to allow VA the ability to recruit personnel with the information skills necessary to meet department requirements.

• Expands eligibility for Dependants Education Assistance to the spouse or child of a servicemember hospitalized or receiving outpatient care before the servicemember's discharge for a total and permanent service-connected disability.

• Allows veterans to hire an agent or attorney to represent them after a notice of disagreement has been filed.

• Authorizes the VA Secretary to make grants to tribal organizations to help them establish, expand, or improve veterans' cemeteries on trust lands.

• Contains provisions that will provide VA with additional tools to help it contract with veteran and disabled veteran-owned small businesses.

• Strengthens training of the Department of Labor Disabled Veterans' Outreach Program Specialists and provides incentive awards for government employment service officers who get results.

• Extends work-study benefits for positions at VA cemeteries, state veterans homes, and state approving agencies until June 30, 2007; benefits had been set to expire December 27, 2006.

Oversight—The Committee continued aggressive oversight of the federal government's programs and laws. Revelations in June 2005 of health care funding shortages for FYs 2005 and 2006 by VA's Under Secretary for Health during testimony at a Committee hearing and then confirmed by the VA Secretary led to extensive reforms of the Department's budget process. The Department quickly corrected budget problems which included use of unrealistic assumptions, errors in estimation, and insufficient data, leading to a strong FY 2007 budget.

After a decade's aggressive and focused oversight of VA's decentralized and mismanaged information systems by the 109th Congress, the tipping point leading to reform occurred in May 2006, with the theft of a VA computer and sensitive personal data on more than 26 million veterans and servicemembers. The Committee held a series of hearings that revealed a decentralized, inefficient and poorly coordinated IT system inferior to those found in leading private-sector technology and financial companies. This conclusive evidence of a system desperately in need of reform spurred the Secretary of Veterans Affairs to direct the centralization of information management and security under a Chief Information Officer. Passage late in the session of S. 3421, as amended, gave veterans important legislation supporting a sound information management system and safeguards for veterans, servicemembers, and their families.

Some progress has been made between VA and the Department of Defense in developing an interoperable system of electronic medical records partly in response to tenacious Committee oversight. However, during a congressional delegation visit to Kuwait, Iraq, Germany and Luxembourg in August 2006, Committee members saw wounded soldiers arrive at Landstuhl Regional Medical Center in Germany with their medical records in files on their chests. Clinicians at VA have told the Committee that the lack of an interoperable system able to share the full range of a patient's medical information can reduce their ability to provide quality care. The Department of Defense and VA, which has an excellent electronic

medical records system, must develop a fully interoperable system that can share records, reducing delays and risks, and making transition truly seamless.

Budget and Appropriations—Funding for veterans' programs increased again during the 109th Congress. Overall funding for the Department of Veterans Affairs has risen $30 billion from approximately $48 billion in FY 2001 to over $78 billion for the FY 2007 budget. The FY 2007 budget represents an 11 percent increase in funding over the preceding year. Veterans medical care funding has risen from $20.2 billion in the FY 2001 budget to approximately $32.3 billion (not including collections) in the FY 2007 budget. The Department's discretionary budget increase for FY 2007 was exceeded only by the Defense Department, while funding for virtually all other federal agencies was either the same or cut.

With these funding increases, VA provides high-quality health care to more than 5 million patients, a million more than six years ago. The Department has significantly reduced its once enormous and excessive waiting lists for primary and specialty care appointments. Veterans who most need VA, the service disabled, catastrophically disabled, and indigent, are getting the care they earned through their service. The percentage of patients who report being seen within 20 minutes of scheduled appointments at VA health care facilities improved from 65 percent in 2002, to 73 percent through the end of last year. The percentage of primary care appointments scheduled within 30 days of the desired date improved from 89 percent in 2002, to 96 percent through the end of last year. Finally, the percentage of specialty care appointments scheduled within 30 days of the desired date improved from 86 percent in 2002, to 93 percent through last year.

Acknowledgments—The Committee on Veterans' Affairs is known for bipartisanship in its work to improve the health care and benefits for America's veterans and their families. The Committee has accomplished much during this session and has set the stage for a productive 110th Congress. We could not have done so without the leadership and stewardship of the Honorable Lane Evans of Illinois, the Committee's Ranking Member. To the great regret of all who know him and especially those of us who have been privileged to have worked with him on behalf of veterans and their families, our Ranking Member is retiring from Congress. Mr. Evans departs with our enduring thanks; and as he goes home, we wish him Godspeed. I thank the Honorable Bob Filner for his service as Acting Ranking Member. My especial appreciation goes to the Chairmen and Ranking Members of each Subcommittee for their dedicated work: Honorable Henry Brown and Honorable Michael Michaud of the Subcommittee on Health; Honorable Jeff Miller and Honorable Shelley Berkley of the Subcommittee on Disability Benefits and Memorial Assistance; Honorable John Boozman and Honorable Stephanie Herseth of the Subcommittee on Economic Assistance; and Honorable Mike Bilirakis and Honorable Ted Strickland of the Subcommittee on Oversight and Investigations. Chairman Bilirakis, whom I also relied on in his role as Committee Vice Chairman, is retiring this year. America's veterans and military retirees have few champions the likes of this dedicated advocate, whose te-

nacity and leadership secured for them the passage of historic concurrent receipt legislation in 2004. We shall miss him.

The Committee's success would not have been possible without the cooperation of our colleagues in the Senate. I thank Honorable Larry Craig, Chairman of the Senate Committee on Veterans' Affairs, and Honorable Daniel Akaka, the Committee's Ranking Member, as well as their Committee Members and staff. No Committee can function well without an expert and dedicated staff, and I extend my deep appreciation to the men and women of both the Minority and Majority staffs of the House Committee on Veterans' Affairs. Without their expert contributions, the accomplishments made this session for America's veterans and their families would not have been possible.

On behalf of the Committee, I especially thank the memberships of our nation's veterans service organizations and military service organizations for their service to country and for their service to our veterans and their families. So also do I thank the dedicated public servants of the Department of Veterans Affairs and those in other government agencies at the federal, state and local levels who serve our veterans.

The 109th Congress was not an event unto itself: it built on a solid foundation of support for veterans and their families laid down over the generations. In doing so, it becomes the foundation for future work. I am confident that in the 110th Congress we will engage in that work with all the resourcefulness, focus and purpose due the nation's obligation, in Lincoln's words, "to care for him who shall have borne the battle and for his widow, and his orphan."

STEVE BUYER,
Chairman.

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Union Calendar No. 439

109TH CONGRESS, *2d Session* } HOUSE OF REPRESENTATIVES { REPORT 109–737

ACTIVITIES OF THE COMMITTEE ON VETERANS' AFFAIRS FOR THE 109TH CONGRESS

DECEMBER 27, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. BUYER of Indiana, from the Committee on Veterans' Affairs, pursuant to Clause 1(d) of the Rule XI, submitted the following

R E P O R T

[To accompany]

JURISDICTION

Rule X of the Rules of the House of Representatives establishes the standing committees of the House and their jurisdiction. Under that rule, all bills, resolutions, and other matters relating to the subjects within the jurisdiction of any standing committee shall be referred to such committee. Clause 1(s) of Rule X establishes the jurisdiction of the Committee on Veterans' Affairs as follows:

(1) Veterans' measures generally.

(2) Cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad (except cemeteries administered by the Secretary of the Interior).

(3) Compensation, vocational rehabilitation, and education of veterans.

(4) Life insurance issued by the Government on account of service in the Armed Forces.

(5) Pensions of all the wars of the United States, general and special.

(6) Readjustment of servicemembers to civil life.

(7) Servicemembers' civil relief.

(8) Veterans' hospitals, medical care, and treatment of veterans.

The Committee on Veterans' Affairs was established January 2, 1947, as a part of the Legislative Reorganization Act of 1946 (60

Stat. 812), and was vested with jurisdiction formerly exercised by the Committee on World War Veterans' Legislation, Invalid Pensions, and Pensions. Jurisdiction over veterans' cemeteries administered by the Department of Defense was transferred from the Committee on Interior and Insular Affairs on October 20, 1967, by H. Res. 241, 90th Congress. The Committee during the 109th Congress had 28 members, and one vacancy, 15 in the majority and 13 in the minority.

VETERANS PROGRAMS

DEPARTMENT OF VETERANS AFFAIRS

The Department of Veterans Affairs (VA) is responsible or providing federal healthcare and benefits to veterans and their families. The Department is headed by the Secretary of Veterans Affairs and is the second largest of the 15 cabinet departments. The VA operates nationwide programs for health care, financial assistance and burial benefits.

The Department of Veterans Affairs was established on March 15, 1989, succeeding the Veterans Administration, which had been formed in 1930, consolidating several government agencies that provided services to veterans. At that time, VA had 54 hospitals and 31,600 employees, and the nation had 4.7 million veterans. Today VA employs more than 235,000 men and women who serve a large portion of the nation's 25 million veterans. About half of VA's male employees are themselves veterans.

VA employees provide health care to more than 5 million patients in 154 medical centers, nearly 900 community-based outpatient clinics, and hundreds of other sites of care. Annually, the Department's inpatient facilities treat nearly 600,000 patients, and its outpatient clinics register more than 57 million visits. In addition, VA has be-come a health care industry leader in research, rehabilitation, use of technology and patient safety.

Approximately a quarter of the nation's population is potentially eligible for VA benefits and services because they are veterans, family members or survivors of veterans. The Department provides more than $30 billion in disability compensation, death compensation and pensions to 3.5 million people. More than 550,000 spouses, children and parents of deceased veterans also receive VA benefits. In addition to guaranteeing home loans valued at over $200 billion, VA supervises the Servicemembers' Group Life Insurance and the Veterans' Group Life Insurance programs. Together, these programs provide some $1.1 trillion in insurance to 4.5 million servicemembers and veterans, plus 3 million family members.

The Department maintains 123 national cemeteries in 39 states and Puerto Rico. With the largest national cemetery expansion since the Civil War underway, by 2009, VA will serve 90 percent of veterans with a national or state veterans cemetery within 75 miles of their homes. The Department also manages the Presidential Memorial Certificate program, which provides next of kin or loved ones with certificates signed by the President to commemorate honorably discharged, deceased veterans.

VETERANS HEALTH ADMINISTRATION

Medical Care

Perhaps the most visible of all VA benefits and services is health care. From 54 hospitals in 1930, VA's health care system now includes 154 medical centers, with at least one in each state, Puerto Rico and the District of Columbia. VA operates more than 1,300 sites of care, including 875 ambulatory care and community-based outpatient clinics, 136 nursing homes, 43 residential rehabilitation treatment programs, 206 Veterans Centers and 88 comprehensive homecare programs. VA health care facilities provide a broad spectrum of medical, surgical and rehabilitative care.

More than 5.3 million people received care in VA health care facilities in 2005. By the end of FY 2005, 78 percent of all disabled and low-income veterans had enrolled with VA for health care; 65 percent of them were treated by VA. In 2005, VA inpatient facilities treated 587,000 patients. VA's outpatient clinics registered nearly 57.5 million visits.

VA manages the largest medical education and health professions training program in the United States. VA facilities are affiliated with 107 medical schools, 55 dental schools and more than 1,200 other schools across the country. Each year, about 83,000 health professionals are trained in VA medical centers. More than half of the physicians practicing in the United States had some of their professional education in the VA health care system.

VA's medical system serves as a backup to the Defense Department during national emergencies and as a federal support organization during major disasters.

During the last six years, VA has put its health care facilities under 21 networks, which provide more medical services to more veterans and family members than at any time during VA's long history.

VA has experienced unprecedented growth in the medical system workload over the past few years. The number of patients treated increased by 22 percent from 4.1 million in 2001 to more than 5.3 million in 2005.

To receive VA health care benefits most veterans must enroll. The VA health care system had 7.7 million veterans who were enrolled as of October 2005. When they enroll, they are placed in priority groups or categories that help VA manage health care services within budgetary constraints and ensure quality care for those enrolled.

Some veterans are exempted from having to enroll. People who do not have to enroll include veterans with a service-connected disability of 50 percent or more, veterans who were discharged from the military within one year but have not yet been rated for a VA disability benefit and veterans seeking care for only a service-connected disability.

Veterans with service-connected disabilities receive priority access to care for hospitalization and outpatient care.

Since 1979, VA's Readjustment Counseling Service has operated Vet Centers, which provide psychological counseling for war-related trauma, community outreach, case management and referral activities, plus supportive social services to veterans and family members. There are 206 Vet Centers.

Since the first Vet Center opened, approximately 2 million veterans have been helped. Every year, the Vet Centers serve over 130,000 veterans and provide more than 1 million visits to veterans and family members.

Vet Centers are open to any veteran who served in the military in a combat theater during wartime or anywhere during a period of armed hostilities. Vet Centers also provide trauma counseling to veterans who were sexually assaulted or harassed while on active duty, and bereavement counseling to the families of service members who die on active duty.

VA provides health care and benefits to more than 100,000 home-less veterans each year. While the proportion of veterans among the homeless is declining, VA actively engages veterans in outreach, medical care, benefits assistance and transitional housing. VA has made more than 307 grants for transitional housing, service centers and vans for outreach and transportation to state and local governments, tribal governments, non-profit community and faith-based service providers.

Programs for alcoholism, drug addiction and post-traumatic stress disorder have been expanded in recent years, along with attention to environmental hazards.

Indispensable to providing America's veterans with quality medical care are more than 134,000 volunteers in VA's Voluntary Service who donate 13 million hours each year to bring companionship and care to hospitalized veterans.

Research

In 2005, estimated funding for VA research is $390 million. Another $341 million from VA's medical care account will support research efforts. Funding from non-VA sources, such as the National Institutes of Health, other government agencies and pharmaceutical companies, will contribute another $819 million to VA research. VA currently supports approximately 3,800 researchers at 115 VA medical centers, and its Career Development program provides young scientists and opportunity to develop skills as clinician-researchers.

While providing high quality health care to the nation's veterans, VA also conducts an array of research on some of the most difficult challenges facing medical science today. VA has become a world leader in such research areas as aging, women's health, AIDS, post-traumatic stress disorder and other mental health issues. VA research has improved medical care for veterans and the nation.

VA researchers played key roles in developing the cardiac pacemaker, the CT scan, radioimmunoassay and improvements in artificial limbs. The first liver transplant in the world was performed by a VA surgeon-researcher. VA clinical trials established the effectiveness of new treatments for tuberculosis, schizophrenia and high blood pressure. The "Seattle Foot" developed in VA allows people with amputations to run and jump. VA contributions to medical knowledge have won VA scientists many awards, including the Nobel Prize and the Lasker Award.

Nearly 83 percent of VA researchers are practicing physicians. Because of their dual roles, VA research often immediately benefits patients. Functional electrical stimulation, a technology using controlled electrical currents to activate paralyzed muscles, is being

developed at VA clinical facilities and laboratories throughout the country. Through this technology, paraplegic patients have been able to grasp objects, stand and even walk short distances.

Special VA "centers of excellence" throughout the nation conduct research in rehabilitation, health services and medical conditions, including AIDS, alcoholism, schizophrenia, stroke and Parkinson's disease. Multi-center clinical trials investigate the best therapy for various diseases. Current projects include testing aspirin therapy for heart patients, surgical treatment to reduce the risk of stroke and treatment options for prostate cancer.

VA investigators continue to make major contributions to the understanding of post-traumatic stress disorder and Agent Orange exposure, both research areas resulting from the Vietnam War. VA has conducted a number of Gulf War-related research projects and has two environmental hazards research centers focusing on the possible health effects of environmental exposures among Gulf War veterans.

VETERANS BENEFITS ADMINISTRATION

Compensation and Pension

Disability compensation is a monetary benefit paid to veterans who are disabled by injury or disease incurred or aggravated during active military service. Veterans with low incomes who are permanently and totally disabled may be eligible for monetary support through VA's pension program. In FY 2005, VA provided $30.8 billion in disability compensation, death compensation and pension to 3.5 million people. About 3 million veterans received disability compensation or pensions from VA. Also receiving VA benefits were 558,490 spouses, children and parents of deceased veterans. Among them are 159,448 survivors of Vietnam-era veterans and 256,572 survivors of World War II veterans.

Education and Training

Since 1944, when the first GI Bill began, more than 21.3 million veterans, service members and family members have received $72.8 billion in GI Bill benefits for education and training. The number of GI Bill recipients includes 7.8 million veterans from World War II, 2.4 million from the Korean War and 8.2 million post-Korean and Vietnam era veterans, plus active duty personnel. Since the dependent's program was enacted in 1956, VA also has assisted in the education of more than 700,000 dependents of veterans whose deaths or total disabilities were service-connected. Since the Vietnam-era, there have been approximately 2.3 million veterans, service members, reservists and National Guardsmen who have participated in the Veterans' Educational Assistance Program, established in 1977, and the Montgomery GI Bill, established in 1985.

In 2005, VA helped pay for the education or training of 336,347 veterans and active-duty personnel, 87,589 reservists and National Guardsmen and 74,360 survivors.

Home Loan Assistance

From 1944, when VA began helping veterans purchase homes under the original GI Bill, through May 2006, more than 18 million

VA home loan guarantees have been issued, with a total value of $892 billion. VA began FY 2006 with 2.3 million active home loans, reflecting amortized loans totaling $202.1 billion.

In FY 2005, VA guaranteed 165,854 loans valued at $25 billion. VA's programs for specially adapted housing helped about 587 disabled veterans with grants totaling more than $26 million last year.

Insurance

VA operates one of the largest life insurance programs in the world. VA directly administers six life insurance programs. In addition, VA supervises the Servicemembers' Group Life Insurance and the Veterans' Group Life Insurance programs. These programs provide $1.1 trillion in insurance coverage to 4.5 million veterans, active-duty members, reservists and Guardsmen, plus 3 million spouses and children.

The Traumatic Injury Protection program under Servicemembers' Group Life Insurance provides coverage for losses incurred due to traumatic injuries. Benefit amounts range from $25,000 to $100,000, depending on the loss. This program covers 2.4 million members.

In 2005, the VA life insurance programs returned $462 million in dividends to 1.5 million veterans holding some of these VA life insurance policies, and paid an additional $2.1 billion in death claims and other disbursements.

Vocational Rehabilitation

VA's Vocational Rehabilitation and Employment Program provides services to enable veterans with service-connected disabilities to achieve maximum independence in daily living, and, to the maximum extent feasible, to obtain and maintain employment. During FYs 1998 through 2005, 69,806 program participants achieved rehabilitation by obtaining and maintaining suitable employment. Additionally, during that same period, 12,656 participants achieved rehabilitation through maximum independence in daily living.

NATIONAL CEMETERY ADMINISTRATION

VA's National Cemeteries

In 1973, the Army transferred 82 national cemeteries to VA, which now manages them through its National Cemetery Administration. Currently, VA maintains 123 national cemeteries in 39 states and Puerto Rico.

In 2005, VA national cemeteries conducted 93,246 interments. That number is likely to increase to 109,000 in 2008. In 2005, VA provided 363,901 headstones or markers for veterans' graves. Since taking over the veterans cemetery program in 1973, VA has provided more than 9.2 million headstones and markers.

Between 1999 and 2005, VA opened seven new national cemeteries: the Gerald B. H. Solomon Saratoga National Cemetery near Albany, N.Y.; the Abraham Lincoln National Cemetery near Chicago; the Dallas-Fort Worth National Cemetery; the Ohio Western Reserve National Cemetery near Cleveland; the Fort Sill National Cemetery near Oklahoma City; the National Cemetery of the Alleghenies near Pittsburgh and the Great Lakes National Cemetery

near Detroit. This year, VA plans to open two more national cemeteries near Atlanta and Sacramento, Calif., and a third one next year in Palm Beach County, Fla. Future plans include six new national cemeteries near Philadelphia; Jacksonville, Fla.; Sarasota, Fla.; Birmingham, Ala.; Greenville/Columbia, S.C.; and Bakersfield, Calif. By 2009, these nine cemeteries will help VA serve 90 percent of veterans with a national cemetery or state veterans cemetery within 75 miles of their homes.

VA administers the Presidential Memorial Certificate program, which provides gold embossed certificates signed by the president to commemorate honorably discharged, deceased veterans. They are sent to the veteran's next of kin and loved ones. VA provided 487,809 certificates in 2005.

VA also administers the State Cemetery Grants Program, which encourages development of state veterans cemeteries. VA provides up to 100 percent of the funds to develop, expand or improve veterans cemeteries operated and maintained by the states. More than $258 million has been awarded for 63 operational veterans cemeteries in 34 states and Guam. Five state cemeteries are under construction. In 2005, state cemeteries that received VA grants buried 20,882 eligible veterans and family members.

DEPARTMENT OF LABOR

VETERANS' EMPLOYMENT AND TRAINING

The Veterans' Employment and Training Service (VETS) of the Department of Labor provides employment and training services to eligible veterans through a non-competitive Jobs for Veterans State Grants Program. Under this grant program, funds are allocated to State Workforce Agencies in direct proportion to the number of veterans seeking employment within their state.

AMERICAN BATTLE MONUMENTS COMMISSION

The American Battle Monuments Commission (ABMC), created by an Act of Congress in 1923, is a Federal agency responsible for the construction and permanent maintenance of military cemeteries and memorials on foreign soil, as well as certain memorials in the United States. Its principal functions are to commemorate, through the erection and maintenance of suitable memorial shrines, the sacrifices and achievements of the American armed forces where they have served since April 6, 1917; to design, construct, operate, and maintain permanent American military burial grounds and memorials in foreign countries; to control the design and construction on foreign soil of U.S. military monuments and markers by other U.S. citizens and organizations, both public and private; and to encourage U.S. government agencies and private individuals and organizations to maintain adequately the monuments and markers erected by them on foreign soils. ABMC also provides information and assistance, on request, to relatives and friends of the war dead interred or commemorated at its facilities.

In performance of its functions, ABMC administers, operates and maintains 24 permanent American military cemetery memorials and 22 monuments, memorials, markers and separate chapels in fourteen foreign countries, the Commonwealth of the Northern Mariana Islands, Gibraltar, and three memorials in the United

States. When directed by Congress, ABMC develops and erects national military monuments in the United States, such as the Korean War Veterans Memorial and most recently, the World War II National Memorial.

ARLINGTON NATIONAL CEMETERY

Arlington Mansion and 200 acres of ground immediately surrounding it were designated as a military cemetery on June 15, 1864, by Secretary of War Edwin M. Stanton. With more than 200,000 people buried, Arlington National Cemetery has the second largest number of people buried of any national cemetery in the United States. Arlington National Cemetery is administered by the Department of the Army.

Veterans from all the Nation's wars and conflicts are buried in the cemetery, from the American Revolution through Operation Iraqi Freedom. The cemetery conducts approximately 6,452 burials each year. In addition to in-ground burial, the cemetery has a large columbarium for cremated remains. Seven courts are currently in use, each with 5,000 niches. Arlington is the site of many non-funeral ceremonies, and approximately 3,700 such ceremonies are conducted each year. Arlington is expected to continue to provide burials through the year 2060 with its recently approved capital investment plan.

LEGISLATION ENACTED INTO LAW

Public Law 109–80

Servicemembers' Group Life Insurance Enhancement Act of 2005

(H.R. 3200, AS AMENDED)

Title: An Act to amend title 38, United States Code, to enhance the Servicemembers' Group Life Insurance program, and for other purposes.

H.R. 3200, as amended:

1. Effective August 31, 2005, repealed section 1012 of Public Law 109–13, the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, which expired on September 30, 2005. Section 1012 of the Supplemental made changes to the Servicemembers' and Veterans' Group Life Insurance programs (SGLI and VGLI, respectively) operated by the Department of Veterans Affairs;

2. Increases from $250,000 to $400,000 the automatic maximum in coverage under the Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI) programs;

3. Requires the service Secretary concerned to notify in writing the member's spouse or, if the member is unmarried, the next of kin, if the member elects not to enroll in SGLI or elects an amount less than the maximum amount. When an unmarried member marries, the service Secretary concerned is required to notify the servicemembers' spouse as to whether the member is insured under SGLI, or insured at an amount less than the maximum;

4. Requires the service Secretary concerned to notify in writing the spouse of a servicemember when someone other than the spouse or child is designated as the policy beneficiary. When an unmarried servicemember marries, the Secretary concerned must notify the spouse if the servicemember designates someone other than the spouse or child as the policy beneficiary;

5. Increases the increments of SGLI coverage a servicemember may elect from $10,000 to $50,000; and

6. Permits a servicemember to decline participation in the Traumatic Injury Protection program provided by section 1032 of Public Law 109–13, the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005. If a servicemember who has declined traumatic injury protection coverage wishes to enroll at a later date, the servicemember can elect coverage upon written application, proof of good health, and compliance with such other terms as the Secretary may require.

Effective Date: August 31, 2005

Cost: The Congressional Budget Office (CBO) estimated that implementing this bill would cost $95 million in 2006, and $199 million over the 2006–2010 period, assuming appropriation of the necessary amounts. Enacting H.R. 3200 had no direct affect on spending or revenues.

Legislative History:

July 11, 2005: H.R. 3200 referred to the Subcommittee on Disability Assistance and Memorial Affairs.

July 13, 2005: Subcommittee on Disability Assistance and Memorial Affairs held a markup session. Ordered reported favorably by voice vote.

July 14, 2005: Full Committee held markup session. Ordered reported favorably by unanimous voice vote.

July 20, 2005: Placed on the Union Calendar, Calendar No. 111.

July 26, 2005: On motion to suspend the rules and pass the bill agreed to by the yeas and nays: 428–0 (Roll No. 420).

July 27, 2005: Referred to the Senate Committee on Veterans' Affairs.

September 27, 2005: Senate Committee on Veterans' Affairs discharged by Unanimous Consent. Passed Senate with an amendment by Unanimous Consent.

September 28, 2005: House agreed to Senate amendment under Suspension of the Rules by a unanimous voice vote.

September 30, 2005: Signed by the President. (Public Law 109–80)

Public Law 109–111

Veterans' Compensation Cost-of-Living Adjustment Act of 2005

(S. 1234)

Title: Veterans' Compensation Cost-of-Living Adjustment Act of 2005

A bill to increase, effective as of December 1, 2005, the rates of compensation for veterans with service-connected disabilities and

the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

S. 1234:

Increased, as of December 1, 2005, the rates of veterans' disability compensation, additional compensation for dependents, the clothing allowance for certain disabled veterans, and dependency and indemnity compensation for surviving spouses and children.

Legislative History:

June 14, 2005: Introductory remarks on measure.

June 14, 2005: Read twice and referred to the Committee on Veterans' Affairs.

June 23, 2005: Committee on Veterans' Affairs. Hearings held.

July 28, 2005: Committee on Veterans' Affairs Markup. Ordered to be reported without amendment favorably.

September 21, 2005: Committee on Veterans' Affairs. Reported by Senator Craig without amendment. With written report No. 109–138.

September 21, 2005: Placed on Senate Legislative Calendar under General Orders. Calendar No. 217.

November 16, 2005: Measure laid before Senate by unanimous consent.

November 16, 2005: Passed Senate with an amendment by Unanimous Consent.

November 16, 2005: Received in the House.

November 16, 2005: Mr. Buyer asked unanimous consent to take from the Speaker's table and consider. Considered by unanimous consent. On passage Passed without objection. Motion to reconsider laid on the table Agreed to without objection.

November 16, 2005: Message on Senate action sent to the House.

November 16, 2005: Cleared for White House.

November 17, 2005: Message on Senate action sent to the House.

November 18, 2005: Presented to President.

November 22, 2005: Signed by President. (Public Law No. 109–111)

Note: H.R. 1220 was the companion bill introduced in the House.

Public Law 109–206

An Act to designate the Department of Veterans Affairs outpatient clinic in Appleton, Wisconsin as the "John H. Bradley Department of Veterans Affairs Outpatient Clinic."

(H.R. 1691)

Title: To designate the Department of Veterans Affairs outpatient clinic in Appleton, Wisconsin, as the "John H. Bradley Department of Veterans Affairs Outpatient Clinic."

H.R. 1691:

Designates the Department of Veterans Affairs outpatient clinic in Appleton, Wisconsin, as the "John H. Bradley Department of Veterans Affairs Outpatient Clinic."

Legislative History:
April 19, 2005: Referred to the House Committee on Veterans' Affairs.
April 25, 2005: Referred to the Subcommittee on Health.
October 12, 2005: Subcommittee on Health Discharged.
October 20, 2005: Committee Consideration and Mark-up Session Held.
October 20, 2005: Ordered to be Reported by Unanimous Consent.
November 2, 2005: Mr. Buyer moved to suspend the rules and pass the bill.
November 2, 2005: Considered under suspension of the rules.
November 2, 2005: At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
November 2, 2005: Considered as unfinished business.
November 2, 2005: On motion to suspend the rules and pass the bill Agreed to by the Yeas and Nays: (2/3 required): 407—0 (Roll No. 561)
November 2, 2005: Motion to reconsider laid on the table Agreed to without objection.
November 4, 2005: Received in the Senate and Read twice and referred to the Committee on Veterans' Affairs.
March 13, 2006: Senate Committee on Veterans' Affairs discharged by Unanimous Consent.
March 13, 2006: Passed Senate without amendment by Unanimous Consent.
March 13, 2006: Cleared for White House.
March 14, 2006: Message on Senate action sent to the House.
March 17, 2006: Presented to President.
March 23, 2006: Signed by President. (Public Law No. 109–206)

Public Law 109–228

Respect for America's Fallen Heroes Act

(H.R. 5037)

Title: Respect for America's Fallen Heroes Act
H.R. 5037:

Prohibits a demonstration within 500 feet of a cemetery under the control of the National Cemetery Administration or Arlington National Cemetery, beginning 60 minutes before and ending 60 minutes after a funeral, memorial service or ceremony, unless it has been approved by the cemetery superintendent or the director of the property on which the cemetery is located; and defines the term "demonstration" to include any picketing or similar conduct; any oration, speech, use of sound amplification equipment or device, or similar conduct before an assembled group of people that is not part of a funeral or memorial service or ceremony; the display of any placard, banner, flag, or similar device, unless the display is part of a funeral or memorial service or ceremony; and the distribution of any handbill, pamphlet, leaflet, or other written or

printed matter other than a program distributed as part of a funeral or memorial service or ceremony.

Provides fines up to $100,000 and/or imprisonment for not more than one year for violation of the prohibition on demonstrations. Expresses the sense of Congress that each State should enact legislation to restrict demonstrations near any military funeral.

Legislative History:

March 29, 2006: Referred to the Committee on Veterans' Affairs, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

March 29, 2006: Referred to House Committee on Veterans' Affairs.

April 5, 2006: Referred to the Subcommittee on Disability Assistance and Memorial Affairs.

April 6, 2006: Subcommittee Hearings Held.

April 24, 2006: Subcommittee on Disability Assistance and Memorial Affairs Discharged.

March 29, 2006: Referred to House Committee on the Judiciary.

May 1, 2006: Referred to the Subcommittee on Crime, Terrorism, and Homeland Security.

May 9, 2006: Mr. Buyer moved to suspend the rules and pass the bill. Considered under suspension of the rules. At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed. Considered as unfinished business. On motion to suspend the rules and pass the bill Agreed to by the Yeas and Nays: (2/3 required): 408—3 (Roll No. 129).

May 10, 2006: Received in the Senate, read twice.

May 24, 2006: Measure laid before Senate by unanimous consent. Passed Senate with an amendment by Unanimous Consent. Message on Senate action sent to the House.

May 24, 2006: Mr. Buyer moved that the House suspend the rules and agree to the Senate amendment. On motion that the House suspend the rules and agree to the Senate amendment Agreed to by voice vote.

May 24, 2006: Cleared for White House.

May 25, 2006: Presented to President.

May 29, 2006: Signed by President. (Public Law No. 109–228)

Note: S. 2779 was the companion bill introduced in the Senate.

Public Law 109–231

To designate the Department of Veterans Affairs Medical Center in Muskogee, Oklahoma as the "Jack C. Montgomery Department of Veterans Affairs Medical Center."

(H.R. 3829)

Title: An Act to designate the Department of Veterans Affairs Medical Center in Muskogee, Oklahoma, as the "Jack C. Montgomery Department of Veterans Affairs Medical Center."

H.R. 3829:

Renamed the VA Medical Center in Muskogee, Oklahoma as the "Jack C. Montgomery Department of Veterans Affairs Medical Center". Jack C. Montgomery was born in and remained a life-long resident of Oklahoma. He served as a First Lieutenant in the United States Army's 45th Infantry Division during World War II. For his service with the 45th Infantry Division during 1944, Mr. Montgomery received the Medal of Honor for conspicuous gallantry and intrepidity at risk of life above and beyond the call of duty.

Legislative History:

September 20, 2005: Referred to the House Committee on Veterans' Affairs.

September 26, 2005: Referred to the Subcommittee on Health.

May 4, 2006: Subcommittee on Health Discharged.

May 9, 2006: Mr. Buyer moved to suspend the rules and pass the bill. Considered under suspension of the rules. At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed. Considered as unfinished business. On motion to suspend the rules and pass the bill Agreed to by the Yeas and Nays: (2/3 required): 407—0 (Roll No. 130)

May 10, 2006: Received in the Senate and Read twice and referred to the Committee on Veterans' Affairs.

May 26, 2006: Senate Committee on Veterans' Affairs discharged by Unanimous Consent.

May 26, 2006: Passed Senate without amendment by Unanimous Consent.

May 26, 2006: Message on Senate action sent to the House.

May 26, 2006: Cleared for White House.

June 8, 2006: Presented to President.

June 15, 2006: Signed by President. (Public Law No. 109–231)

Note: S. 1731 was the companion bill introduced in the Senate.

Public Law 109–233

Veterans' Housing Opportunity and Benefits Improvement Act of 2006

(S. 1235)

Title: Veterans' Housing Opportunity and Benefits Improvement Act of 2006

S. 1235:

TITLE I—HOUSING MATTERS

Authorizes a 5-year pilot program to provide adaptive housing assistance, not to exceed $14,000, to disabled veterans residing temporarily in housing owned by a family member. Offsets to pay for the pilot would come from an increase of 5 basis points in the funding fee for second and subsequent use of the VA home loan guarantee (with no money down) through September 30, 2007.

Provides VA the flexibility to prescribe an appropriate annual rate adjustment cap for VA hybrid ARM loans with an initial rate of interest fixed for 5 or more years.

Makes permanent the pilot program allowing the Secretary to make direct home loans to Native American Indians.

Reinstates the Secretary's authority to provide adaptive housing assistance to certain members of the armed forces who would otherwise qualify but have not yet separated from service.

TITLE II—EMPLOYMENT MATTERS

Requires the Assistant Secretary of Labor for Veterans' Employment and Training to furnish information to employers regarding training and skills of veterans and disabled veterans, and the advantages of hiring veterans and disabled veterans.

Changes the title of the "Advisory Committee on Veterans Employment and Training" to "Advisory Committee on Veterans Employment, Training, and Employer Outreach."

Modifies the membership of the Advisory Committee to reflect the expanded emphasis on outreach to employers, and expand the duties of the Advisory Committee to assist the Assistant Secretary in carrying out outreach activities to employers.

Reauthorizes the Homeless Veterans Reintegration Program for FYs 2007 through 2009, and retain the maximum authorization of $50 million per year.

TITLE III—LIFE AND HEALTH INSURANCE MATTERS

Extends free post-separation SGLI coverage for totally disabled veterans from 1 to 2 years through September 30, 2011. On October 1, 2011, free post-separation coverage would be reduced to 18 months. After that, the veteran can convert to either Veterans' Group Life Insurance or a commercial policy.

Amends the Servicemembers Civil Relief Act to limit premium increases on reinstated health insurance coverage of servicemembers who are released from active duty.

Amends the Uniformed Services Employment and Reemployment Rights Act to preserve employer-sponsored health plan reinstatement rights for certain Reserve component members who acquire TRICARE eligibility prior to entering active duty.

TITLE IV—OTHER MATTERS

Codifies a 2005 VA regulation adding heart disease and strokes to the list of diseases presumed to be service-connected for former prisoners of war who were interred for at least 30 days.

Requires VA to prepare, biennially, an outreach plan governing 2 years beginning on October 1, 2007. VA would also be required to report biennially on the execution of the plan beginning on October 1, 2008.

Extends the equitable relief reporting requirement through December 31, 2009.

TITLE V—TECHNICALS

Makes technical and clarifying amendments to the Traumatic Injury Protection plan to more clearly specify the responsibilities of the different service branches, and conforms the wording to match title 38 drafting.

Eliminate the terms "helpless" throughout compensation and DIC chapters of title 38 when referring to a significantly disabled veteran.

Legislative History:

June 14, 2005: Introductory remarks on measure.

June 14, 2005: Read twice and referred to the Committee on Veterans' Affairs.

June 23, 2005: Committee on Veterans' Affairs. Hearings held.

July 28, 2005: Committee on Veterans' Affairs. Ordered to be reported with an amendment in the nature of a substitute favorably (As approved by the Committee, the substitute amendment incorporated related provisions of S. 1235, as introduced, S. 552, S. 917, S. 151, S. 1259, S. 1271, and S. 423).

September 21, 2005: Committee on Veterans' Affairs. Reported by Senator Craig with an amendment in the nature of a substitute and an amendment to the title. With written report No. 109–139.

September 21, 2005: Placed on Senate Legislative Calendar under General Orders. Calendar No. 218.

September 28, 2005: Passed Senate with an amendment and an amendment to the Title by Unanimous Consent.

September 29, 2005: Received in the House.

September 29, 2005: Message on Senate action sent to the House.

September 29, 2005: Referred to the House Committee on Veterans' Affairs.

May 22, 2006: Mr. Miller (FL) moved to suspend the rules and pass the bill, as amended. Considered under suspension of the rules. At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed. Considered as unfinished business. On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 372—0 (Roll No. 177). The title of the measure was amended. Agreed to without objection.

May 23, 2006: Message on House action received in Senate and at desk: House amendments to Senate bill.

May 23, 2006: Senate agreed to House amendments by Unanimous Consent.

May 25, 2006: Cleared for White House.

June 7, 2006: Presented to President.

June 15, 2006: Signed by President. (Public Law No. 109–233)

Note: H.R. 3665 was the companion bill introduced in the House.

Public Law 109–361

Veterans' Compensation Cost-of-Living Adjustment Act of 2006

(S. 2562)

Title: Veterans' Compensation Cost-of-Living Adjustment Act of 2006

S. 2562, as amended:

Provides effective December 1, 2006, a cost-of-living adjustment to the rates of disability compensation for veterans with service-connected disabilities and to the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans. The percentage amount is equal to the increase for benefits provided under the Social Security Act, which is calculated based upon changes in the Consumer Price Index.

Legislative History:

April 4, 2006: Introductory remarks on measure.
April 6, 2006: Read twice and referred to the Committee on Veterans' Affairs.
June 8, 2006: Committee on Veterans' Affairs. Hearings held.
June 22, 2006: Committee on Veterans' Affairs. Ordered to be reported without amendment favorably.
July 27, 2006: Committee on Veterans' Affairs. Reported by Senator Craig without amendment. With written report No. 109–296.
July 27, 2006: Placed on Senate Legislative Calendar under General Orders. Calendar No. 539.
September 21, 2006: Measure laid before Senate by unanimous consent.
September 21, 2006: Passed Senate with an amendment by Unanimous Consent.
September 22, 2006: Message on Senate action sent to the House.
September 25, 2006: Received in the House.
September 25, 2006: Held at the desk.
September 30, 2006: Mr. Buyer asked unanimous consent to take from the Speaker's table and consider. Considered by unanimous consent. On passage Passed without objection. Motion to reconsider laid on the table Agreed to without objection.
September 30, 2006: Cleared for White House.
October 5, 2006: Presented to President.
October 16, 2006: Signed by President. (Public Law No. 109–361)

Note: H.R. 4843 was the companion bill introduced in the House.

Public Law 109–414

To designate the outpatient clinic of the Department of Veterans Affairs located in Farmington, Missouri, as the "Robert Silvey Department of Veterans Affairs Outpatient Clinic."

(S. 4073)

Title: To designate the outpatient clinic of the Department of Veterans Affairs located in Farmington, Missouri, as the "Robert Silvey Department of Veterans Affairs Outpatient Clinic."

S. 4073:

Renames the Department of Veterans Affairs outpatient clinic in Farmington, Missouri as the "Robert Silvey Department of Veterans Affairs Outpatient Clinic."

Legislative History:

November 16, 2006: Introduced in the Senate, read twice, considered, read the third time, and passed without amendment by Unanimous Consent.

November 17, 2006: Message on Senate action sent to the House.

December 5, 2006: Received in the House.

December 5, 2006: Referred to the House Committee on Veterans' Affairs.

December 6, 2006: Mr. Brown (SC) moved to suspend the rules and pass the bill.

December 6, 2006: Considered under suspension of the rules. On motion to suspend the rules and pass the bill Agreed to by voice vote.

December 6, 2006: Cleared for White House.

December 11, 2006: Presented to President.

December 18, 2006: Signed by President. (Public Law No. 109–414)

Note: H.R. 5994 was the companion bill introduced in the House.

Public Law 109–_____

Veterans Benefits, Health Care, and Information Technology Act of 2006

(S. 3421)

Title: Veterans Benefits, Health Care, and Information Technology Act of 2006

S. 3421, as amended:

TITLE I—VETERANS' ATTORNEY REPRESENTATION

Sec. 101. Allows veterans dissatisfied with a decision of Department of Veterans Affairs to retain and pay an agent or attorney for representation. Sets forth additional grounds for suspending or excluding agents and attorneys from representation of veterans. Requires the VA Secretary to promulgate regulations for implementing the provisions.

TITLE II—HEALTH MATTERS

Sec. 201. Authorizes the VA to hire marriage and family therapists and licensed mental health counselors. Requires the VA to provide Congress with a report on marriage and family therapy workload for the treatment of post-traumatic stress disorder.

Sec. 202. Provides authority for the VA to increase pay for the position of the Chief Nursing Officer not to exceed the maximum rate established for the Senior Executive Service.

Sec. 203. Requires VA to ensure that each VA Community Based Outpatient Clinic (CBOC) has the capacity to provide mental health services. Requires VA's National Center on Post-Traumatic Stress Disorder (PTSD) to collaborate with DOD to enhance training and treatment of PTSD and promote pre- and post-deployment resilience of veterans, and authorizes $2 million to be appropriated for carrying out the collaborative PTSD requirements. Requires VA

to review PTSD clinical guidelines to enable clinicians to better distinguish between PTSD and traumatic brain injury.

Sec. 204. Consistent with privacy laws, authorizes VA to release needed information for organ donation. Requires VA to prescribe regulations within 180 days of enactment.

Sec. 205. Increases the number of Vet Centers capable of providing health services and counseling through tele-health linkages with VA medical facilities.

Sec. 206. Directs the VA Secretary to publish a strategic plan for long-term care of veterans.

Sec. 207. Requires VA to establish Blind Rehabilitation Outpatient Specialists at not fewer than 35 additional VA facilities within 30 months after the date of enactment. Authorizes $3.5 million for FY 2007 through FY 2012 for new positions.

Sec. 208. Extends through 2008 a report requirement concerning VA's compliance requirements to maintain capacity to provide for the specialized treatment and rehabilitative needs of disabled veterans. Extends authorization for the biennial report of the VA Advisory Committee on Women Veterans through 2008.

Sec. 209. Permanently authorizes, subject to appropriations, at least six VA Parkinson's Disease Research Education and Clinical Centers (PADRECCs) and at least two Multiple Sclerosis Centers of Excellence.

Sec. 210. Repeals the four-year terms of office for the Under Secretary for Health and Under Secretary for Benefits positions.

Sec. 211. Expands authorities for State veterans' homes. Requires the VA Secretary to reimburse State veterans' homes for the cost of care of a veteran with a 70 percent or greater service-connected condition and would require that medications be provided, at no cost, to veterans with a 50 percent or greater service-connected disability. Authorizes a VA pilot program to deem a total of 100 beds in non-VA facilities to be eligible for State veterans' home per diem payments.

Sec. 212. Establishes a VA Office of Rural Health Care. Requires the Director of the Office of Rural Health care to develop a plan to improve the access and quality of care for enrolled veterans, including measures for meeting the long-term care and mental health needs of veterans. The plan must be provided to Congress by September 30, 2007. Requires VA to submit a report to Congress by March 30, 2007, on identifying each CBOC identified in CARES that has been opened and the CBOCs and access point that would be opened in FY 2007 or FY 2008.

Sec. 213. Requires VA to conduct an extensive outreach program to veterans who reside in rural communities and who served in Iraq and Afghanistan.

Sec. 214. Authorizes a two-year pilot program to improve VA assistance provided to caregivers, particularly in home-based settings, and authorizes $5 million for each FY to carrying out the pilot program.

Sec. 215. Requires not less than 100 additional outreach staff for Vet Centers.

Sec. 216. Authorizes Vet Centers to provide bereavement counseling to all immediate family members of a member of the Armed Forces who dies in the course of their military service.

Sec. 217. Authorizes for FY 2007, $180 million for the provision of readjustment counseling and related mental health services through Vet Centers.

TITLE III—EDUCATION MATTERS

Sec. 301. Expands eligibility for Survivors' and Dependents' Educational Assistance program to dependents of severely disabled service-members who have not yet been discharged from military service.

Sec. 302. Restores lost entitlement for survivors and dependents of veterans who discontinue a program of education because of being ordered to full-time National Guard duty.

Sec. 303. Exempts Federal, state or local government institutions from the rule that requires a non-accredited education program to have a pro rata refund policy for unused tuition.

Sec. 304. Extends work-study programs for veteran students at State approving agencies, State veterans cemeteries and national cemeteries, and State homes until June 30, 2007.

Sec. 305. Requires VA and DoD to submit separate reports to Congress on the Montgomery GI Bill educational assistance program.

Sec. 306. Requires the Secretary of the VA to report to Congress on ways to streamline the administrative processes and procedures of veterans' education benefits.

Sec. 307. Technical amendments relating to education laws.

TITLE IV—NATIONAL CEMETERY AND MEMORIAL AFFAIRS

Sec. 401. Authorizes VA to provide Government memorial headstones or markers and memorial inscriptions for deceased dependent children of veterans whose remains are unavailable for burial.

Sec. 402. Authorizes VA to furnish Government markers for marked graves of veterans at private cemeteries until December 31, 2007.

Sec. 403. Authorizes the VA to make grants to Indian tribal organizations for establishing, expanding or improving veterans' cemeteries on trust lands.

Sec. 404. Provides for the removal of remains of Russell Wayne Wagner from Arlington National Cemetery.

TITLE V—HOUSING AND SMALL BUSINESS MATTERS

Sec. 501. Extends VA's authority to guarantee loans for veterans and survivors to purchase stock or membership in a residential cooperative housing units.

Sec. 502. Improves VA's goals for participation by small businesses owned and controlled by veterans in procurement contracts.

Sec. 503. Improves contracting priority for veteran owned small businesses contracting with the VA.

TITLE VI—EMPLOYMENT MATTERS

Sec. 601. Requires training of new disabled veterans' outreach program specialists and local veterans' employment representatives by the National Veterans' Training Institute.

Sec. 602. Clarifies rules for part-time employment for disabled veterans' outreach program specialists and local veterans' employment representatives.

Sec. 603. Authorizes the Assistant Secretary of Veterans Employment and Training Service to permit incentive awards for employment service offices as well as individual employees.

Sec. 604. Authorizes a demonstration project on credentialing and licensure of veterans.

Sec. 605. Requires the Department of Labor to issue regulations for priority of service of veterans and dependents in job placement programs.

TITLE VII—HOMELESS VETERANS ASSISTANCE

Sec. 701. Reaffirms the national goal of to end homelessness among veterans.

Sec. 702. Provides a sense of Congress on the response of the Federal Government to the needs of homeless veterans.

Sec. 703. Permanently authorized VA homeless grant and per diem program. Authorizes $130 million in appropriations for the program for FY 2007 and each year thereafter.

Sec. 704. Extends authorization for VA to provide treatment and rehabilitation for seriously mentally ill and homeless veterans through December 31, 2011. Extends authorization through December 31, 2011, for VA to provide comprehensive, coordinated and intensive services for homeless veterans at a minimum of 20 sites.

Sec. 705. Extends authority through December 31, 2011, for VA to enter into agreements with nonprofit organizations to utilize properties in VA's inventory to shelter homeless veterans and their families.

Sec. 706. Authorizes apportions of $7 million for FY 2007 through FY 2011 for VA's grant program for homeless veterans with special needs (e.g., women, frail elderly, terminally ill, or chronically mentally ill).

Sec. 707. Extends authorization of appropriations of $1 million for FY 2007 through FY 2012 for grants to provide technical assistance to homeless veteran service providers.

Sec. 708. Requires the annual VA report on assistance to homeless veterans to include information on VA's efforts to coordinate with other federal agencies the delivery of housing and services to homeless veterans.

Sec. 709. Extends the authorization for the VA Advisory Committee on Homeless Veterans through December 31, 2006. Requires the Executive Director of the Interagency Council on Homelessness, the Under Secretary for Health and the Under Secretary for Benefits to be ex officio members of the advisory committee.

Sec. 710. Authorizes appropriations for additional rental assistance vouchers for veterans.

TITLE VIII—CONSTRUCTION MATTERS

Sec. 801. Authorizes $300 million for the restoration, new construction or replacement of the New Orleans, Louisiana, VA medical center. Authorize $310 million for the restoration of the VA medical center in Biloxi, Mississippi and consolidation of services performed at the VA medical center in Gulfport, Mississippi. Au-

thorize $98 million for the replacement of the Denver, Colorado, VA medical center.

Sec. 802. Extends authorization for certain major medical facility construction projects previously authorized in connection with Capital Asset Realignment Initiative. These projects are listed as follows:

Location	Purpose	Cost
Anchorage, AK	outpatient clinic and regional office	$75,270,000
Cleveland/Brecksville, OH	clinical/administrative consolidation	102,300,000
Des Moines, IA	extended care building	25,000,000
Durham, NC	renovation of patient wards	9,100,000
Gainesville, FL	correct patient privacy deficiencies	85,200,000
Indianapolis, IN	floor wards modernization	27,400,000
Las Vegas, NV	new medical center facility	406,000,000
Lee County, FL	ambulatory diagnostic support center	65,100,000
Long Beach, CA	seismic corrections	107,845,000
Los Angeles, CA	seismic corrections	79,900,000
Orlando, FL	new medical center facility	377,700,000
Pittsburgh, PA	consolidation of campuses	189,205,000
San Antonio, TX	ward upgrades and expansion	19,100,000
Syracuse, NY	new spinal cord injury center	77,700,000
Tampa, FL	upgrade electrical distribution systems	49,000,000
Tampa, FL	expand spinal cord injury center	7,100,000
Temple, TX	blind rehab/psychiatric renovation	56,000,000

Sec. 803. Authorizes FY 2007 major medical facility projects. These projects are listed as follows:

Location	Purpose	Cost
American Lake, WA	seismic corrections, nursing home	$38,220,000
Columbia, MO	operating suite replacement	25,830,000
Fayetteville, AR	new clinical addition	56,163,000
Milwaukee, WI	new spinal cord injury center	32,500,000
St. Louis, MO	medical facility improvements and cemetery expansion	69,053,000

Sec. 804. Authorizes $36.8 million for advancing planning and design for a co-located and joint use medical facility in Charleston, South Carolina.

Sec. 805. Authorizes major medical facility leases for FY 2006.

(1) Authorizes a lease for an outpatient clinic in Baltimore, Maryland, in the amount of $10,908,000.

(2) Authorizes a lease for an outpatient clinic in Evansville, Indiana, in the amount of $8,989,000.

(3) Authorizes a lease for an outpatient clinic in Smith County, Texas, in the amount of $5,093,000.

Sec. 806. Authorizes major medical facility leases for FY 2007.

(1) Authorizes a lease for an outpatient and specialty care clinic in Austin, Texas, in the amount of $6,163,000.

(2) Authorizes a lease for an outpatient clinic in Lowell, Massachusetts, in the amount of $2,520,000.

(3) Authorizes a lease for an outpatient clinic in Grand Rapids, Michigan, in the amount of $4,409,000.

(4) Authorizes up to four leases for outpatient clinics in Las Vegas, Nevada, in the amount of $8,518,000.

(5) Authorizes a lease for an outpatient clinic in Parma, Ohio, in the amount of $5,032,000.

Sec. 807. Authorizes appropriations.

Sec. 811. Establishes a VA Director of Construction and Facilities Management.

Sec. 812. Increases the threshold for major medical facility projects that require Congressional authorization from $7,000,000 to $10,000,000.

Sec. 813. Authorizes the conveyance of VA property to the city of Fort Thomas, Kentucky.

Sec. 821. Requires a report on options for medical facility improvements in San Juan, Puerto Rico.

Sec. 822. Requires VA to develop business plans for enhanced access to outpatient care in certain rural areas.

Sec. 823. Requires a report on options for construction of Department of Veterans Affairs Medical Center in Okaloosa County, Florida.

TITLE IX—INFORMATION SECURITY MATTERS

Sec. 901. Short Title—Department of Veterans Affairs Information Security Enactment of 2006.

Sec. 902. Establishes VA Information Security Programs and Requirements. Amends Title 38, Chapter 57 by adding Subchapter III—Information Security.

5721 Explains the purpose of the program

5722 Establishes policy and key elements of the program

5723 Establishes responsibilities for the Secretary, Assistant Secretary for Information Technology, Associate Deputy Assistant Secretary for Cyber and Information Security, Department Information Owners, other key officials, and the Inspector General

5724 Establishes requirements and actions to be taken when sensitive data may have been compromised. Requires VA to promulgate regulations

5725 Establishes contractor requirements

5726 Defines reporting requirements to the Committees

5727 Defines terms used in the section

5728 Authorizes appropriations and clerical amendments

Sec. 903. Establishes a VA Information Security Education Assistance Programs. Amends Title 38, Chapter 78 by adding a new chapter.

7901 Explains the purpose of the program

7902 Establishes opportunity and requirements for scholarship program

7903 Establishes opportunity and requirements for education debt reduction program

7904 Establishes preferences for awarding financial assistance

7905 Establishes a requirement that recipient be honorably discharged from service

7906 Establishes requirement for Secretary to prescribe regulations

7907 Provides for termination of the program

TITLE X—OTHER MATTERS

Sec. 1001. Requires VA to also notify the Senate and House Committees on Veterans' Affairs concerning the transfer of appropria-

tions when mandated to provide notification to other Congressional committees.

Sec. 1002. Treats veterans who are incarcerated in privately operated prisons in the same manner as veterans who are incarcerated in Federal or State prisons for the purposes of receipt of veterans' benefits.

Sec. 1003. Extends VA authority to provide care for veterans who participated in chemical and biological warfare testing conducted by the Department of Defense, known as "Project Shipboard Hazard and Defense" (SHAD) through December 31, 2007.

Sec. 1004. Provides for technical and clerical corrections in Title 38.

Sec. 1005. An increase in benefits to be paid in 2007 was enacted by Public Law 109–361. These provisions codify the statutory rates for Veterans' Service-connected Disability Compensation, additional compensation for dependents, clothing allowance for certain disabled veterans, Dependency and Indemnity Compensation for surviving spouses, additional dependency and indemnity compensation for children and supplemental dependency and indemnity compensation for certain children.

Sec. 1006. Provides for coordination of the provisions included in the Veterans Programs Extension Act of 2006, H.R. 6342.

Legislative History:

June 6, 2006: Introductory remarks on measure.

June 6, 2006: Read twice and referred to the Committee on Veterans' Affairs.

June 22, 2006: Committee on Veterans' Affairs. Ordered to be reported with an amendment favorably.

September 6, 2006: Committee on Veterans' Affairs. Reported by Senator Craig with amendments. With written report No. 109–328.

September 6, 2006: Placed on Senate Legislative Calendar under General Orders. Calendar No. 592.

September 26, 2006: Measure laid before Senate by unanimous consent. Passed Senate with an amendment by Unanimous Consent.

September 26, 2006: Received in the House.

September 26, 2006: Message on Senate action sent to the House.

September 26, 2006: Held at the desk.

December 8, 2006: Mr. Buyer moved to suspend the rules and pass the bill, as amended. Considered under suspension of the rules. On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote. The title of the measure was amended. Agreed to without objection.

December 8, 2006: Message on House action received in Senate and at desk: House amendments to Senate bill.

December 9, 2006: Senate agreed to House amendments by Unanimous Consent.

December 9, 2006: Cleared for White House.

December 11, 2006: Message on Senate action sent to the House.

December 20, 2006: Presented to President.

December 22, 2006: Signed by President. (Public Law No. 109–____)

Note: Bill includes provisions from H.R. 1220, as amended; H.R. 1588; H.R. 3082, as amended; H.R. 5524, H.R. 5815, as amended; H.R. 5835, as amended; H.R. 6314, H.R. 6342 (House bills); S. 716, S. 1182, as amended; S. 2694, as amended, and S. 3421, as amended (Senate bills).

ACTIVITIES OF THE COMMITTEE

LEGISLATIVE ACTIVITIES

First Session

Business Meeting to discuss the Committee's views and estimates on the Administration's Proposed Budget for the Department of Veterans Affairs for FY 2006

On February 17, 2005, the Committee met to discuss the proposed budget for the Department of Veterans Affairs for FY 2006.

Following this meeting, the majority and minority submitted their views and estimates to the House Committee on the Budget on February 23, 2005. (See Report on the Budget Proposal for FY 2006, page 105.)

Full Committee Markup of H.R. 2046, the Servicemembers' Health Insurance Protection Act of 2005

On May 11, 2005, the full Committee met and marked up H.R. 2046, and ordered reported favorably with an amendment in the nature of a substitute by unanimous consent (see H. Rept. 109–88).

On May 23, 2005, the House passed H.R. 2046, as amended, by voice vote.

On May 22, 2006, provisions were incorporated into S. 1235 (Sec. 105, 302, and 303). The House passed S. 1235, with an amendment and an amendment to the title by the Yeas and Nays (2/3 required) 372–0 (Roll No. 177).

On May 25, 2006, the Senate agreed to the House amendments to S. 1235, as amended, and passed the bill by Unanimous Consent.

On June 15, 2006, S. 1235, as amended was enacted as Public Law 109–233.

Full Committee Markup of H.R. 2988, the Veterans Medical Care Revenue Enhancement Act of 2005

On June 23, 2005, the full Committee met and marked up H.R. 2988, and the text was incorporated into H.R. 1220, Section 5. The Committee favorably reported H.R. 1220, as amended (see H. Rpt. 109–162).

On July 13, 2005, the House passed H.R. 1220, as amended, by voice vote.

On November 16, 2005, the House passed S. 1234, which incorporated the cost-of-living adjustment provision of H.R. 1220, as amended.

On November 22, 2005, S. 1234 was enacted as Public Law 109–111.

Full Committee Markup of H.R. 3200, the Servicemembers' Group Life Insurance Enhancement Act of 2005, and H. Res. 361, a resolution recognizing the 75th Anniversary of the establishment of the Veterans Administration on July 21, 1930

On July 14, 2005, the full Committee met and marked up H.R. 3200, and H. Res. 361. H.R. 3200 was ordered reported favorably by unanimous consent (see H. Rpt. 109–177). H. Res. 361 was ordered reported favorably by unanimous consent.

On July 18, 2005, the House passed H. Res. 361 by voice vote.

On July 26, 2005, the House passed H.R. 3200 by the Yeas and Nays (2/3 required) 424–0 (Roll No. 420).

On September 27, 2005, the Senate passed H.R. 3200, with an amendment.

On September 28, 2005, the House agreed to the Senate amendment to H.R. 3200 by voice vote.

On September 30, 2005, H.R. 3200, as amended, was enacted as Public Law 109–80.

Full Committee Markup of H.R. 4061, Department of Veterans Affairs Information Technology Management Improvement Act of 2005

On October 20, 2005, the full Committee met and marked up H.R. 4061, and ordered reported to the House by unanimous consent (see House Report 109–256).

On November 2, 2005, the House passed H.R. 4061 under suspension of the rules, by a vote of 408–0.

Second Session

Business Meeting to discuss the Committee's views and estimates on the Administration's Proposed Budget for the Department of Veterans Affairs for FY 2006

On February 16, 2006, the Committee met to discuss the proposed budget for the Department of Veterans Affairs for FY 2007.

Following this meeting, the majority and minority submitted their views and estimates to the House Committee on the Budget on February 23, 2006. (See Report on the Budget Proposal for FY 2007, page 122).

Full Committee Legislative Hearing on veterans identity and credit protection legislation

On July 18, 2006, the full Committee held a legislative hearing to discuss legislative proposals for veterans' identity and credit protection in preparation for marking up legislation that will mitigate the effects of the data loss.

Testimony was heard from Members discussing their proposals introduced since the May 3rd data theft, including notification requirements and reporting on the feasibility of using an identifier other than the Social Security Number, credit monitoring, and protection services. Testimony also highlighted critical weaknesses in VA Information Technology. *See Legislative Hearing on Veterans Identity and Credit Protection Legislation—Serial No. 109–60.*

Full Committee Markup of H.R. 3082, the Veterans Small Business and Memorial Affairs Enhancement Act of 2005

On July 13, 2006, the full Committee met and marked up H.R. 3082, as amended, and ordered the bill reported, as amended to the House by unanimous consent (see H. Rpt. 109–592).

On July 24, 2006, the House passed H.R. 3082, as amended under suspension of the rules, by voice vote.

On December 8, 2006, provisions from H.R. 3082, as amended were incorporated into S. 3421 (Sections 302, 303, 304, 306, 401, 402, 403, 502, 503, 601, 602, 603, 604, and 605). S. 3421, as amended passed the House under suspension of the rules by voice vote.

On December 9, 2006, the Senate agreed to the House amendments and passed S. 3421 by Unanimous Consent.

On December 22, 2006, S. 3421, as amended, was enacted as Public Law 109–__.

Full Committee Markup of H. Con. Res. 125, a bill expressing support for the designation and goals of "Hire a Veteran Week" and encouraging the President to issue a proclamation supporting those goals; H. Con. Res. 347, a bill honoring the National Association of State Veterans Homes and the 119 State veterans homes providing long-term care to veterans that are represented by that association for their contributions to the health care of veterans and the health-care system of the Nation; H.R. 5815, the Department of Veterans Affairs Medical Facility Authorization Act of 2006; and, H.R. 5835, Veterans Identity and Credit Security Act of 2006

On July 20, 2006, the full Committee met and marked up H. Con. Res. 125, H.Con. Res. 347, H.R. 5815, and H.R. 5835. The Committee ordered H. Con. Res. 125 and H. Con. Res. 347 reported to the House by unanimous consent. The Committee ordered H.R. 5815, reported as amended, and with a perfecting amendment to the House by unanimous consent (H. Rpt. 109–643). The Committee ordered H.R. 5835 reported as amended to the House by unanimous consent (see H. Rpt. 109–651, Part 1).

On July 24, 2006, the House passed H. Con. Res. 125 under suspension of the rules by voice vote.

On July 24, 2006, the House passed H. Con. Res. 347 under suspension of the rules by voice vote.

On September 13, 2006, the House passed H.R. 5815, as amended, under suspension of the rules by voice vote.

H.R. 5835, as amended, was discharged from the Committee on Government Reform on September 13, 2006, and the Committee on Financial Services on September 26, 2006, with an exchange of letters between the Committees.

On September 26, 2006, the House passed H.R. 5835, as amended, under suspension of the rules by voice vote.

On December 8, 2006, provisions from H.R. 5835, as amended, were incorporated into S. 3421 (Sections 902 and 903). Provisions from H.R. 5815, as amended, were incorporated into S. 3421 (Sections 801, 802, 804, 805, 806, 807, 811, 813, 821, 822, and 823). S. 3421, as amended passed the House under suspension of the rules by voice vote.

On December 9, 2006, the Senate agreed to the House amendments and passed S. 3421 by Unanimous Consent.

On December 20, 2006, S. 3421 was presented to the President. On December 22, 2006, S. 3421, as amended, was enacted as Public Law 109____.

OVERSIGHT ACTIVITIES

First Session

Offsite Meeting with Veterans and Military Organizations at The Citadel, Charleston, SC

On February 11, 2005, at The Citadel, Charleston, SC, Committee Chairman Steve Buyer discussed with leaders of national veterans and military organizations the challenges facing the veterans community. Participants also included Economic Opportunity Subcommittee Chairman John Boozman (R-AK, Disability Assistance and Memorial Affairs Subcommittee Chairman Jeff Miller (R-FL), and Health Subcommittee Chairman Henry Brown.

The veterans and military organizations presented their legislative priorities during the morning session, and the Subcommittee Chairmen presented their views regarding the challenges facing the veterans community during the afternoon session. After closing remarks by Chairman Buyer, the participants in the meeting were honored by a parade of The Citadel's cadet corps.

Full Committee Oversight Hearing on the President's Proposed FY 2006 Budget for the Department of Veterans Affairs

On February 16, 2005, the Committee held a hearing on the proposed VA budget for FY 2006. The Administration requested $70.8 billion in appropriations for the VA budget. Of this total, $37.4 billion was for entitlement programs such as disability compensation and Montgomery GI Bill payments, and $33.4 billion was for health care, medical research, and administration of the benefits and cemetery systems.

The Honorable R. James Nicholson, Secretary of Veterans Affairs, was accompanied by senior officials of the Department of Veterans Affairs for his testimony to the Committee in support of the President's proposed budget. Also, representatives of major veterans service organizations and military associations presented their views on the proposed budget. Finally, representatives of the Independent Budget presented their proposal for the FY 2006 veterans' budget. *See Department of Veterans Affairs Budget Request for FY 2006, Serial No. 109–1, February 16, 2005.*

Full Committee CODEL to France

Chairman Steve Buyer led a congressional delegation visit to American National Cemeteries operated by the American Battle Monuments Commission in France, From May 27 to May 31, 2005. Accompanying Chairman Buyer was Veterans Health Subcommittee Chairman Henry Brown. Chairman Buyer addressed an international audience in the 2005 Normandy Memorial Day ceremony held May 29 at the American Cemetery and Memorial overlooking Omaha Beach, site of D-Day's heaviest fighting on June 6, 1944.

Before and after the ceremony, Chairman Buyer spoke with still-grateful French survivors of the occupation, as well as British paratroopers who landed in the hedgerows the night before the invasion. In one poignant moment, Chairman Buyer and Chairman Brown met a 90-year-old French survivor of Dachau, dressed in his prisoner clothing.

On May 30, Chairman Buyer and Chairman Brown laid a wreath in a tribute to U.S. war dead of both world wars at Suresnes American Cemetery, in Suresnes, France.

Full Committee Oversight Hearing on the Department of Veterans Affairs (VA) Budget Modeling and Methodologies

On June 23, 2005, the Committee held a hearing to examine the budget modeling and methodologies used by VA to develop and forecast veterans' health care cost and utilization projections.

Testifying before the Committee, VA officials said that largely because of flaws in its forecasting model, VA must conduct workarounds in the FY 2005 veterans' healthcare budget, using $400 million in carryover funds intended for FY 2006. Further, VA has moved $600 million in FY 2005 non-recurring maintenance and equipment accounts to pay for FY 2005 health care services, thus creating a gap in these accounts for the following FY.

The Committee also received testimony from witnesses from the Department of Defense, private sector health care organizations and national veterans' service organizations in an effort to benchmark VA's methodologies against other public and private sector health care providers.

The hearing uncovered key weaknesses in the processes used by VA to predict healthcare demand and future health-related requirements. *See Department of Veterans Affairs (VA) Budget Modeling and Methodologies Serial No. 109–12.*

Full Committee Oversight Hearing on the Budget for the Department of Veterans Affairs (VA)

On June 30, 2005, the Committee held a hearing to examine the necessity of the VA to reprogram $1 billion dollars to the Medical Services account in FY 2005 and the implications for FY 2006. At the hearing, the Secretary of Veterans Affairs, Honorable R. James Nicholson, notified Congress that the administration was requesting $975 million in additional funds for veterans' health care.

Committee Members pledged to take immediate action to pass a FY 2005 veterans' supplemental funding bill.

Secretary Nicholson said the Administration would reassess the FY 2005 budget and submit an amended veterans' budget for FY 2006. *See The Department of Veterans Affairs Health Care Budget Serial No. 109–16.*

Full Committee Oversight Hearing on the Administration's FY 2006 Budget Amendment for the Department of Veterans Affairs

On July 21, 2005, the Committee held a hearing to examine an amendment the Administration submitted to Congress for the VA FY 2006 budget, requesting an additional $1.977 billion for higher-than expected veterans health care needs. The hearing focused on the need for supplemental monies resulting from various modeling errors that underestimated demand and financial requirements.

The proposed FY 2006 budget amendment, submitted by the Administration on July 14, 2005, included: (1) $300 million to replenish carry-over funds to be expended in FY 2005 to cover the increase in average cost per patient; (2) $677 million to cover an estimated additional 2 percent increase in the number of patients expected to seek care in FY 2006; (3) $400 million increase to accom-

modate more costly treatments; and (4) $600 million to correct for the underestimated cost of long term care.

The Chairman stated his intention to continue monitoring the FY 2007 budgetary process to ensure that the VA improves its methodology and assumptions so that the mistakes of FY 2005 and FY 2006 are not repeated. *See Proposed Health Care Budget Amendment for FY 2006 Serial No. 109–18.*

Full Committee Oversight Hearing on the Department of Defense (DOD) and Department of Veterans Affairs (VA): The Continuum of Care for Post-Traumatic Stress Disorder (PTSD)

On July 27, 2005, the Committee held a hearing to examine the efforts of DOD and VA to identify recent combat servicemembers at risk for PTSD, including Reserve and National Guard members, and their capabilities to meet an increase in demand for PTSD services. Mrs. Stefanie Pelkey of Spring, Texas, shared her story of her husband, a veteran who had served in Operation Iraqi Freedom, and died due to a self-inflicted gunshot wound in November 2004. He was diagnosed with PTSD a week before his death.

Committee members also heard from officials and practitioners from VA and DOD on the mental health care initiatives currently being undertaken for those soldiers returning from Operation Enduring Freedom and Operation Iraqi Freedom. *See The Department of Defense and Department of Veterans Affairs: The Continuum of Care for Post Traumatic Stress Disorder, Serial No. 109–190.*

Site Visit—Hunter Holmes McGuire Veterans Affairs Medical Center in Richmond, VA

On August 18, 2005, majority staff members made an oversight visit to the Hunter Holmes McGuire Department of Veterans Affairs Medical Center in Richmond, Virginia. After a briefing with key staff members from the Medical Center, who provided an overview of operations of the facility, the staff toured the poly-trauma unit, the spinal cord injury unit, the rehabilitation unit, and the prosthetic unit. The staff found two issues: (1) set criteria are needed to determine which medical center active duty and medically discharged servicemembers should be initially sent to; some servicemembers who should be initially treated in a poly-trauma center are being sent instead to the nearest facility to their homes; and (2) data sharing problems between the Department of Defense and the Department of Veterans Affairs, which makes treatment of servicemembers more difficult.

Staff Site Visit—Salt Lake City VA Facilities

On August 22, 2005, majority staff visited the Salt Lake City Veterans Affairs Medical Center, which is adjacent to the University of Utah. The medical center's director, Mr. James Floyd provided comprehensive information on the hospital's operations and answered questions. The VISN 19 director, Mr. Larry Biro, was present for the meeting.

The medical center is a busy 121 bed tertiary care facility with a very large service area of 25,000 square miles, including Utah and parts of Idaho, Wyoming and Nevada. The medical center also serves 21 Indian reservations. It has 1,277 FTEE and is affiliated with the University of Utah Medical School.

On the day of the visit, the bed census was 85 percent. The director stated the medical center is usually full or nearly full, and he plans to add 12 new mental health beds. The medical center has 893 Operation Enduring Freedom/Operation Iraqi Freedom veterans enrolled and all but 2 have requested care. They were being seen within 30 days. Getting their military medical records from the Army was a problem in some cases. The majority of care sought was general medical, dental and mental health. Dental work has been much more than expected and some returning servicemembers have needed extensive care. The heavy workload has necessitated some contracting out.

Outreach to departing and returning Reserve and Guard members and their families, and their military units is largely being coordinated though the Governor's Veterans Advisory Committee that has VA, DOD, state and VSO representatives. Medical center staff believed this approach was effective, but stated that obtaining complete information on individual and small unit deployments from the military has been a challenge.

On August 23, 2005, majority staff visited the Salt Lake City Regional Office. The regional office (RO) is co-located with the medical center on its 75-acre grounds. The Anchorage, Alaska and Fort Harrison, Montana offices are also administratively part of the regional office. Mr. Douglas Wadsworth, the office director, provided staff a comprehensive briefing on the office's operations. The regional office is one of two Benefits Delivery at Discharge (BDD) rating activity sites, along with the Winston-Salem Regional Office in North Carolina. The BDD sites use a web-based system for processing claims. The RO had 72 FTEE and was adding 68 additional FTEE for the BDD activity. The BDD operation at Salt Lake City had rated 1,991 BDD cases with an average of 17.9 days from receipt of verification of service to authorization of award. The average number of days from discharge to authorization of award was 34.7 days. The average number of issues per case was 10.24.

Full Committee Oversight Hearing on the Department of Veterans Affairs' information technology infrastructure reorganization and the role of the Chief Information Officer (CIO)

On September 14, 2005, the Committee held an oversight hearing on VA IT infrastructure reorganization and the role of the CIO. The hearing examined possible legislative solutions to empower the Chief Information Officer (CIO) and provide VA with a more efficient way to maximize their IT resources.

The first panel testified on the background and the history of the CIO. The Committee heard testimony by a representative of from Gartner, Inc., VA's IT consultant, who testified on the results and recommendations provided to VA for reorganization of VA IT. VA testified on the second panel, discussing the role of the CIO. *See VA IT Infrastructure Reorganization and the Role of the CIO—Serial No. 109–22.*

Full Committee Oversight Hearing on seamless transition: Where are we now?

On September 28, 2005, the Committee held a hearing on seamless transition of servicemembers from active duty to veteran status, focusing on senior leadership's efforts in the Department of

Veterans Affairs and the Department of Defense to aid in the transition. Testimony and questions addressed the timely transfer of service members from military hospitals to VA medical centers and the need for servicemembers' medical records to be electronically accessible to doctors and health care staff. The hearing also examined the potential need for new equipment and technology that could improve inter-agency coordination and sharing. *See Seamless Transition—Serial No. 109–25.*

Offsite Meeting with Veterans and Military Organizations at Carlisle Barracks, PA

On November 7, 2005, Committee Chairman Steve Buyer discussed a broad range of veterans issues with leaders of national veterans and military organizations at the Army War College, located at the Carlisle Barracks, Pennsylvania. Participants also included Economic Opportunity Subcommittee Chairman John Boozman (R-AR.) and Health Subcommittee Chairman Henry Brown (R-SC).

After a discussion of the committee's 2006 schedule, Chairman Buyer made a decision that the Committee would hear the testimony of the veterans and military organizations on the proposed budget for veterans programs earlier in the legislative process, at the same time the President sends his budget to Congress. He called on veterans' groups to play a more influential role in developing the annual Department of Veterans Affairs budget, and announced that there would be full committee and subcommittee hearings in February, during which veterans' groups could present their budget priorities and offer guidance on legislative proposals.

Full Committee Oversight Hearing on the challenges and opportunities facing disability claims processing in 2006

On December 7, 2005, the Committee held an oversight hearing to review the challenges and opportunities facing disability claims processing at the Department of Veterans Affairs' Veterans Benefits Administration (VBA) in 2006, which over the past two years has seen an increase in the backlog of pending claims and the amount of time it takes to process a claim.

A retired Air Force veteran recounted the difficulty he has experienced over the past 6½ years with his claims for disability compensation, and he made several recommendations for improvement, including a need for medical staff be with a greater understanding of the issues inherent to veterans. The veterans' group representatives in their testimony all stressed a need for more claims staff, stronger accountability, and better quality decisions. Many of the witnesses felt that VBA claims staff was focused more on quantity than quality, that there is not enough emphasis on training, and that there is little in the way of accountability.

The VBA and Board of Veterans' Appeals witnesses acknowledged the challenges and complexities of the claims and appeals processes, to include increased workloads in both departments, and offered examples where improvements have been and should be made. *See The Challenges and Opportunities Facing Disability Claims Process at the Veterans Benefits Administration—Serial No. 109–28.*

Second Session

Full Committee Oversight Hearing on the President's proposed FY 2007 budget for the Department of Veterans Affairs

On February 8, 2006, the Committee held a hearing on the proposed VA budget for FY 2007. The Administration requested $80.6 billion in appropriations for the VA budget. Of this total, $42.1 billion was for entitlement programs and $38.5 billion was for health care, medical research, and administration of the benefits and cemetery systems.

The Honorable R. James Nicholson, Secretary of Veterans Affairs, was accompanied by senior officials of the Department of Veterans Affairs for his testimony to the Committee in support of the President's proposed budget. Also, representatives of two major veterans service organizations presented their views on the proposed budget. Finally, representatives of the Independent Budget presented their proposal for the FY 2007 veterans' budget. *See The Department of Veterans Affairs Budget Request for FY 2007—Serial No. 109–30.*

Full Committee Oversight Hearing on the presentation of the annual legislative agendas for the Veterans Service Organizations and Military Associations—Hearings I & II

On February 15 and 16, 2006, the Committee held an oversight hearing to receive testimony from veterans' and military service organizations on their legislative proposals for FY 2007.

The testimony was used by the Committee in beginning the development of the budget for FY 2007, as well as in planning the legislative agenda. *See Legislative Presentations of Veterans Service Organizations and Military Associations, Hearings I and II—Serial Nos. 109–33 and 109–34.*

Full Committee Hearing on Department of Veterans Affairs collaboration opportunities with affiliated medical institutions and the Department of Defense

On Wednesday, March 8, 2006, the Committee held an oversight hearing on improving access to quality care for our nation's veterans through collaboration and the operation of integrated medical facilities with State affiliated medical institutions and DOD.

The hearing's focus was on leveraging local health economies in order to both improve the efficiency and quality of care. The Chairman explained that many of the inpatient facilities are becoming obsolete due to outpatient, and preventative health measures. There was discussion to improve on the "Charleston Model" referring to the collaboration strategy that VA has developed with the Medical University of South Carolina. Dr. Jonathan B. Perlin, Under Secretary for Health, stated that the VA is committed to collaboration and is looking forward to opening one such facility in Chicago, IL, a DOD/VA joint facility. *See Department of Veterans Affairs Collaboration Opportunities with Affiliated Medical Institutions and the Department of Defense—Serial No. 109–37.*

Full Committee Oversight Hearing on education benefits for the total military force

On March 15, 2006, the Committee conducted an oversight hearing on education benefits for the total military force. The Com-

mittee was concerned about the possible effects of the growing differences between the benefits offered under Chapter 30 of title 38, United States Code, (Active-duty program) and sections 1606 and 1607 under title 10, United States Code (Selected Reserve programs). Specifically, the Committee explored whether the current education and training programs under the GI Bill are meeting the recruiting and retention needs of the Armed Forces, as well as the readjustment goals of servicemembers and veterans transitioning back to civilian life and the workforce. The Committee also received views on the Total Force GI Bill concepts proposed by the Secretary of Veterans Affairs Advisory Committee on Education and the Partnership for Veterans Education.

The Committee heard testimony from several senior officials of the National Guard and Reserves on education benefits for the total military force. Committee members questioned whether the current GI Bill education and training programs are meeting the needs of servicemembers and veterans transitioning back to civilian life and the workforce, as well as maintaining the retention goals of both active duty and reserve forces. The officials declined to endorse a proposal put forward by the Partnership for Veterans Education, noting that the program as a result could lose its value as a recruiting and retention tool for the National Guard and Reserve. *See The Modernization of the GI Bill—Serial No. 109–39.*

Full Committee Oversight Hearing on improving and enhancing access to quality care for our nation's veterans through VISN-wide care coordination demonstrations, Project Health-care Effectiveness through Resource Optimization (Project HERO)

On Wednesday, March 29, 2006, the Committee conducted an over-sight hearing on improving and enhancing access to quality care for our nation's veterans through VISN-wide care coordination demonstrations (Project HERO). Project HERO is VA's response to direction provided by Congress requiring the Department to examine and implement health care management strategies that have proven valuable in the broader public and private sectors. Currently, VA may use private health care providers outside VA when its own facilities cannot provide suitable, timely care.

The VA testified that the Department plans to conduct Project HERO demonstrations at four Veterans Integrated Service Networks (VISNs) by the end of this year: VISN 8, VA Sunshine Healthcare Network; VISN 16, South Central VA Health Care Network; VISN 20, Northwest Network; and VISN 23, VA Midwest Health Care Net-work and that participation at each site would be entirely voluntary for veterans. Further, the Department stated that the objectives of Project HERO are to: (1) increase the efficiency of VHA processes associated with purchasing care from outside sources; (2) reduce the growth of costs associated with purchased care; (3) implement management systems and processes that foster quality and patient safety, and make contracted providers virtual, high-quality extensions of VHA; (4) control administrative costs and limit administrative growth; (5) increase net collections of medical care revenues where applicable, and (6) increase enrollee satisfaction with VHA services. Committee members heard from Rep. Tom Osborne (R-Neb.), who emphasized the importance

of efficient, high-quality contract care in rural areas. Mr. Osborne testified that Project HERO may have utility in increasing health care access to veterans in rural areas. *See Enhanced Access to the Department of Veterans Affairs Health Care—Serial No. 109–42.*

Full Committee Oversight Hearing on corporate commitment to hiring veterans

On April 26, 2006, the Committee conducted an oversight hearing on the Corporate Commitment to Hiring Veterans. The Committee examined the private sector's views and practices with respect to recruiting, employing, and advancing in employment recently separated servicemembers and veterans. The Committee was particularly interested in highlighting the knowledge, skills and abilities of today's military personnel and learning how to market veterans to private sector employers through the first-hand experiences of corporate America.

The Committee heard testimony from former servicemembers about their transition into the civilian workforce. Senior company executives familiar with veterans' employment testified how they strive to recruit former servicemembers for their leadership programs. In particular, Daniel Nelson, Vice President, Exxon Mobile Corporation, stated, "we actively recruit veterans through military placement firms and Service Academy Career Conferences, and the disabled through Career Opportunities for Students with Disabilities Conferences. Frankly, one of our most important recruiting tools—beyond the challenging and exciting careers we offer—is the reputation we have as an employer of choice for veterans." *See Corporate Commitment to Hiring Veterans—Serial No. 109–45.*

Full Committee Oversight Hearing on right-sizing the Department of Veterans Affairs infrastructure.

On Thursday, May 11, 2006, the Committee conducted an oversight hearing on right-sizing VA's infrastructure and the Department's pending major medical facility project and lease authorization requests. VA's major construction projects and leases, the processes by which projects are chosen and executed, and efforts between medical universities and VA hospitals were discussed. Committee Members heard testimony from Rep. Richard H. Baker (R-LA.), Rep. Charlie Melancon (D-LA.) and Rep. Tom Feeney (R-FL.) on their districts, as well as state-wide interests in constructing new facilities.

The Committee heard testimony from The American Legion and Independent Budget on collaboration efforts between medical universities and VA hospitals as new construction projects and renovations are being considered. While they acknowledged that collaboration efforts can be a useful tool to mitigate costs and share medical advancements, they expressed concern that the VA could lose its unique identity within the communities where collaboration is allowed to flourish. *See Right-sizing the Department of Veterans Affairs—Serial No. 109–47.*

Full Committee Oversight Hearing on the failure of VA's information management

On May 25, 2006, the Committee held the first in a series of oversight hearings for the Second Session of the 109th Congress on the failure of VA's information technology management. This hear-

ing was follow-up to the May 22, 2006, announcement that on May 3, 2006, a VA employee's personal laptop containing sensitive personal information of 26.5 million veterans and 2.2 million service members and families was stolen.

Testimony at the hearing explained how the data was lost and discussed VA plans to eliminate vulnerabilities associated with the security of sensitive information. Testimony was also provided on how the VA was going to notify veterans and their families on the government's activities for protecting those affected against fraud. *See The Failure of VA's Information Management—Serial No. 109–48.*

Full Committee Oversight Hearing on the Department of Veterans Affairs medical and prosthetic research program

On Wednesday, June 7, 2006, the Committee conducted an oversight hearing to review VA's Medical and Prosthetic Research programs. The hearing focused on: (1) the relevance of VA research to the clinical treatment of veterans; (2) the Department's FY 2007 budget submission identified special research projects, OIF/OEF Initiative and Genomic Medicine; and (3) the need for upgrading and modernization of VA research facilities.

The Administration requested an FY 2007 appropriation level of $399 million for VA Medical and Prosthetic Research, a decrease of $13 million below the FY 2006 enacted appropriation level. In addition to appropriated funds, VA's researchers compete and receive funds from other Federal and non-Federal sources, bringing the Administration's total budgetary resources requested for FY 2007 to $1.649 billion. The Committee recommended a $28 million increase over the Administration's request for VA's medical and prosthetic research appropriation in its FY 2007 Budget Views and Estimates document; the Minority Views and Estimates recommended a $51 million increase over the Administration's request.

VA Medical Centers are increasingly collaborating with universities and private sector entities in performing research projects. The Committee fully supports this type of collaboration and promotes VA's use of collaboration with other federal, state and local health entities.

Friends of VA Research (FOVA) expressed the organization's concern about the state of research facilities within the VA and need for adequate funding to maintain state-of-the-art technology, equipment, and facilities. In addition, FOVA expressed the view that earmarked funding exacerbates resource allocation problems and to preserve the integrity of the VA research program, an intramural program must be firmly grounded in scientific peer review. *See Department of Veterans Affairs Research—From Bench to Bedside—Serial No. 109–49.*

Roundtable discussion on VA information security

On June 8, 2006, the Committee held a roundtable discussion to address VA Information Security, which included a discussion of the organization of information technology (IT) in the private sector.

The attendees from 6 companies, including American Bankers Association, CitiGroup, EMC Corporation, Goldman, Sachs & Company, TriWest, and VISA, discussed how information security was

handled within their organizations and emphasized the need for centralized control of information security and sound security policies. None of the private-sector companies would endorse the VA's proposed "federated" model for VA IT reorganization. Also in attendance were representatives from the Government Accountability Office, VA Office of Inspector General, and the Federal Trade Commission.

Full Committee Oversight Hearing on the repeated failures of VA's information technology management

On June 14, 2006, the Committee held the second hearing in a series reviewing failures in VA's information management.

The Office of Inspector General and the Government Accountability Office offered testimony discussing past hearings that highlighted the failure or lack of internal controls that led to the loss of data. The hearing also included a discussion on VA's lack of accountability on expenditures of IT funds. *See Failure of VA's Information Security Management—Serial No. 109–51.*

Full Committee Oversight Hearing on the academic and legal implications of VA's data loss

On June 22, 2006, the Committee held the third hearing in a series reviewing failures in VA information management. The hearing focused on the academic and legal implications of VA's data loss.

Testimony discussed the legal implications of the data loss and reemphasized the need to implement changes in the organizational structure within VA IT, which the Committee has been reviewing since 2000. *See the Academic and Legal Implications of VA's Data Loss—Serial No. 109–56.*

Full Committee Oversight Hearing on VA's information technology reorganization and decision to move to a federated model

On June 28, 2006, the Committee held the fourth, in a series of hearings reviewing failures in VA information management.

Testimony stressed organizational difficulties with VA IT and supported a centralized model for VA's IT organization. This hearing also discussed how VA and DOD are working together to mitigate the effects from data of the 2.2 million active duty service members lost on May 3, 2006. *See The Department of Veterans Affairs Information Technology Management—Serial No. 109–58.*

Full Committee Oversight Hearing to update the breach of data security at the Department of Veterans Affairs

On June 29, 2006, the Committee held a fifth hearing reviewing the failures in VA information management.

Testimony from the Secretary of Veterans Affairs described the recovery of a laptop computer stolen on May 3, 2006. Testimony also revealed that forensic analysis by the Federal Bureau of Investigations indicated that data was not accessed. *See Update on the Breach of Data Security at the Department of Veterans Affairs—Serial No. 109–59.*

Full Committee CODEL to Kuwait, Iraq and Germany

In August 2006, Chairman Steve Buyer led a congressional delegation to U.S. military facilities in Kuwait, Iraq and Germany. Ac-

companying Buyer on the trip, from August 14–19, were committee members Honorable John Boozman and Honorable John Salazar, as well as Secretary of Veterans Affairs R. James Nicholson. The delegation met with Multi-National Forces—Iraq commander, General George Casey; Lt. Gen. Steven Whitcomb, commander of 3rd U.S. Army, headquartered in Kuwait; as well as Iraq's president and members of his cabinet; and the U.S. ambassador to Iraq, Dr. Zalmay M. Khalilzad.

The delegation observed the full continuum of medical care, from "level 1" care provided by a combat medic and "dustoff' air ambulances, through the second and third levels of care in combat support hospitals—such as those in Kuwait and Iraq—to level 4 care at the military's Landstuhl Regional Medical Center in Germany. Chairman Buyer called this continuum of health care, which culminates for many at VA, "the unbreakable link in the medical chain of mercy."

In Baghdad, Iraq's president, Jalal Talabani, took advantage of the visit of the delegation, with its representation of both the U.S. Executive and Legislative branches, to gather his newly formed cabinet for a meeting at his home. Talabani expressed the appreciation of the Iraqi people for the role of America in their liberation. He urged his guests to convey to Congress the importance of continued support of his unity government and Iraq's struggle for democracy.

While Chairman Buyer was in Iraq, staff from the Committee's Subcommittee on Economic Opportunity assessed the Transition Assistance Program (TAP) run by the Department of Labor and VA to help separating and retiring service members find work. Staff members visited TAP classes at Ramstein and Spangdahlem air bases in Germany. The Committee remains concerned that program staffing limits the impact of TAP and that people separating from remote sites with high operations tempo, such as Afghanistan, have the opportunity to participate in TAP.

Concluding the trip, the delegation visited the American Military Cemetery in Luxembourg, the resting place for 5,076 American dead, most of whom lost their lives in the Battle of the Bulge and the advance to the Rhine River the following spring.

Full Committee Oversight Hearing to review the previous fiscal year and look ahead to the upcoming year—Hearings I & II

On September 20, 2006, and September 21, 2006, the Committee conducted oversight hearings to review the previous fiscal year and look ahead to the upcoming year.

The Committee received views from a number of veterans service organizations, and military service organizations and associations. This hearing agenda offered an opportunity for members to hear, prior to the consideration of the FY 2008 budget, the views and priorities of these veterans organizations and military associations to assist in developing the Committee's funding priorities. These hearings were a continuation of the hearings the Committee held February 8, 15, and 16, 2006. *See Review Previous Fiscal Year & Look Ahead to the Upcoming Year—Serial No. 109–63 and 109–64.*

ACTIVITIES OF THE SUBCOMMITTEES

SUBCOMMITTEE ON HEALTH

OVERSIGHT ACTIVITIES

First Session

Staff visit to Charleston, SC on feasibility of a joint venture to share facilities and resources with the Charleston (Ralph H. Johnson) VA Medical Center (VAMC) and the Medical University of South Carolina (MUSC)

On April 15, 2005, majority staff, met separately with Dr. Jack Feussner, Chairman of the Department of Medicine and Dr. Jerry Reves, Dean of the College of Medicine, MUSC, and Mr. William Mountcastle, Director, Ralph H. Johnson VAMC.

The Charleston VAMC and the MUSC hospital are in the same proximity and currently have a strong collaborative relationship with the sharing of medical staff and research activities. VA and MUSC face many of the same challenges with aging facilities, ingress and egress, as well as parking problems. The VA facility is a 40-year old, 100-inpatient bed, tertiary-level medical center and the future inpatient bed level need is projected to remain at that level. MUSC is currently undertaking a five-phase hospital replacement project that will increase the current number of inpatient beds from 600 to beds. In the fall of 2004, MUSC secured $401 million in HUD-backed bonds to provide money for the project. On April 8, 2005, MUSC formally broke ground on Phase 1, the construction of a new $276 million hospital. The new 156-bed hospital is expected to open in early 2008.

The Committee believes that collaborating on a joint federal-state health care venture would benefit both organizations. To date, however, VA and MUSC have not yet been able to agree on a mutually beneficial partnership. High-level VA and Congressional involvement and direction will continue to be critical to launching any collaborative agreement. Critical outstanding issues include: complex land acquisition and legal concerns; hospital location; land-use and enhanced-use agreements; development of a shared governance structure; maintaining VA identity with an identifiable VA tower; impact to VA staff and labor partners; and appropriate negotiated fee schedule for shared services with MUSC.

Hearing on the use and development of telemedicine technologies in the Department of Veterans Affairs (VA) health care system

On May 18, 2005, the Subcommittee held a hearing on VA telemedicine applications and development. The hearing explored the use and development of telemedicine technologies in VA, particularly in the areas of mental health, rehabilitation, long-term care and care in rural areas. Among those testifying were physicians from VA's Care Coordination, Education, Telemental Health, and Rehabilitation programs.

VA is well suited to be a leader in the development of telemedicine programs by virtue of its organizational, legal, and financial structure that mitigates many of the challenges facing private sector health care systems. These new patient-centered approaches to

delivering care have much to offer veteran patients, particularly those with complex medical conditions, and where geography and/or disability limit access to facilities. The VA has and continues to invest heavily in telehealth technologies. Testimony revealed that telemedicine programs is not just a concept, but an application that is providing real benefits to veteran patients and is an increasingly viable option for delivering care to our nation's veterans. *See The Use and Development of Telemedicine Technologies in the Department of Veterans Affairs Health Care System—Serial No. 109–8.*

Staff Participation in the 12th National Convention of the Vietnam Veterans of America, Reno, NV, and Visit to the VA Sierra NV Health Care System

On August 12 through August 13, 2005, a minority staff member represented the Committee and participated in the 12th National Convention of the Vietnam Veterans of America. Staff presentation included an update on current legislative activities of the Committee and Congress, with particular emphasis on veterans' mental health care, homeless veterans and the emerging health issues for veterans returning from the wars in Iraq and Afghanistan. Additionally, the audience was given an opportunity to ask questions and provide comments. On August 13, 2006, a minority staff member conducted an oversight visit of the VA medical facility in Reno, NV, meeting with mental health providers and other facility staff.

Field Hearing on rural veterans' access to primary care

On August 22, 2005, the Subcommittee conducted an oversight hearing on "Rural Veterans' Access to Primary Care: Successes and Challenges." The Subcommittee examined: (1) how the VA is providing veterans in rural Maine access to primary care; (2) challenges VA confronts in providing rural veterans with access to primary care; and (3) VA plans to meet these challenges. The hearing was held at Eastern Maine Community College, Bangor, Maine.

The Network Director for VISN 1 and the Director of the Togus VA Medical Center testified about the challenge for mostly rural states like Maine to enhance the capacity to serve veterans in even the most remote areas. The local President of the American Federation of Government Employees acknowledged the challenges rural health care markets face with a limited number of specialists, less access to expensive technologies and, in many cases, a less affluent patient population. Representatives of Maine's veterans service organizations touched on the need to ensure appropriate funding to keep up with increased levels of enrollment. *See Rural Veterans' Access to Primary Care: Successes and Challenges—Serial No. 109–21.*

Site Visit to the Maine Veterans' Home in Augusta, ME, and the VA Medical Facility in Togus, ME

On August 22, 2005, subcommittee staff accompanied Health Subcommittee Chairman Henry E. Brown, Jr. and Health Subcommittee Ranking member Michael H. Michaud on a visit to the VA Medical Center in Togus, Maine, to assess capacity of the facility to meet the needs of rural veterans in Maine.

On August 23, 2005, a minority staff member visited the Maine Veterans' Home in Augusta, ME, to assess the facility's long-term

care services for veterans, including the facility's Alzheimer unit and pharmacy.

Field Hearing on the opportunity for the Ralph H. Johnson VA Medical Center (VAMC) in Charleston, SC, and the Medical University of South Carolina (MUSC) to enter into a joint venture to share facilities and resources

On Monday, September 26, 2005, the Subcommittee conducted an oversight hearing to assess progress made by the VAMC and MUSC as they jointly examine the possibility of developing shared facilities. Among those providing testimony were the VAMC and MUSC officials, local leaders of The American Legion and Veterans of Foreign Wars, and a representative of the U.S. Government Accountability Office.

The Subcommittee examined progress made on a formalized agreement signed by the VAMC and MUSC on August 18, 2005, to work together and develop a mutually beneficial agreement to share facilities and integrate the delivery of veterans' health care services with the new MUSC Hospital Replacement Project currently in the first phase of construction. Four workgroups were established to resolve critical collaboration issues and obstacles and produce an implementation plan. The Subcommittee received an interim report detailing a potentially viable implementation plan. *See Collaborative Opportunity for the Ralph H. Johnson VA Medical Center and the Medical University of South Carolina to Share Facilities and Resources—Serial No. 109–24.*

Staff visit to the Ralph H. Johnson VA Medical Center, Charleston, SC

On September 26, 2005, a minority staff member met with mental health care providers to discuss VA's services for veterans with post-traumatic stress disorder.

Meeting on facility and resources sharing proposal for the Ralph H. Johnson VA Medical Center (VAMC), Charleston, SC, and the Medical University of South Carolina (MUSC)

On December 12, 2005, majority staff accompanied Committee Chairman Steve Buyer and Subcommittee on Health Chairman Henry E. Brown, Jr., to a meeting in Charleston, South Carolina with MUSC and VA officials to review results of the Collaborative Opportunities Steering Group (COSG), formed in August to explore the short- and long-term potential offered by better collaboration between them. Collaboration could include increased levels of shared clinical services and expensive medical equipment unique to South Carolina, and construction of new, joint facilities.

Second Session

Site visit to the VA Southern Nevada Healthcare System, Las Vegas, NV

On January 4, 2006, Committee staff accompanied Chairman Steve Buyer and Disability Assistance and Memorial Affairs Subcommittee Ranking Member Shelley Berkley on a visit to the VA Southern Nevada Healthcare System (VASNHS) and Mike O'Callaghan Federal Hospital, at Nellis Air Force Base, NV.

Site visits to the State Veterans Home in Chula Vista, CA, and VA Access Point in Imperial County, CA

On January 18, 2006, a minority staff member accompanied Representative Bob Filner to a forum on the long-term care needs of veterans in Chula Vista, CA. On January 19, 2006, a minority staff member accompanied Representative Bob Filner to a forum on the veterans' access to rural health care in Imperial, CA.

On January 18, 2006, a minority staff member met with Gary J. Rossio, CHE, Director of the VA San Diego Healthcare System.

Site visit to New York Harbor Healthcare System, Brooklyn Campus

On January 27, 2006, a majority staff member accompanied Chairman Buyer and the Honorable Vito Fossella on a visit to the Brooklyn campus of the VA New York Harbor Healthcare System to assess needs and future of the facility.

CARES identified the Brooklyn-Manhattan VAMCs as one of 18 sites for additional analysis and study. PricewaterhouseCoopers selected the following options for assessment: (Option 1) Maintain the current state without any changes to facilities or programs, but right-size services; (Option 2) Consolidate at Brooklyn VAMC and expand Harlem and SoHo CBOCs; (Option 3) Consolidate at Manhattan VAMC and create new Queens and Borough Hall CBOCs; (Option 4) Consolidate inpatient and limited ambulatory at Manhattan VAMC; retain Brooklyn ambulatory; and create new Queens and Borough Hall CBOCs; (Option 5) Convert Manhattan VAMC to medical/surgical only and convert Brooklyn VAMC to psychiatric/behavioral health; (Option 6) Realign services along clinical lines with cardiology, orthopedics, surgery and women's health at Manhattan and oncology at Brooklyn and retain general acute care at both sites; (Option 7) Incrementally consolidate specialty services, including renovations and rightsizing at both campuses and expand CBOCs at Harlem and Chapel Street and develop new CBOCs in Queens and Borough Hall or near Broadway Junction in Brooklyn; (Option 8) Consolidate all existing services at a new VAMC in Queens; and (Option 9) Consolidate all existing services at a new VAMC site in Brooklyn and create new Borough Hall and Queens CBOCs. Representative Fossella issued a press release on November 7, 2005, urging Secretary Nicholson to consider only Options 1, 6, or 7.

Brooklyn staff maintained that data demonstrating a projected decline in workload demographics over time should not be the driving force behind consolidation, as there will likely be increased utilization due to aging veteran patients they serve and will offset the decline in enrollment. Additionally, they stated that access to both facilities is necessary because of the configuration and inadequacies of the public transportation system that makes it difficult for certain and disabled veterans to access either Brooklyn or Manhattan.

Hearing on VA's FY 2007 budget request for the Veterans Health Administration

On Tuesday, February 14, 2006, the Subcommittee held a hearing on the VA's FY 2007 budget request for VHA.

The Under Secretary for Health, the Honorable Jonathan Perlin, M.D., presented the President's FY 2007 budget proposal for VHA. The total request was $34.3 billion, an increase of $3.5 billion, representing an 11.3 percent increase over the 2006 estimate, including the $2.8 billion from the Medical Care Collections Fund

(MCCF). The FY 2007 budget had the largest dollar increase for VA medical care ever requested.

Dr. Perlin identified three key drivers of the additional funding required to meet the demand for VA health care services in 2007: inflation, workload, and greater intensity of services provided. The Subcommittee also heard testimony from The American Legion and the Paralyzed Veterans of America, representing the Independent Budget, about their respective proposed budgets and how they differ from the President's request. *See Department of Veterans Affairs Budget Request for FY 2007 for the Veterans Health Administration—Serial No. 109–32.*

Staff Site visit to Anchorage, AK (Alaska VA Healthcare System and Elmendorf Air Force Base); Tacoma, WA (VA Puget Sound—Madigan Army Medical Center) and Palo Alto, CA (VA Palo Alto Healthcare System)

On April 9 through April 14, 2006, majority staff visited the respective VA and DOD health care facilities. There are many challenges related to delivering health care in Alaska because of the extremely rural nature of the state, the vast geographic distances, limited road system and severe weather conditions. The Elmendorf Air Force Base Joint Venture hospital opened in 1999. The Air Force manages the hospital with integrated DOD/VA staff. VA is in the process of constructing a new outpatient clinic just outside the base gate with a land use permit granted by the Air Force. Construction of the clinic is expected to be completed in 2008. The 3rd Medical Group at Elmendorf Air Force Hospital Command and Alaska VA were selected as a demonstration site for a VAIDOD Joint Executive Committee (JEC) Initiative for a coordinated budget and financial management system—Joint Venture Business Office. Other integration initiatives in the works include (1) a combined warehouse procurement and storage capability (each Department's different logistic and inventory systems presents challenges); (2) the Bidirectional Health Information Exchange (BHIE) to be operational in May 2006; (3) a library in July 2006; and (4) central sterile supply and (5) laboratory.

VA Puget Sound has developed an innovative organizational structure built around the veteran patient rather than VA personnel. VA Puget Sound received a national award for its computerized medical record system in 2000 which utilizes an electronic signature consent that is in the early stages of a national rollout across VA and is one of the demonstration sites for the BHIE. VA has a long history of partnerships with Madigan Army Medical Center (MAMC). The partnership includes having transferred 15 inpatient beds from VA's American Lakes division to MAMC; MOUs for Emergency Preparedness; a joint mental health research project for Prazosin treatment for combat trauma PTSD; a pilot program for inpatient psychiatry to treat active duty service members at Puget Sound; and a joint planning process for a future Fisher House. VA Puget Sound received Joint Incentive Fund (JIF) money for a consolidated cardiothoracic surgery program in 2005. As a result, VA Puget Sound is open to receive cardiac patients from MAMC, as well as the Navy Hospital in Bremerton and the Navy Hospital in Oak Harbor. MAMC received JIF money in 2005 for a coordinated neurosurgery program and MAMC is open to re-

ceive neurosurgery patients from VA. Caseload and cost savings of both programs are being monitored.

The Palo Alto Polytrauma Center was established in April, 2005, and provides both inpatient and outpatient services with specialized rehabilitation program including traumatic brain injury, spinal cord injury, blind rehabilitation and post traumatic stress disorder. Staff spent significant time visiting with patients and their families. For the most part, patients praised the high quality of care and dedication of the caregivers at the VA. Further, all agreed that having a DOD liaison on site was a huge improvement, as there tends to be much confusion between VA and DOD as to which Department has responsibility for what. Questions were raised about the lengthy bureaucratic process for the procurement of prosthetics and sensory aids.

Staff site visit to San Juan, PR Department of Veterans Affairs Caribbean Healthcare System

On April 28, 2006, majority staff reviewed the need for major medical facility improvements and VA authorization requests for major facility construction projects at the San Juan VA Medical Center. The San Juan VAMC is a 319-bed acute care facility with documented condition deficiencies. Deficiencies in the aging structure include: (1) insufficient space; (2) lack of patient privacy, especially for female veterans; (3) disabled accessibility issues; (4) significant parking problems; (5) seismic vulnerabilities; (5) asbestos abatement requirements that are time consuming, expensive, and challenging; (6) aging air conditioning/ventilation system; and (7) inadequate water storage capabilities.

In 2002, a proposal to build a replacement hospital was presented, but rejected by VA due to budget constraints. In October 2002, a decision was made to develop a 2-phased strategy: Phase 1—a new bed tower with 314 beds on 6 floors; and Phase 2—Seismically correct main building with renovations that would include asbestos abatement, new sprinklers, and improvements in critical utilities.

Given the documented and substantial facility deficiencies, the Committee questions whether it makes sense to spend nearly $300 million on renovations in San Juan that will likely leave VA with a facility that still falls short of the capacity needed to handle the current and future workload.

There may be an option for VA to consider a public/private business proposal to construct and operate a new medical facility in Puerto Rico. The Committee should seriously consider whether it makes sense for San Juan, Puerto Rico to become a pilot site for such a public/private partnership project that could be leveraged in other areas in the future.

Staff participation in the National Association of State Women Veterans Coordinators conference, Reno, NV

On June 1, 2006, a majority staff member represented the Committee and participated in the 7th Annual Conference of the National Association of State Women Veterans Coordinators. Staff presentation included an update on current legislative activities of the Committee and Congress, with particular emphasis on women veteran issues. Information was provided on the expected future legislative and oversight focus of the Committee. Additionally, the

audience was given an opportunity to ask questions and provide comments.

Hearing on safeguarding veterans' medical information within the Veterans Health Administration

On June 21, 2006, the Subcommittee conducted a hearing to examine VA's efforts to maintain the security and integrity of the electronic health records of enrolled veterans, while safeguarding sensitive personal veteran information from internal and external security threats.

This hearing was in response to a VA security breach which occurred in May 2006. Although the data theft did not involve the loss or compromise of VA medical records, the Subcommittee is concerned about current and future vulnerabilities of VA's electronic medical records system and examined the access and control policies VA employs as well as the compliance mechanisms VA uses to safeguard sensitive health information.

The Subcommittee received testimony from data security experts from the private sector who stated that the real security and privacy challenge that the health care industry face are transgressions from within, not attacks from outside. In addition to patient confidentiality, the Subcommittee explored measures that could be enacted to provide sound network security and appropriate encryption of data, as well as providing caregivers with the tools necessary to ensure patients' privacy and security without giving up the quality of the patients' healthcare. *See Safeguarding Veterans' Medical Information within the Veterans Health Administration—Serial No. 109–55.*

Hearing to examine the Department of Veterans Affairs (VA) efforts to provide high quality health care to veterans in rural communities

On June 27, 2006, the Subcommittee conducted an oversight hearing to examine VA's efforts to provide high quality health care to veterans in rural communities. Under Secretary for Health, Honorable Jonathan Perlin, M.D., testified that there are problems in reaching many veterans who live in rural communities. He stated that VA has implemented several new initiatives that provide for special consideration for these rural veterans, such as building and operating additional community based outpatient clinics and efforts to increase the use of telemedicine to bridge the distance gap between veterans' and traditional VA medical facilities. *See The Department of Veterans Affairs' Efforts to Provide High Quality Health Care to Veterans in Rural Communities—Serial No. 109–57.*

Meeting to enhance sharing between the Medical University of South Carolina (MUSC) and the Ralph H. Johnson Department of Veterans Affairs Medical Center (VAMC), Charleston, SC

On July 14, 2006, Committee staff accompanied Committee Chairman Steve Buyer and Health Subcommittee Chairman Henry Brown, Jr., to a meeting with VA and MUSC officials to discuss progress on options being considered for enhanced collaboration between MUSC and VA, which could include a co-located, joint-use facility in Charleston. The outcome of the meeting was the expecta-

tion that MUSC and VA would move to the next phase, the Collaborative Opportunities Planning Group (COPG).

The COPG will undertake more detailed planning and consideration of previously developed options.

Hearing to examine new data and treatment trends for Post-Traumatic Stress Disorder and Traumatic Brain Injury as emerging issues in force and veteran health

On September 28, 2006, the Subcommittee conducted a hearing to examine the new data and treatment trends for Post-traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI) and ascertain what initiatives are currently underway to mitigate the long-term mental health consequences for veterans. Acknowledging that in the past five years mental health care has significantly progressed, VA's acting principal Deputy Under Secretary for Health, Dr. Gerald Cross, spoke of the extended time servicemembers and veterans need for rehabilitation from PTSD and TBI, due to the "complexity of the wounds." He told the subcommittee of the need for continued research and the value of multi-disciplinary treatments. Colonel Elspeth Ritchie, M.D, a psychiatry consultant to the U.S. Army Surgeon General, testified that the stigma associated with asking for help with mental health problems keeps many servicemembers from seeking assistance. Colonel Ritchie said the Army is beginning to integrate behavioral healthcare into primary care in order to ensure that those suffering from mental health problems are provided the same immediate attention as those who are experiencing physical problems.

Colonel Charles Hoge, M.D., chief of psychiatry and behavior sciences of the Division of Neurosciences at Walter Reed Army Institute of Research, cited studies showing symptoms of mental health problems of Reservists and Guardsmen emerge often after they have been home for some time, and that members of the reserve components experience higher rates of PTSD than their active-duty counterparts. Testimony revealed that the VA had not spent all of the mental health care dollars appropriated for it in FY 2005. The Subcommittee members expressed their intent to conduct greater oversight on the issue to determine what VA is spending and how it is being spent, to ensure that the intent of Congress is being met. *See Post-Traumatic Stress Disorder and Traumatic Brain Injury: Emerging Trends in Force and Veteran Health—Serial No. 109–67.*

Staff Site Visit to VA Greater Los Angeles Healthcare System

On October 18, 2006, majority staff visited the campus of the West Los Angeles VA Healthcare System. The Greater Los Angeles Health Care System (GLAHCS) is comprised of 91 total structures on 387 acres of land, at an estimated fair market value of $6 billion. Current alternative revenue program produces $5 million in consideration per year.

The Secretary's CARES Decision Document, May 2004, calls for VA to develop a clear framework for managing the vacant and underused property at the West LA campus and to develop a Master Plan for the campus in collaboration with stakeholders. However, because of a commitment made by a previous Secretary of

Veterans Affairs, certain reuses of the property for commercial purposes have been precluded.

In addition to identifying novel land-use opportunities, VA was directed to explore options for the development of new research facilities at the West LA campus. A master plan was expected to be complete in 2004. To date, the Secretary has not made any recommendation for the potential reuse or redevelopment of the current real property.

Continued Congressional oversight should be exercised to ensure that VA has a clear framework for managing the vast campus and the vacant and underused property on that campus.

Staff Participation in a Veterans' Town Hall Forum in El Paso, TX

On November 9, 2006, a minority staff member participated in a Veterans' Town Hall Forum with Representative Silvestre Reyes.

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

LEGISLATIVE ACTIVITIES

First Session

Subcommittee markup of H.R. 1220, Veterans' Compensation Cost-of-Living Adjustment Act of 2005

On June 9, 2005, the Subcommittee met and marked up H.R. 1220, the Veterans' Compensation Cost-of-Living Adjustment Act of 2005. The bill was reported favorably to the full Committee.

Hearing on legislation to amend the Servicemembers' Group Life Insurance program

On June 16, 2005, the Subcommittee held a legislative hearing on a draft bill, the Servicemembers' Group Life Insurance Enhancement Act of 2005 (subsequently introduced as H.R. 3200 by Honorable Jeff Miller and Honorable Shelley Berkley on July 11, 2005); H.R. 1618, the Wounded Warrior Servicemembers Group Disability Insurance Act of 2005, introduced by Honorable Rick Renzi on April, 13, 2005; and certain VA insurance provisions included in Public Law 109–13, Emergency Supplemental Appropriations for Defense, the Global War on Terror, and Tsunami Relief, 2005.

Witnesses for the Administration testified in support of the provisions included in the draft bill, and offered suggestions for clarifying the intent of language included in both the draft legislation and Public Law 109–13. The veterans' service organization witnesses fully supported the provisions of the draft language, as well as the Traumatic Injury Protection program included in Public Law 109–13; however, many opposed certain aspects of the Traumatic Injury Protection program, namely that servicemembers be required to participate in the program and pay the estimated $1 per month premium. *See Legislative Hearing to Consider Draft Legislation to Amend the Servicemembers' Group Life Insurance (SGLI) Program, the Traumatic Injury Protection provisions of Public Law 109–13, and H.R. 1618, the Wounded Warrior Servicemembers Group Disability Insurance Act of 2005—Serial No. 109–11.*

Subcommittee markup of H.R. 3200, the Servicemembers' Group Life Insurance Enhancements Act of 2005

On July 13, 2005, the Subcommittee met and marked up H.R. 3200, the Servicemembers' Group Life Insurance Enhancement Act of 2005. The bill was reported favorably to the full Committee.

Second Session

Legislative hearing on H.R. 23, H.R. 601, H.R. 2188, H.R. 2963, H.R. 4843, H.R. 5037, and H.R. 5038

On April 6, 2006, the Subcommittee held a legislative hearing on H.R. 23, the Belated Thank You to the Merchant Mariners of World War II Act of 2005, introduced by Honorable Bob Filner on January 4, 2005; H.R. 601, the Native American Veterans Cemetery Act of 2005, introduced by Honorable Tom Udall on February 2, 2005; H.R. 2188, a bill to authorize the placement of memorial markers in a national cemetery of individuals buried in an American Battle Monument Cemetery, introduced by Honorable James Langevin on May 5, 2005; H.R. 2963, the Dr. James Allen Disabled Veterans Equity Act, introduced by Honorable Tammy Baldwin on June 17, 2005; H.R. 4843, the Veterans' Compensation Cost-of-Living Adjustment Act of 2006, introduced by Honorable Jeff Miller, Honorable Shelley Berkley, Honorable Steve Buyer, and Honorable Lane Evans on March 2, 2006; H.R. 5037, the Respect for America's Fallen Heroes Act, introduced by Honorable Mike Rogers of Michigan, Honorable Steve Buyer, Honorable Jeff Miller, and Honorable Silvestre Reyes on March 29, 2006; and H.R. 5038, the Veterans' Memorial Marker Act of 2006, introduced by Honorable Jeff Miller and Honorable Shelley Berkley on March 29, 2006.

Seven members of Congress testified on their respective bills. The Department of Veterans Affairs witness opposed H.R. 23 and H.R. 2188, and offered suggestions for strengthening the intent of H.R. 5037. The Superintendent of Arlington National Cemetery testified in support of H.R. 5037. The veterans' representatives generally supported the bills on the agenda, with the exception of H.R. 23. The Veterans of Foreign Wars opposed the equity of the proposal to provide monthly benefits of $1,000 to World War II Merchant Marines. In testimony submitted for the record, AMVETS and the Disabled American Veterans raised concerns about the cost of H.R. 23 and its impact on other veterans' funding. *See Legislative Hearing on H.R. 23, H.R. 601, H.R. 2188, H.R. 5037, and H.R. 5038—Serial No. 109–44.*

Subcommittee markup of H.R. 601 and H.R. 4843

On June 8, 2006, the Subcommittee held a markup on two of the seven bills considered at the legislative hearing on April 6, 2006. H.R. 601, the Native American Veterans Cemetery Act, and H.R. 4843, the Veterans' Compensation Cost-of-Living Adjustment Act of 2006.

On June 8, 2006, the Subcommittee met and marked up H.R. 601 and H.R. 4843. Both bills were reported favorably to the full Committee. On June 22, 2006, the full Committee met and marked up H.R. 4843, as amended (see H. Rpt. 109–521).

On June 27, 2006, the House passed H.R. 4843, as amended, by a vote of 408–0.

On July 13, 2006, the full Committee met and marked up H.R. 3082, as amended, which included the provisions of H.R. 601 (see House Report 109–592).

On July 24, 2006, the House passed H.R. 3082, as amended, by voice vote.

On September 30, 2006, the House agreed to S. 2562, as amended, which provided the cost-of-living increase and a technical amendment included in H.R. 4843, by unanimous consent.

On October 16, 2006, S. 2562, as amended, was enacted as Public Law 109–361.

On December 8, 2006, the House agreed to S. 3421, as amended, which included provisions from H.R. 3082, as amended.

On December , 2006, S. 3421, as amended, was enacted at Public Law 109–____.

OVERSIGHT ACTIVITIES

First Session

Roundtable briefing on Servicemembers' Group Life Insurance

On March 6, 2005, the Subcommittee held a roundtable briefing on sections 1113(a)–(d), 1114(a)(1), 1114(b)(1) and (3), and 1114(c) of H.R. 1268, the Emergency Supplemental Appropriations Act for Defense, the Global War on Terrorism, and Tsunami Relief (as introduced in the House).

Participants included Admiral Daniel L. Cooper, Under Secretary for Benefits, Veterans Benefits Administration, who was accompanied by Mr. Tom Lastowka, Director of the VA Regional Office and Insurance Center, Mr. Steve Wurtz, Deputy Assistant Director for Insurance, Mr. Mike Tarzian, Actuary, VA Insurance Center, and Ms. Martie Adelman, Office of General Counsel, Department of Veterans Affairs; Mr. Charles S. Abel, Principal Deputy Under Secretary of Defense for Personnel and Readiness, Department of Defense; Mrs. Frances Hackett, Vice President, Administration and Office of SGLI, The Prudential Life Insurance Company of America; and Mr. Bob McDonald, Executive Director, Life Company Sales, Military Segment, USAA.

The purpose of the briefing was to understand the process that led to the Administration's policy changes to the Servicemembers' Group Life Insurance program in the war supplemental appropriations bill. The Subcommittee wanted an understanding of how and why certain policies were promulgated and whether the Department of Defense and the Office of Management and Budget sought policy assistance from the Department of Veterans Affairs.

Hearing on Department of Veterans Affairs' National Cemetery Administration

On April 20, 2005, the Subcommittee held an oversight hearing on the Department of Veterans Affairs' National Cemetery Administration (NCA) to examine policy and operational issues facing NCA, short- and long-term goals with respect to new cemetery construction. The Subcommittee also heard testimony concerning NCA's efforts to address the 928 restoration and repair projects identified in 2002 by the Logistics Management Institute. Additionally, the Subcommittee took testimony on VA's State Cemetery Grants Program.

The Administration testified on the state of the NCA and the State Cemetery Grants Program. NCA estimates the number of veteran deaths will peak in 2008 at 676,000, with the number of

internments rising from 93,000 in FY 2004 to 115,000 in FY 2010. NCA also testified to its progress in addressing maintenance and repairs identified in the 2002 National Shrine Commitment report.

The other witnesses generally praised NCA for its professional and dignified service and confirmed that its customers are pleased with the service they receive. Recommendations were made to review the sufficiency of the burial and plot allowances provided by the Department of Veterans Affairs. Finally, the National Association of State Directors of Veterans Affairs recommended establishing a State Veterans' Cemetery Operations Grant program to assist states cover the operational costs of maintaining state veteran cemeteries established under the State Cemetery Grants Program. *See The National Cemetery Administration—Serial No. 109–3.*

Hearing on Department of Veterans Affairs' Board of Veterans' Appeals and the Appeals Management Center

On May 5, 2005, the Subcommittee held an oversight hearing to review the operations of the Board of Veterans' Appeals (BVA) and the Appeals Management Center (AMC).

The Board of Veterans' Appeals witness highlighted improvements, while acknowledging that there are significant and persistent challenges to providing veterans with accurate and timely decisions. The Board is working with the Veterans Benefits Administration, the Office of General Counsel, and the Veterans Health Administration to identify and track the root causes of remands—those claims that must be sent back to either the originating regional office or Appeals Management Center for additional work.

The Veterans Benefits Administration witness explained the history of and purpose for the establishment of the Appeals Management Center, which is set up to further develop claims sent by the BVA. If the evidence is fully developed, the AMC may grant a claim. The Veterans Benefits Administration anticipates that future efforts will include additional training, quality reviews, and regulatory changes as appropriate.

The Government Accountability Office (GAO) witness testified that the BVA has taken actions to strengthen its system for reviewing the quality of its own decisions, but still lacks a systematic method for ensuring the consistency of decision-making within VA. The witness suggested that adjudicator judgment is a factor that plays into the variation of rating decisions, and recommended that any assessment of inconsistency include a determination of an acceptable level of variation for specific types of disabilities. GAO also recommended that BVA revise its formula for calculating accuracy rates to avoid potentially misleading rates.

The veterans' service organization witnesses detailed their experiences with the Board, and made recommendations for improvements, primarily the need for additional resources for more staff to meet the workload demands. *See Department of Veterans Affairs' Board of Veterans' Appeals and the Appeals Management Center—Serial No. 109–5.*

Site Visit—Washington, DC, Regional Office

On August 30, 2005, majority staff members of the Subcommittee and full Committee made site visits to the Veterans Benefits Ad-

ministration's Appeals Management Center (AMC) and Washington DC Regional Office (WRO) in Washington, DC.

The WRO is one of 57 regional offices located throughout the United States and Philippines that provide veterans, survivors, and other VA beneficiaries access to compensation, pension, education, vocational rehabilitation, insurance, and burial benefits. The WRO is one of the smallest regional offices, with 77 employees who handle approximately 0.28 percent of the VBA's workload. In addition to processing benefit claims, WRO employees provide outreach to transitioning servicemembers through the Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP). The WRO also has 59 agreements with local military installations to provide Benefits Delivery at Discharge (BDD) for expeditious disability claims processing for servicemember leaving active duty.

The Appeals Management Center (AMC) was established in 2004 to assist VBA in the appeals process. By centralizing appeals which had been remanded for further development at one station, the intent was to improve timeliness and quality and help VBA identify areas where other regional offices could improve initial claims processing. In August 2005, the AMC averaged receiving 300 remanded claims each week and had approximately 19,000 remanded claims pending.

Site Visit—St. Louis, MO

On September 16, 2005, majority and minority staff members of the Subcommittee made site visits to the National Cemetery Administration's (NCA) National Training Center, Jefferson Barracks National Cemetery, and the Veterans Benefits Administration's (VBA) Regional Office in St. Louis, Missouri.

The NCA Training Center was established in 2004 to provide employees with the training necessary to ensure consistency in operations throughout the national cemetery system, as well as a high performing workforce. It is currently focused on training cemetery directors and assistance directors; eventually training will be expanded to include foremen, equipment operators, groundskeepers, cemetery representatives, and other employees. There are currently 14 cemetery director management interns, all of whom will be stationed at cemeteries throughout the country upon completion of their training. The Training Center spent $1.5 million in FY 2005.

Jefferson Barracks National Cemetery is the fifth most active cemetery in NCA's system, averaging 300 internments each month. The cemetery is currently open to both casketed and cremated remains; however, NCA is working through the CARES process to identify opportunities at the medical center for land adjacent to the cemetery in order to provide service beyond the anticipated closing date of 2010.

Subcommittee staff also met with the director of the VBA Regional Office (RO) and received briefings from various program managers. The St. Louis RO is the seventh largest regional office and has 381 employees supporting three business lines: compensation and pension, education, vocational rehabilitation and employment. The Veterans Service Center provides the full range of compensation and pension benefits to 592,000 veterans in Missouri; approximately 97,000 are in receipt of compensation or pension bene-

fits paying about $49 million per month. There are 179 FTE supporting the compensation and pension program—74 veterans service representatives (review incoming claims folders) and 47 rating veterans service representatives (grant/deny claims). There are seven out-based FTE to the VA Medical Centers in St. Louis and Kansas City, and at Ft. Leonard Wood.

Hearing on the variances in disability compensation claims decisions made by VA Regional Offices; the Post-Traumatic Stress Disorder claims review; and United States Court of Appeals for the Federal Circuit decision Allen v. Principi

On October 20, 2005, the Subcommittee held an oversight hearing on variances in disability compensation claims decisions made by VA's regional offices, factors affecting claims decisions, and recommendations for standardizing the adjudication process. The Subcommittee also received reviews of two Government Accountability Office reports, VA Needs Plans for Assessing Consistency of Decisions (GAO–05–99, November 2004) and VA Could Enhance Its Progress in Complying with Court Decision on Disability Criteria (GAO–06–46, October 2005), as well as the May 2005 report by the Office of VA Inspector General, Review of State Variances in VA Disability Compensation Payments (05–00765–137), including the ongoing review of PTSD claims. Finally, the Subcommittee received testimony on *Allen* v. *Principi* (237 F.3d 1368, 1370 (Fed. Cir. 2001)).

The Department of Veterans Affairs Office of Inspector General and the Government Accountability Office witnesses summarized their findings, respectively, of the factors that influence disability compensation payments, and explained why some variance in average payments by state is to be expected—due to the nature of certain disabilities and the adjudication of a claim requiring the use of judgment. Therefore, some level of variation in outcome can be expected. Much of the testimony and subsequent question and answer period centered on a review by the Veterans Benefits Administration of PTSD claims, as recommended by the Office of Inspector General in its report, Review of State Variances in VA Disability Compensation Payments. Several witnesses and Subcommittee members questioned the need for the review, and the added stress it was causing certain veterans. *See State by State Variances of Claims Decisions—Serial No. 109–26.*

Hearing on the development of the Veterans Benefits Administration's annual budget request

On November 3, 2005, the Subcommittee held an oversight hearing on the development of the Veterans Benefits Administration's (VBA) annual budget request. The Subcommittee focused on the processes and assumptions used to project the workload and workforce trends used in budget formulation requests.

The VBA witness summarized the compensation and pension (C&P) program budget for the Subcommittee. In FY 2005, VBA's C&P program obligations were $32.5 billion in mandatory funds and $1.0 billion in discretionary funds. In developing VBA's budget VBA must project workload—the number of claims submitted for determination of benefits—and caseload—the number of beneficiaries presently receiving monthly benefits. These numbers are then used to project mandatory and discretionary obligations.

In 2005, VBA produced over 763,000 disability determinations; processed 2 million award actions; handled over 6.3 million phone calls; conducted over a million interviews; and briefed more than 330,000 servicemembers. Personnel costs account for approximately 71 percent of the discretionary budget. VBA, like other agencies, concede that developing assumptions for use in the budget "is not a precise science." Workload projections must be made two years in advance.

In FY 2005 VBA's Compensation and Pension appropriation was $32.5 billion; an increase of $14.7 billion (or 83%) over the FY 1995 mandatory appropriation of $17.8 billion. In addition to cost-of-living-adjustments, the number of veterans filing claims has increased every year since 2000. VBA has also seen a significant increase in claimants filing claims for service-connected diabetes and post traumatic stress disorder. *See Budget Methodologies for Veterans' Benefits Administration Compensation and Pension Programs—Serial No. 109–27*

Site Visit—Lincoln, NE, Regional Office

On January 5–6, 2006, majority and minority staff of the Subcommittee, along with staff of the Subcommittee on Economic Opportunity and the Subcommittee on Oversight and Investigations, made a site visit to the Lincoln, Nebraska, Regional Office (RO).

The Lincoln RO is one of 57 VA regional offices operated by VBA to administer benefits and services to veterans and other VA beneficiaries. The Lincoln RO employs 88 FTE and serves nearly 160,000 veterans. The major business lines at the Lincoln RO are compensation, pension, and vocational rehabilitation.

The primary purpose of the visit was to receive a briefing and demonstration on VETSNET, an Information Technology program designed to replace the aging Benefits Delivery Network (BDN). In May 2004, the Lincoln RO was selected to be a pilot test site for implementing the VETSNET program. VETSNET is comprised of five applications to assist in the establishment, development, and payment of VA claims. In August 2005, the Lincoln RO began implementing the fourth and fifth applications—Award and the Financial and Accounting System (FAS). Lincoln RO staff had a favorable impression of the Award and FAS applications. They said it was easy to learn, provided added features to improve accuracy of payments, and was an overall improvement over the current Benefits Delivery Network (BDN) system.

Prior to the VETSNET demonstration, Subcommittee on Disability and Memorial Affairs staff met with Lincoln RO adjudication staff to better understand the operations of the RO. The Lincoln RO is a high performing office and the personnel routinely exceed RO performance goals. The RO director credited a good hiring pool and motivated employees to the offices' success.

Second Session

Hearing on the Department of Veterans Affairs FY 2007 budget request for compensation and pension programs

On February 16, 2006, the Subcommittee held a hearing on the Administration's FY 2007 budget request for VA compensation, pension, and burial programs.

The Veterans Benefits Administration witness, the Honorable Daniel L. Cooper, supported the Administration's budget request while acknowledging that VBA has experienced an unyielding increase in workload. Among the reasons cited for a significant increased work-load were: Operations Iraqi and Enduring Freedom; an increasing number of beneficiaries on the rolls, with resulting additional claims for increased benefits; improved and expanded outreach to active duty servicemembers, Guard and reserve personnel, survivors, and veterans of earlier conflicts; and implementation of Combat Related Special Compensation (CRSC) and Concurrent Disability and Retired Pay (CDRP) programs by the Department of Defense. A veterans' service organization witness acknowledged the strides made in the FY 2007 budget request, but recommended an additional 1,375 FTE at VBA. *See The Department of Veterans Affairs FY 2007 Budget Request for the Compensation and Pension Business Lines—Serial No. 109–34.*

Hearing on the accuracy of benefits information provided to, and the quality of service received by, individuals calling into the Veterans Benefits Administration outreach activities

On March 16, 2006, the Subcommittee held an oversight hearing on the accuracy of benefits information provided to, and the quality of service received by, individuals calling into the Veterans Benefits Administration (VBA). The Subcommittee also took testimony on VBA's outreach initiatives to make servicemembers, veterans, and their survivors aware of the benefits and services to which they may be entitled.

The Veterans Benefits Administration witness acknowledged problems with the level of service provided by some VBA employees and detailed the department's focus on improving technical accuracy of telephone interviews. Veterans and survivors who testified made recommendations for improving the quality of service provided by VBA. One witness related her experiences in obtaining information about survivors' benefits following the death of her husband in 2005. *See The Accuracy of Benefits Information Provided to, and the Quality of Service Received by, Individuals calling into the Veterans Benefits Administration Serial No. 109–40.*

Hearing on the policy and operational issues facing Arlington National Cemetery and the American Battle Monuments Commission

On March 30, 2006, the Subcommittee held an oversight hearing on the policy and operational issues facing Arlington National Cemetery (ANC) and the American Battle Monuments Commission (ABMC).

Witnesses from ANC and ABMC each outlined their operational and management activities. Through questioning by Subcommittee members, the ANC witness acknowledged that the FY 2007 budget request was less than what was appropriated in FY 2006; therefore, several repair and replacement projects may have to be deferred. The ABMC witness explained that efforts and resources were directed at accomplishing strategic goals, to include maintaining high standards of excellence at its commemorative sites and constructing an Interpretive Center at the Normandy American

Cemetery in France. *See Arlington National Cemetery and the American Battle Monuments Commission—Serial No. 109–43.*

Hearing on the Veterans Benefits Administration's implementation of Title V of Public Law 108–454

On June 8, 2006, the Subcommittee held an oversight hearing on VBA's Fiduciary and Field Examination Program, including implementation of Title V of Public Law 108–454, which contained several provisions intended to enhance oversight of fiduciaries and protect VA beneficiaries who are determined by VA to be incompetent to manage their veterans' benefits.

The Veterans Benefits Administration witness provided an overview of the Fiduciary Program and discussed the actions taken to implement Title V of Public Law 108–454, including the development of instructional letters to be disseminated to employees at regional offices and collecting statistical data to be included in an upcoming report. In response to questions from the Subcommittee chairman and ranking member, the witness agreed to review the policy which prevents VBA from recognizing a person with a Durable Powers of Attorney as a representative. *See Veterans Benefits Administration's fiduciary program, including implementation of Title V of Public Law 108–454—Serial No. 109–50.*

Joint hearing with Subcommittee on Economic Opportunity on data security at the Veterans Benefits Administration

On June 20, 2006, the Subcommittee held a joint hearing with the Subcommittee on Economic Opportunity to explore the VBA's data security management program and procedures, as well as other VBA programs designed to protect sensitive information provided by veterans and their survivors.

The Veterans Benefits Administration witness testified to that agency's information security policies and initiatives prior to May 3, 2006, when a data breach caused the personal information of more than 26 million veterans to be lost. He also explained security policies for specific business lines as well as employees who work at locations outside VBA. The Department of Veterans Affairs Office of Inspector General and the Government Accountability Office witnesses testified to the ongoing lapses in IT security, as well as recommendations both have made to VBA to strengthen data security. *See Veterans Benefits Administration and Data Protection—Serial No. 109–54.*

Hearing on the role of national, state, and county veterans' service officers in claims development

On July 19, 2006, the Subcommittee held an oversight hearing on the role of national, state, and county veterans' service officers in claims development. The intent of the hearing was to better understand how veterans' groups assist veterans with filing fully developed claims so that Veterans Benefits Administration (VBA) staff could focus on the decision-making process.

The veterans' representatives detailed their efforts to provide out-reach and other services to veterans and their families, stressing the importance of greater access to VBA's electronic claims files and training programs. The Veterans Benefits Administration witness discussed VBA's ongoing collaboration with national, state, and county veterans' service officers and their importance to VBA's

mission. *See The Role National and County Service Officers' Play in Claims Development—Serial No. 109–61.*

Site Visit—Chicago Regional Office and Hines Benefits Delivery Network

On the afternoon of August 14, 2006, and the morning of August 15, 2006, minority staff visited the VA Chicago Regional Office to review claims for compensation and pension decided within the past year for claims involving musculoskeletal conditions, post-traumatic stress disorder (PTSD) and traumatic brain injuries (TBI). Claims reviewed did not suggest problems with fairness and overall quality, but several errors were identified which might have reasonably attributed to haste in the processing of the claim. In general, the quality of the work appeared to have improved since a site visit in December of 2004.

In the morning of August 15, 2006, majority staff visited the National Acquisition Center (NAC), located on the campus of Hines VA Medical Center. The NAC has around 112 FTEE manning the center, who processed 1,600 contracts in 2005, and with 3,800 modification requests amounting to approximately $13.3 billion in sales. The NAC has been delegated authority by and is currently working with the General Services Administration (GSA) to develop their own electronic catalogue system, since they cannot fully utilize the MECA system at the Department of Defense. The NAC is also the Emergency Contract Support for FEMA and CDC for events such as Hurricanes Katrina and Rita, and the National Response Plan and CDC stockpile for acts of terrorism and natural disasters.

On the afternoon of August 15, 2006, majority and minority staff visited the Benefits Delivery Network (BDN) facility in Hines, Illinois. Staff met with the Director of the Hines Information Technology Center. At this time, it is projected that the BDN will be necessary to pay checks until 2012. No hiring and training of new, younger staff for the BDN has been done in many years, and the BDN is facing a critical shortage of staff, particularly cross-trained and replacement staff for an aging workforce. The operation is highly people-dependent with over 500 jobs run manually each day. There is no automatic package which can support this without human intervention using the Honeywell/Bull system.

Since current educational programs do not prepare employees to work on the older systems, it will be necessary to hire and train a replacement workforce which can also be cross-trained on newer applications. Since 1995, Hines has replaced only 49 percent of the 158 staff members who have been lost. Additional staff has been approved, but not funded.

Currently there is a VETSNET pilot project involving conversion of education code which includes all of the necessary pieces to determine if it can be done. Hines is also working on a data vault with Philadelphia for a backup site using virtual tape. Hines could accommodate VHA computer equipment in their current space and a tour of the "raised floor area" confirmed that there is substantial space available.

Site Visit Philadelphia, PA, Regional Office and Insurance Center

On August 15, 2006, majority staff of the Subcommittee, along with staff of the full Committee, made a site visit to the Philadelphia, PA, Regional Office and Insurance Center to conduct oversight of VA's insurance operations. VA, which ranks as the fourth largest life insurer in the United States, administers and supervises eight different insurance programs providing nearly $1.42 trillion in life insurance and traumatic injury protection coverage. They collect approximately $900,000 in premiums each day and deposits are made daily to the Federal Reserve Bank in Philadelphia so they can begin earning interest on the funds immediately; trust funds (reserves held to ensure the ability to pay all future claims) total $13.8 billion. More than 600 death and disability claims are paid each day, and the average processing time as of January 2006 was 2.26 days.

Hearing on the training provided to Veterans Benefits Administration claims adjudicators and the standards used to measure their proficiency and performance

On September 13, 2006, the Subcommittee held an oversight hearing to assess the training and performance standards of disability claims adjudicators. Testimony was received on the types of training provided, the standards used to measure proficiency, and what the Veterans Benefits Administration is doing to enhance the skills of claims examiners.

The Veterans Benefits Administration witness acknowledged that effective training as a core element of VBA's infrastructure and detailed new training tools and programs to provide consistency in training to both experienced and new employees. The American Legion witness expressed concern that there appear to be too few experienced supervisors to provide mentoring to new employees, and that the adjudication process appears to be driven by quantity over quality. The American Federation of Government Employees (AFGE) witness testified that VBA is not collaborating with AFGE on training and performance measures, and made several recommendations to improve training. *See Training and Performance Standards for VBA Claims Adjudicators—Serial No. 109–62.*

Hearing on the administration of the Veterans Benefits Administration's pension program

On September 27, 2006, the Subcommittee held an oversight hearing on the administration of VA's Pension Program. Of special interest was the reduction of the pension claims backlog. Original pension claims are now decided at the Veterans Benefits Administration's (VBA) 57 regional offices, while follow-up work on these claims, such as eligibility verification reports, is done at three VBA Pension Maintenance Centers.

The Subcommittee also focused on how VBA is reaching out to veterans and their families. The VBA witness explained efforts to improve the effectiveness of outreach in connection with the pension program, to include strengthening its relationships with the Department of Health and Human Services' Administration on Aging, national cemetery directors, and the American Association of Retired Persons. *See The VBA Pension Program—Serial No. 109–66.*

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

LEGISLATIVE ACTIVITIES

First Session

Hearing on H.R. 419 and three draft bills

On Wednesday, May 4, 2005, the Subcommittee conducted a legislative hearing on H.R. 419, the Hire Veterans Act, introduced by the Honorable Michael K. Simpson on January 26, 2005; and three draft bills, the Servicemembers Health Insurance Protection Act of 2005; the Homeless Veterans Reintegration Program Reauthorization Act of 2005; and the Servicemembers Taxation Protection Act of 2005.

The Honorable Michael K. Simpson testified in support of his bill, H.R. 419. In general, the public witnesses supported the introduced and draft legislation. Mr. Craig Duehring, Principal Deputy Assistant Secretary of Defense for Reserve Affairs, testifying on behalf of the Department of Defense, supported amendments to the Uniformed Services Employment and Reemployment Rights Act and the Servicemembers' Civil Relief Act through the Servicemembers Health Insurance Protection Act of 2005 and the Servicemembers Taxation Protection Act of 2005. Mr. John M. McWilliam, Deputy Assistant Secretary of Veterans' Employment and Training Service for the U.S. Department of Labor, testified on behalf of the Department, did not take a position on H.R. 419 and supported the Servicemembers Health Insurance Protection Act of 2005, the Homeless Veterans Reintegration Program Reauthorization Act of 2005, and the Servicemembers Taxation Protection Act of 2005. *See Legislative Hearing on H.R. 419, Hire Veterans Act of 2005, H.R. 2046, Servicemembers' Health Insurance Protection Act of 2005, and two draft bills—Serial No. 109–6.*

Subcommittee Markup of H.R. 2046

On May 5, 2005, the Subcommittee held a markup on H.R. 2046, the Servicemembers' Health Insurance Protection Act of 2005, introduced by the Honorable Steve Buyer, Honorable Lane Evans, Honorable John Boozman, and Honorable Stephanie Herseth on May 3, 2005. The bill was reported favorably to the full Committee.

Hearing on H.R. 717, H.R. 745, and H.R. 1207

On May 25, 2005, the Subcommittee conducted a legislative hearing on H.R. 717, to amend title 38, United States Code, to expand the scope of programs of education for which accelerated payments under the Montgomery GI Bill may be used, and for other purposes, introduced by Honorable Michael Michaud and Honorable Jeff Miller of Florida on February 9, 2005; H.R. 745, the Veterans Self-Employment Act of 2005, introduced by Honorable Richard H. Baker on February 10, 2005; and H.R. 1207, the Department of Veterans Affairs Work-Study Act of 2005, introduced by Honorable Michael K. Simpson on March 9, 2005.

The Honorable Michael E. Sodrel testified in support of H.R. 717. The Honorable Michael K. Simpson testified in support of his bill, H.R. 1207. In general, the public witnesses supported the bills. Mr. Jack McCoy, Director, Education Service of the Department of Veterans Affairs, testified on behalf of the Department. Mr. McCoy did not support section 1 of H.R. 717, stating that it would be a "piece-

meal change" to the accelerated education benefit program to simply add courses for commercial drivers' licenses. However, Mr. McCoy supported section 2 of H.R. 717. Mr. McCoy appreciated the objective of H.R. 745; however, had concerns regarding the efficiency of the language as drafted and therefore did not support the bill. Mr. McCoy supported the extension of workstudy options to support Senior ROTC programs, however he had concerns with regard to the additional areas of work-study added in H.R. 1207, and did not support the pilot project that would allow veterans to receive workstudy allowance to work at on-campus workstudy positions. *See Legislative Hearing on H.R. 717, H.R. 745, and H.R. 1207— Serial No. 109–10.*

Subcommittee Markup of H.R. 419 and H.R. 3279

On July 27, 2005, the Subcommittee on Economic Opportunity held a markup on H.R. 419, the Hire Veterans Act of 2005; and H.R. 3279, the Homeless Veterans Reintegration Program Reauthorization Act of 2005, introduced by Honorable John Boozman, the Honorable Stephanie Herseth, Honorable Ginny Brown-Waite of Florida, Honorable Lane Evans, Honorable Jeb Bradley of New Hampshire, Honorable Luis V. Gutierrez, Honorable Henry E. Brown, Jr. of South Carolina, Honorable Corrine Brown of Florida, Honorable Jeff Miller of Florida, Honorable Bob Filner, Honorable Richard H. Baker, and Honorable Shelley Berkley on July 14, 2005. The bills were reported favorably to the full Committee.

Hearing on H.R. 3082, H.R. 1773, and Four Draft Bills

On July 27, 2005, the Subcommittee conducted a legislative hearing on H.R. 3082, the Veteran-Owned Small Business Promotion Act of 2005, introduced by the Honorable John Boozman, Honorable Stephanie Herseth, Honorable Michael Bilirakis, Honorable Dan Burton and Honorable Terry Everett on June 28, 2005; H.R. 1773, the Native American Veteran Home Loan Act, introduced by Honorable Stephanie Herseth, Honorable Eni F. H. Faleomavaega, Honorable Lane Evans, Honorable Michael H. Michaud, Honorable Silvestre Reyes, Honorable Shelley Berkley, Honorable Tom Udall of New Mexico, Honorable Neil Abercrombie, Honorable Madeleine Z. Bordallo, Honorable Bernard Sanders, Honorable Raul M. Grijalva, Honorable Carolyn C. Kilpatrick, Honorable Ed Case, Honorable Frank Pallone, Jr., Honorable James L. Oberstar, and Honorable John Boozman on April 21, 2005; and four draft bills: (1) to establish an Office of Disabled Veteran Sports and Special Events; (2) to require the Veterans' Employment and Training Service to establish qualification standards for Disabled Veteran Outreach Program Specialists (DVOPS) and Local Veteran Employment Representatives (LVER); (3) to increase the Disabled Veteran Adaptive Housing Grant; and (4) to provide for a Disabled Veteran Transitional Adaptive Housing Grant.

The Honorable Eni F.H. Faleomavaega testified in favor of H.R. 1773. In general, the public witnesses supported the bills. Mr. John M. McWilliam, Deputy Assistant Secretary for Veterans' Employment and Training Service of the U.S. Department of Labor, testified on behalf of the Department. Mr. McWilliam supported the establishment of national employment rules for DVOPS and LVERs as proposed in the draft bill to require the Veterans' Employment and Training Service to establish qualification standards DVOPS

and LVER. However, Mr. McWilliam stated that the Department wanted to review the current standards in the states prior to mandating it in legislation. Mr. Keith Pedigo, Director of the Department of Veterans Affairs Loan Guaranty Service, testified on behalf of the Department, supported H.R. 1773 and the draft bill to increase the Disabled Veteran Adaptive Housing Grant. Mr. Pedigo generally supported H.R. 3082, however the Department did not support an established mandate on contracting and subcontracting percentages as provided in the legislation, and did not support the draft bill to provide for a Disabled Veteran Transitional Adaptive Housing Grant. Mr. Pedigo asked that VA have time to further study the need to provide grants to veterans living in a family home. *See Legislative Hearing on H.R. 3082, H.R. 1773, and Four Draft Bills—Serial No. 109–20.*

Subcommittee Markup of H.R. 3665

On September 8, 2005, the Subcommittee held a markup on H.R. 3665, the Veterans Housing Improvement Act of 2005, introduced by the Honorable John Boozman, Honorable Stephanie Herseth, Honorable Bob Filner, and Honorable Lane Evans on September 7, 2005. The bill was reported favorably to the full Committee.

Second Session

Hearing on H.R. 4791, three draft bills, and a proposed amendment to H.R. 3082

On April 27, 2006, the Subcommittee conducted a legislative hearing on H.R. 4791, the Disabled Veterans Adaptive Housing Improvement Act, introduced by the Honorable Stephanie Herseth, Honorable Ed Case, Honorable Lane Evans, Honorable Corrine Brown of Florida, Honorable Luis V. Gutierrez, Honorable Jose E. Serrano, Honorable Bob Filner, Honorable Ted Strickland, Honorable Julia Carson of Indiana, Honorable Dennis J. Kucinich, Honorable Robert Wexler, Honorable John Conyers, Jr., Honorable Collin C. Peterson, Honorable Doris O. Matsui, Honorable Al Green of Texas, and Honorable Sam Farr on February 16, 2006; three draft bills: (1) the GI Bill Flexibility Act of 2006; and (2) the Veterans Licensing and Credentialing Act of 2006; and (3) a proposed amendment to H.R. 3082, the Veteran-Owned Small Business Promotion Act of 2005.

In general, the public witnesses supported the bills. The Honorable Gordon Mansfield, Deputy Secretary of Veterans Affairs, testified on behalf of the Department. Mr. Mansfield did not support sections 2, 3, and 4 of the GI Bill Flexibility Act of 2006. Mr. Mansfield stated that the goals in section 1 are already being achieved through VA's vocational rehabilitation program, and objected to section 3 as the Department saw "no reason why veterans should be disadvantaged by not receiving refunds in appropriate circumstances merely because the institution involved is a governmental entity or supported with government funds." Mr. Mansfield also expressed concerns regarding the efficiency of the language as drafted in section 4 and therefore did not support it. Mr. Mansfield did support sections 5, 6, 7, and 8 of the GI Bill Flexibility Act of 2006, as well as H.R. 4791 if funds were identified. In general, Mr. Mansfield supported the proposed amendment to H.R. 3082; how-

ever, the Department requested that staff meet to be advised on technical changes.

The Honorable Charles Ciccolella, Assistant Secretary for Veterans' Employment and Training at the Department of Labor, testified on behalf of the Department, and supported sections 3 and 8 of the draft bill, the Veterans Employment State Grant Improvement Act of 2006. Mr. Ciccolella expressed concern that the federally mandated qualifications established outside of the grant-negotiation process required in section 2, while potentially leading to better-qualified DVOP-LVERs, would decrease the staff to veteran ratio nationwide. The Department was concerned that a local performance information system that would be required in section 4 would be duplicative of a system already in place for all federally funded employment systems. Mr. Ciccolella stated that sections 5, 6, and 7 would have additional budgetary implications and found that the requirement to publish regulations implementing priority of service was unnecessary due to the policy guidance that the Department published in September 2003. *See Legislative Hearing on H.R. 4791, Three Draft Bills, and a Proposed Amendment to H.R. 3082—Serial No. 109–46.*

Subcommittee Markup of H.R. 3082 and H.R. 5220

On May 10, 2006, the Subcommittee held a markup on H.R. 3082, the Veteran-Owned Small Business Promotion Act of 2005; and H.R. 5220, the Veterans Certification and Licensure Act of 2006, introduced by Honorable Ginny Brown-Waite of Florida on April 27, 2006. Amendments in the nature of a substitute for both bills were reported favorably to the full Committee.

OVERSIGHT ACTIVITIES

First Session

Hearing on the Department of Veterans Affairs' Vocational Rehabilitation and Employment program

On April 20, 2005, the Subcommittee conducted an oversight hearing on VA's Vocational Rehabilitation and Employment (VR&E) program. The Subcommittee examined the performance of the program since the VA Vocational Rehabilitation and Employment Task Force Report. The Subcommittee also explored ways to achieve closer integration between the Department's VR&E program and the Department of Labor's Veterans Employment and Training Service.

The Subcommittee heard testimony about the successes and challenges of the Vocational Rehabilitation and Employment program and suggestions on how the program can improve. The Government Accountability Office commented on recent findings concerning the program's inability to put disabled veterans into jobs and the lack of the necessary staff skills to meet that goal. *See the Department of Veterans Affairs' Vocational Rehabilitation and Employment program—Serial No. 109–3.*

Site Visit—Austin, TX

On May 5, 2005, majority staff traveled to Austin, Texas to attend the President's National Hire Veterans Committee (PNHVC) meeting. The PNHVC was created by Public Law 106–50 to increase employer awareness of veterans as a good source of employ-

ees. Majority staff participated in discussions regarding PNHVC programs and future events related to veterans employment.

Hearing on the Department of Labor's Veterans' Employment and Training Service

On May 12, 2005, the Subcommittee conducted an oversight hearing on the Department of Labor's Veterans' Employment and Training Service (VETS). The purpose of the hearing was to examine the performance of VETS in administering its several programs, its resource needs, and review the state grant program that funds Disabled Veteran Outreach Program Specialists (DVOPS) and Local Veterans Employment Representatives (LVER).

The Assistant Secretary for VETS serves as the principal advisor to the Secretary of Labor on all policies and procedures affecting veterans. VETS furnishes employment and training services to certain servicemembers and veterans through a variety of programs, including grants to States, public entities and non-profit organizations to assist veterans seeking employment. VETS is also the primary agency tasked with investigating complaints under veterans' preference and re-employment laws such as the Uniformed Services Employment and Reemployment Rights Act (USERRA).

The Subcommittee was updated on the progress of the implementation by the Department of Public Law 107–288, the Jobs for Veterans Act. The National Association of State Workforce Agencies expressed concern that DVOPS and LVERs were being pulled away from veteran-related duties and that the States were receiving inadequate funding for the grants. *See the Department of Labor's Veterans Employment and Training Service—Serial No. 109–7.*

Site Visit—Jekyll Island, GA

On May 17, 2005, majority staff visited the Georgia Department of Veterans Affairs. Majority staff provided an update on legislation pending before Congress and took questions from the Department's staff.

Joint hearing on veterans' entrepreneurship and procurement opportunities with the Subcommittee on Workforce, Empowerment, and Government Programs of the Committee on Small Business

On May 24, 2005, the Subcommittee conducted a joint oversight hearing with the Subcommittee on Workforce, Empowerment, and Government Programs of the Committee on Small Business on laws to assist veterans, especially service-disabled veterans, in starting and growing a small business, and sharing in federal procurement opportunities.

Public Law 106–50, the Veterans Entrepreneurship and Small Business Act of 1999, made improvements in access to capital, federal contracts, and government procurement information for veterans and service-disabled veterans who own or aspire to own small businesses. Public Law 106–50 also established the National Veterans Business Development Corporation (Veterans Corporation). P.L. 108–183 established a contract set-aside "tool" for use by contracting officers to reach the three-percent goal by furnishing federal agencies discretionary authority to create sole-source contracts for service-disabled, veteran-owned small businesses—up to $5 million for manufacturing contract awards and up to $3 million

for non-manufacturing contract awards. It also furnished federal agencies discretionary authority to restrict certain contracts to service-disabled, veteran-owned small businesses if at least two such concerns are qualified to bid on the contract.

The Subcommittee learned that to date, except for the State Department in FY 2004, no major department or agency of the federal government had met the contracting goal for service-disabled veteran-owned small businesses. The departments and agencies testified regarding the steps they were taking to aggressively use the contracting tools that they have. Private-sector witnesses, representing the veterans' community, testified how the laws were affecting service-disabled veteran-owned small businesses. *See Veterans' Entrepreneurship and Procurement Opportunities—Serial No. 109–4, and House Committee on Small Business Serial No. 109–17*

Site Visit—Denver, CO

On June 6, 2005, majority and minority staff visited the National Veterans Training Institute in Denver, Colorado. The purpose of the trip was to attend and participate in the annual Vocational Rehabilitation and Employment (VR&E) Leadership Conference and to observe classes being conducted at the Department of Labor's National Veterans Training Institute.

Site Visit—Corpus Christi, TX

On June 16, 2005, majority staff gave the keynote speech before the National Association of County Veterans Service Officers (NACVSO) in Corpus Christi, Texas and observed NACVSO training events for their veterans service officers. Majority staff also took questions from the NACVSO staff.

Site Visit—Las Vegas, NV

June 20–22, 2005, majority staff attended the National Veterans Small Business Conference in Las Vegas, Nevada. Over 750 people attended representing veteran-owned small businesses, large government contractors, administration officials, and veterans' service organizations. The conference mainly consisted of individual speakers and panels discussing what veterans need to do to be successful in government procurement.

Hearing on the Transition Assistance Program and Disabled Transition Assistance Program

On June 29, 2005, the Subcommittee conducted an oversight hearing on Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP). The recent U.S. Government Account-ability Office (GAO) report, Enhanced Services Could Improve Transition Assistance for Reserves and National Guard (GAO–05–544), highlighted several concerns regarding how TAP and DTAP is being provided for the Reserves and National Guard. The Subcommittee heard views from government and private sector witnesses on the overall TAP and DTAP programs specifically addressing issues in the 74 GAO report.

All servicemembers who have been on active duty for at least 180 days are eligible for TAP, but those separating because of a disability are eligible regardless of the length of service. Upon demobilization from active duty status, Guard and Reserve members may receive TAP services similar to active duty servicemembers. How-

ever, providing TAP for Guard and Reserve members is a continuing challenge and the Subcommittee sought to hear information from the witnesses, especially DOD and the Guard Bureau with respect to their efforts to improves transition services for the Guard and Reserve members.

GAO noted that there were plans to improve TAP for Guard and Reserve members and additional resources may be needed. The agencies present at the hearing represented most or all of the members of the TAP Steering Committee which is chaired by the Department of Labor. *See the Transition Assistance Program and Disabled Transition Assistance Program—Serial No. 109–17*

Site Visit—Minneapolis, MN

On June 30 through July 1, 2005, majority staff attended the National Veterans Wheelchair Games in Minneapolis as part of the oversight of the VA's special events program. Majority staff also met with VA staff and disabled athletes to determine options for improving the program.

Site Visit—Denver, CO

On August 10–11, 2005, the Honorable John Boozman, Chairman of the Subcommittee on Economic Opportunity, along with majority staff, attended the Homeless Veterans Reintegration Program Competitive Grantees Training Conference in Denver, Colorado. Chairman Boozman spoke on the status of homelessness amongst veterans before the conference and took questions from the audience. After addressing the full conference, Chairman Boozman and staff met with six program directors along with staff of the Department of Labor's Veterans' Employment and Training Service.

Field hearing on transition assistance for members of the National Guard

On September 19, 2005, at the 157th Air Refueling Wing's Maintenance Hangar, Pease Air National Guard Base, New Hampshire, the Subcommittee conducted an oversight hearing on transition assistance for members of the National Guard. The hearing focused on the "Reunion & Reentry from Combat" transition assistance model established by the New Hampshire National Guard Bureau for servicemembers returning from recent call-ups.

The Subcommittee received testimony on the New Hampshire National Guard's model of TAP and found that NH offers career assistance and related services to separating servicemembers during their transition to civilian life. Four members of the N.H. National Guard who have participated in the program testified at the hearing. Major General Ronald G. Young, Acting Director, National Guard Bureau Joint Staff, stated that NH's process was one to be modeled in other states. *See Transition Assistance for Members of the National Guard—Serial No. 109–23.*

Site Visit—Colorado Springs, CO

On September 23, 2005, majority staff visited the United States Olympic Committee's training center to observe the first veterans paralympic training summit. This event was the first summit following the signing of an Memorandum of Understanding between VA and the United States Olympic Committee regarding a program to increase disabled veteran participation in sports in general and the Paralympic movement.

Site Visit—San Diego, CA

On November 5, 2005, majority staff traveled to San Diego, California. The purpose of the trip was to discuss the employment initiative at Balboa Naval Hospital and to observe the 2nd Paralympics Veterans Summit at the U.S. Olympic Training Center in Chula Vista. Majority staff met with the Commanding Officer of the Naval Hospital as well as representatives from the California Department of Employment Services, VA and the U.S. Department of Labor.

Second Session

Hearing on the VA's FY 2007 budget request for the education, vocational rehabilitation, and loan guaranty programs

On February 14, 2006, the Subcommittee conducted a hearing on the VA's FY 2007 budget request for the education, vocational rehabilitation, and loan guaranty programs.

The President requested $90.1 million in discretionary funding for administrative expenses and to support 930 Full Time Employee Equivalent (FTEE) for the Education Service, an increase of 46 FTEE (34 direct FTEE; 2 IT FTEE; 10 management and support FTEE) over FY 2006 levels. Education claims rose between FY 2000 and FY 2004 by nearly 328,000 claims—a 35 percent increase; direct FTEE rose 14 percent for this same period. Mandatory spending obligations are expected to increase to $3.2 billion for FY 2007. VA's education programs assist veterans in readjusting to civilian life by helping them afford a wide range of vocational training and higher education options. These programs also enhance the Nation's competitiveness through the development of a more highly educated and productive workforce. VA projected that participation in its education programs would increase by about 30,000 veterans, members of the Selected Reserves, and survivors in 2007.

The President requested $149 million in discretionary funding to support 1,255 FTEE for the Vocational Rehabilitation and Employment program (VR&E), an increase of 130 FTEE (107 Direct FTEE; 2 Information Technology; and 21 management and support FTEE) above FY 2006. Mandatory spending obligations were expected to increase to $666 million for FY 2007. The VR&E program is intended to provide employment services and assistance to enable veterans with service-connected disabilities to obtain suitable employment, and to the maximum extent possible achieve independence in daily living continues to experience increased demands. VR&E estimated providing services and benefits to more than 102,000 disabled veterans was approximately a 2.5 percent increase over FY 2006 workload of 100,098.

The President requested $154.2 million in discretionary funding for administrative expenses and to support 971 Loan Guaranty FTEE a decrease of 17 FTEE below FY 2006. VA loan guarantees help veterans finance the purchase of a home with favorable loan terms and competitive loan rates. VA guaranteed a total of 150,895 loans in FY 2005, and estimates an increase to 230,000 in FY 2006. VA also expects an increase in defaults and foreclosures since historic lows in FY 2005. VA estimated similar workload levels for FY 2007. The Loan Guaranty Service had for the most part success-

fully implemented a host of efficiency and consolidation efforts through technological advances to provide quality services while maintaining low overhead costs.

The Subcommittee found that the Veterans Benefits Administration (VBA) faced serious problems in delivering timely services to its vocational rehabilitation and education beneficiaries. It was noted that for the week ending 28 January, the Education Service had a backlog of about 110,000 claims or about the same as last year and that processing days are up. Vocational Rehabilitation had over 6,400 in application status. *See Department of Veterans Affairs Bud-get Request for FY 2007 for the Education, Vocational Rehabilitation, and Loan Guaranty Program—Serial No. 109–31.*

Hearing on the VA's Vocational Rehabilitation and Employment Service contract services and its coordination with the Department of Labor's Veterans' Employment and Training Service

On March 9, 2006, the Subcommittee conducted an oversight hearing on the VA's Vocational Rehabilitation and Employment (VR&E) contract services and its coordination with the Department of Labor's Veterans' Employment and Training Service (VETS). VR&E contracting processes, management, and associated costs were of particular importance to the Subcommittee. Witnesses also discussed the implementation of the recent Memorandum of Agreement (MOA) between VR&E and VETS concerning improved communication and coordination efforts between the two agencies.

On October 3, 2005, VETS and VR&E signed an MOA to increase coordination efforts between the two Departments. The goal of the MOA was to provide a seamless employment transition and eliminate all duplication, fragmentation, or delay in delivery of needed employment services for disabled veterans participating in the VA VR&E program.

The Subcommittee heard testimony on how VR&E and VETS are implementing their MOA to improve employment services for disabled veterans. The two agencies stated that they plan to cooperate in the closest possible manner to achieve higher employment and retention rates among disabled veterans. Their recent MOA established several working groups to address specific areas of cooperation; the Subcommittee heard how this process is evolving.

Ms. Judy Caden, Director of Vocational Rehabilitation and Employment Program at VA stated that contract services were vital to the success of the VR&E program as a way to augment permanent VA staff and to increase geographic access to program services. Ms. Ca-den discussed how they contract for services, the rates they pay and how they conduct oversight of their contractors. *See VA's Vocational Rehabilitation and Employment Service contract services and its co-ordination with the Department of Labor's Veterans' Employment and Training Service—Serial No. 109–38.*

Field hearing on transition assistance for members of the National Guard and education benefits for the total military force

On March 22, 2006, the Subcommittee conducted an oversight hearing at the National Guard Armory in Rogers, Arkansas on transition assistance for members of the National Guard and Reserve forces. The Subcommittee also heard testimony on education

benefits for the total military force from military, veterans and education organizations as a follow-up to the Full Committee hearing on March 15, 2006.

The Arkansas Army and Air National Guard have mobilized over 7,500 members in various locations around the world since September 11, 2001. After a brief "Welcome Home Ceremony," staff members from the AR National Guard, active duty installation, VA, and Veterans Employment and Training Service (VETS) worked hand-inhand to conduct demobilization. Once back home, servicemembers receive spiritual and legal assistance for problems arising from or aggravated by mobilization. A recently hired State Benefits Advisor (SBA) assisted with the Transition Assistance Program. The SBA 78 worked with servicemembers to advise the Adjutant General and en-sure Guard leaders and personal are aware of all available benefits. In March 2005 the Assistant Secretary of Defense for Health Affairs directed that Post Deployment Health Re-Assessments be conducted for all soldiers deployed for greater than 30 days in support of contingency operations. These assessments were conducted three to six months post deployment.

Four members of the Arkansas National Guard testified before the Subcommittee that they were not fully briefed on their VA benefits post-deployment, and not one knew of the new higher education benefits for those in the Selected Reserve who were deployed for 90 days or more. Education specialists who testified stated that the need for a new approach to education and training programs is warranted to meet the recruiting and retention goals of the Armed Forces, while also providing a high-quality readjustment benefit for active-duty and National Guard and Reserve personnel that is relevant to 21st Century education and workforce demands. *See Transition Assistance for Members of the National Guard and Education Benefits for the Total Military Force—Serial No. 109–41.*

Roundtable discussion on the Department of Labor's Veterans' Employment and Training program's response to the significant increase in veterans' unemployment due to the announced cuts in the automobile industry workforce

On May 22, 2006, at Baker College of Owosso Welcome Center, Owosso, Michigan, the Subcommittee convened a roundtable discussion on Department of Labor's Veterans' Employment and Training Service's response to the significant increase in veterans' unemployment in the state of Michigan due to closing of industrial plants in the state.

The Honorable Charles Ciccolella, Assistant Secretary for Veterans' Employment and Training at the Department of Labor, announced at the beginning of the meeting that Michigan has lost over 250,000 jobs due to plant closures in the state. Mr. Ciccolella described the assistance that DOL is giving to the state by helping to developed "Rapid Response Teams" to deal with the mass layoffs. These teams work with both employers and employees to develop plans to help soon to be laid-off workers.

Field hearing on transition assistance for members of active duty, Reserve, and National Guard servicemembers and education benefits for the total military force

On June 19, 2006, the Subcommittee conducted an oversight hearing at Ellsworth Air Force Base in South Dakota. The Sub-

committee explored transition assistance and demobilization services for active duty servicemembers and Reserve component personnel, as well as reviewed education and training benefits for the total military force. This was a continuation of a series of hearings concerning transition and demobilization services and potential improvements to the GI Bill.

Since September 11, 2001, over 5,500 new veterans were created in South Dakota, of which over two-thirds were members of the National Guard and Reserves. The Department of Military and Veterans Affairs of South Dakota established a Readjustment Task Force to direct servicemember readjustment and transition in the state. Along with the Department of Military and Veterans Affairs, the Task Force included representation from: State Division of Veterans Affairs; National Guard; State Department of Human Services; State Council of Mental Health Centers; and VA. The Task Force provided assistance by conducting briefings on family support, demobilization, and welcoming servicemembers home. During each of the past four years the Department of Military and Veterans Affairs has also hosted a Veterans Summit to bring together representatives from all major organizations that work with the military in South Dakota.

The Subcommittee heard testimony regarding how post deployment issues for the Guard and Reserves were different from those facing the regular forces due to the dispersion of the unit upon return. Many attributed that to the current 90-day restriction placed on drilling following extended deployment. This may foster higher rates of stress-related issues such as those involving other family members and risky behavior. *See Transition Assistance for Members of Active Duty, Reserve, and National Guard Servicemembers and Education Benefits for the Total Military Force—Serial No. 109–53.*

Joint hearing with Subcommittee on Disability Assistance and Memorial Affairs on Veterans Benefits Administration (VBA) data security

On June 20, 2006, the Subcommittees conducted an oversight hearing on the Veterans Benefits Administration's data security procedures. (Please see description under the Subcommittee on Disability Assistance and Memorial Affairs section on page 63).

Site Visit—Las Vegas, NV

On June 26–28, 2006, majority staff visited Las Vegas, Nevada, to speak before the Department of Defense National Veterans Small Business Conference. Over 1,200 people attended representing veteran-owned small businesses, large government contractors, administration officials, and veterans' service organizations. The conference mainly consisted of individual speakers and panels discussing what veterans need to do to be successful in government procurement as well as an expo and business development center for businesses and contract specialists could meet.

Site Visit—Reno, NV

On June 7–9, 2006, majority staff traveled to Reno, Nevada, to visit the Regional Office and to attend the National Association of County Service Officers Leadership and Training Conference. Majority staff visited with the VA Regional Office Director as well as

staff members responsible for the Vocational Rehabilitation and Employment program. Majority also observed NACVSO training events and assisted in the installation of new officers.

Site Visit—Anchorage, AK

On July 6–9, 2006, majority staff traveled to Anchorage, Alaska, to visit the Regional Office, the Anchorage VA hospital and domiciliary, and attend the National Veterans Wheelchair Games. Majority staff held an oversight meeting with VA regional office staff responsible for Vocational Rehabilitation and Employment and conducted a site visit to a VA shelter for homeless veterans. This visit confirmed the value of the National Wheelchair Games the homeless shelter and the crafts workshop sponsored by the homeless shelter.

Site Visit—Orlando, FL

On July 21, 2006, majority staff traveled to Orlando, Florida, to attend the DoD Worldwide Education Professional Certification and Training Advisory Committee meeting. Majority staff attended break-out workshops on DoD's management of service members' education programs and participated in the question and answer panel with attendees.

Site Visits—Air Force and Army bases in Germany

On August 15–19, 2006, majority and minority staff traveled to Germany to visit Ramstein Air Force Base, Spangdahlem Air Force Base, and Landstuhl Army Medical Center to observe overseas transition assistance services offered to separating servicemembers. Staff spoke with personnel in charge of the services as well as those who were attending the Transition Assistance Program classes.

Joint Hearing on the Montgomery G.I. Bill for members of the Selected Reserve with the Subcommittee on Military Personnel of the Committee on Armed Services

On September 27, 2006, the Subcommittee on Economic Opportunity of the Committee on Veterans' Affairs and the Subcommittee on Military Personnel of the Committee on Armed Services conducted a joint hearing on the Montgomery G.I. Bill for members of the Selected Reserve (MGIB–SR). The Subcommittees heard testimony on the perspective of the Departments of Defense (DoD) and Veterans Affairs (VA) about the purpose, effectiveness, cost, benefit levels, and utilization of active duty and reserve G.I. Bills. The Subcommittee also gathered information about the issues of importance to the Congress as it considers potential legislative improvements to the MGIB–SR and the REAP and proposals to integrate those programs into a Total Force G.I. Bill.

The Honorable Michael Dominguez, Principle Deputy Under Secretary of Defense for Personnel and Readiness, testified that the MGIB–SR educational benefit has been an enormous retention tool. He further stated that DoD has not identified any significant shortcomings in the structure and utility of the MGIB–SR program. Until the joint task force completes its report and presents its findings to the DoD and Department of Veterans Affairs leadership, it is premature for DoD to take a position on any changes to the programs.

Retired Navy Vice Admiral Norbert Ryan, Jr., testifying on behalf of the Partnership for Veterans Education, suggested that Congress expand the benefits for the Selected Reserve and address the benefits gap between the active duty and Reserve program. *See The Montgomery G.I. Bill for Members of the Selected Reserve—Serial No. 109–65 and House Armed Services Committee Serial No. 109–85.*

Oversight Hearing to review the Departments of Veterans Affairs, Labor, and Defense actions regarding the recommendations of the 1999 Congressional Commission on Servicemembers and Veterans Transition Assistance report

On Thursday, December 7, 2006, the Subcommittee held an oversight hearing to review the Departments of Veterans Affairs, Labor, and Defense's actions regarding the recommendations of the 1999 Congressional Commission on Servicemembers and Veterans Transition Assistance Report.

In January, 1999, the Commission of Servicemembers and Veterans Transition Assistance (Transition Commission), chaired by former VA Secretary Anthony J. Principi, submitted its findings to the Congress containing over 100 recommendations. These recommendations addressed the complete spectrum of programs designed to improve the military-to-civilian transition process administered by the Departments of Veterans Affairs, Labor, and Defense. Some recommendations required legislation, some required policy changes within the Departments. The report's recommendations addressed 5 categories: education, employment and training, healthcare, economic equity, and organizational structure.

The Subcommittee considered many of the Transition Commission's recommendations still relevant. Therefore, the Report's focus on placing veterans in a position to successfully transition and obtain meaningful employment matches the goals of the Subcommittee.

During the hearing each of the Departments provided short summaries outlining their efforts regarding each of the Transition Commission's recommendations within their jurisdiction. Additionally, the Subcommittee heard the Departments' views on how the transition process can be strengthened in the future, including possible opportunities for interagency cooperation.

Former VA Secretary Principi provided a retrospective on the program looking back on what has been done and what opportunities still exist for the future. *See The Department of Veterans Affairs' Actions Regarding the Recommendations of the 1999 Transition Commission Report—Serial No. 109–68.*

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

LEGISLATIVE ACTIVITIES

First Session

Subcommittee Markup of H.R. 2988, the Veterans Medical Care Revenue Enhancement Act of 2005

On June 21, 2005, the Subcommittee met and marked up H.R. 2988, the Veterans Medical Care Revenue Enhancement Act of 2005. The bill was favorably reported to the full Committee by voice vote.

On June 23, 2005, the full Committee met and marked up H.R. 2988, and the text was incorporated into H.R. 1220, Section 5. The Committee favorably reported H.R. 1220, as amended (see H. Rpt. 109–162).

On July 13, 2005, the House passed H.R. 1220, as amended, by voice vote.

Second Session

There were no legislative activities during the second session of Congress.

OVERSIGHT ACTIVITIES

First Session

Congressional Delegation—Iwo Jima, Guam, and Hawaii

On March 10–March 15, 2005, majority and minority staff accompanied Ranking Member Lane Evans, the Honorable Darrell Issa, and Delegate Madeleine Bordallo to join the official 60th Commemoration of the Battle of Iwo Jima, to visit veterans' facilities, and to meet with veterans' representatives in Guam. The island of Iwo Jima belongs to Japan and hosts a small military airfield. There are no indigenous residents of the island.

Site Visit—Tampa, FL

On March 30 and April 1, 2005, Chairman Michael Bilirakis and majority staff conducted a site visit at the New Port Richey Outpatient Clinic and James A. Haley Veterans' Hospital. The purpose of the visit was to receive an update on its Medical Care Collections Fund program, part-time physicians' time and attendance, Nursing Magnet program, and visit the Spinal Cord Injury Unit. At the Port Richey Clinic, staff learned that the clinic scans all proof of other health insurance (OHI) cards for insurance verification; 49 percent of veterans served had other insurance. Parking was a major problem for the Port Richey Clinic; however, the clinic was working to address the problem.

The delegation toured the James A. Haley VA Medical Center in Tampa, Florida. The Haley VAMC is one of four polytrauma centers in the nation. The delegation received a briefing on Outpatient/Inpatient Outreach Team work that is conducted at the hospital. One of the key components of the outpatient outreach program is stress management. For inpatients, the Haley House is a program operated by the local PVA and DAV to provide support services to family members accompanying injured service members.

Site Visit—Walter Reed Army Medical Center

On April 19, 2005, Chairman Bilirakis and Subcommittee staff conducted a site visit to Walter Reed Army Medical Center (WRAMC) in Washington, DC.

This trip was based on concerns raised by Chairman Bilirakis regarding the delayed transfer of polytrauma patients due to pending MEB/PEB disability processing and the lack of Traumatic Brain Injury (TBI) rehab. WRAMC instituted a new policy that allowed transfer of TBI and Spinal Cord Injury (SCI) patients to the VA for TBI rehabilitation while awaiting medical discharge. WRAMC has relied on VA for TBI and SCI rehabilitation services. WRAMC co-

ordinates with VA through a VA social worker assigned by VHA and a benefits counselor assigned by VBA.

Site Visit—National Navy Medical Center

On April 22, 2005, Subcommittee staff conducted a site visit to the National Navy Medical Center (NNMC) in Bethesda, MD.

This visit was held in coordination with the trip to WRAMC to review Seamless Transition of servicemembers between the Department of Defense (DOD) and Department of Veterans Affairs (VA). Returning injured servicemembers from OIF and OEF are routed through WRAMC and NNMC and then transported to VA facilities. The site visit also reviewed the exchange of medical information between DOD and VA.

Oversight hearing on efforts between the Department of Veterans Affairs and the Department of Defense for a "seamless transition" from active duty to veterans' status

On May 19, 2005, the Subcommittee held an oversight hearing regarding the Department of Veterans Affairs' and the Department of Defense's efforts to assist military personnel making a "seamless transition" from active duty to veterans' status. The hearing focused on the timely transfer of service members from military hospitals to VA medical centers, a review of the Benefits Delivery at Discharge program, and service specific initiatives.

Testimony received on the challenges and initiatives in obtaining a "seamless transition" from active duty to veterans' status. Systemic problems were identified in the ability to obtain the medical information necessary from DOD to aid veterans pursuing VA benefits. Testimony from witnesses at the hearing stated that while efforts have been made to ease the transition of service members from DOD to VA, more needs to be done. *See Department of Defense and Department of Veterans Affairs Seamless Transition from Active Duty to Veterans Status—Serial No. 109–9.*

Roundtable discussion on VA–DOD seamless, bi-directional, and interoperable exchange of electronic medical information

On July 14, 2005, the Subcommittee held a roundtable discussion to review VA and DOD progress towards achieving a seamless, bi-directional, and interoperable exchange of electronic health information for use by health care providers. Serving as an open forum for the participants, the roundtable sought to address problems identified between the Departments at the May 19, 2005 hearing on seamless transition.

Participants included representatives from the U.S. Department of Health and Human Services (HHS), VA, DOD, and technology corporations from the private sector. HHS shared that the provisions of the Health Insurance Portability and Accountability Act should not be an impediment to the transfer of medical information between DOD and VA. Technology corporations presented to the Subcommittee the technologies that are available for electronic medical records and sharing information.

Site Visit—Fort Bragg and Camp Lejeune, NC

On July 18–19, 2005, majority and minority staff visited Fort Bragg and Camp Lejeune in North Carolina to review benefits delivery at discharge and Army and Navy medical facilities treating

post-traumatic stress disorder (PTSD). The trip focused on efforts toward a seamless transition of active duty service members from the Army, Navy, and Marine Corps to veteran status.

Site visit—Polytrauma Rehabilitation Center, Minneapolis, MN

On August 2, 2005, Chairman Steve Buyer, Honorable John Kline, and majority staff inspected the care provided to veterans of Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) recovering from combat wounds at the VA Polytrauma Rehabilitation Center (PRC) in Minneapolis, Minnesota. During their visit to the center, which is part of the Minneapolis VA Medical Center, they spoke with staff and patients. The center is one of VA's four regional PRCs. It provides rehabilitation care for veterans returning from combat with severe injuries that may include traumatic brain injuries, amputations, wounds, blindness, hearing disorders, complex orthopedic injuries, and mental health concerns.

Site Visit—Palo Alto, CA

On August 9–11, 2005, majority staff visited the Department of Veterans Affairs polytrauma center in Palo Alto, California, and the National Center for Post Traumatic Stress Disorder in Menlo Park, CA.

As of July 2005, the Palo Alto VAMC had treated 405 Operation Enduring Freedom/Operation Iraqi Freedom (OEF/OIF) patients, as either inpatients or outpatients. Specifically, the facility had treated 58 in the traumatic brain injury (TBI) clinic, two in the spinal cord injury center (SCI) and 14 in the PTSD clinic. The National Center for PTSD administers both inpatient and outpatient programs to veterans diagnosed with PTSD. In addition, the Palo Alto facility is designated as the lead clinic, providing care to active duty personnel referred by a military treatment facility (MTF). A VA Hospital, a Vet Center, or a Military Treatment Facility (MTF) must refer all patients receiving care at the NC PTSD.

At the time of the trip, the facility had received patients from Walter Reed Army Medical Center (WRAMC), Washington, DC, the National Naval Medical Center (NNMC), Bethesda, MD, and the Naval Hospital Camp Pendleton, CA. Also reviewing seamless transition, staff met with the Veterans Benefits Administration (VBA) official at the facility. The VBA official indicated that VA has sufficient medical data to assign a rating for VA disability compensation and pension once the patient is discharged from active duty. On average, the VBA indicated that veterans are awarded their rating within 30 days of separation. Staff also discussed MCCF and findings from the 2003 IG CAP report with the Palo Alto VAMC.

Site Visit—Richmond, VA, VA Medical Center

On November 15, 2005, majority and minority staff from the Subcommittee on Oversight and Investigations traveled to the Richmond VA VAMC to conduct a no-notice inspection of the facility. Following the inspection of the facility, staff met with the VAMC Director. Findings were unremarkable.

Site Visit—VA Medical Centers, PA and OH

On December 7–10, 2005, the minority staff traveled to six VA Medical Centers, five of which were on a no-notice basis for the purpose of reviewing the physical facilities, meeting with employ-

ees to discuss their working relationships with management and discussing anticipated changes to information technology management with senior VAMC leaders. Best practices of the VAMCs were also discussed. On December 7th, a no-notice, late afternoon visit to the Altoona, PA, VAMC was completed. On December 8th, the Minority Staff Director conducted no-notice visits of the two Pittsburgh, PA based VAMCs, University Park and Highland Drive. Discussions centered on accommodating the new parking garage construction at University Park and on building disposition at the Highland Drive facility. University Park evidences great cooperation with the affiliated University of Pittsburgh School of Medicine, and the liver transplant program is world class. The Butler, PA, VAMC was also visited on a no-notice basis. On December 9th, 2005 the Minority Staff Director visited the Stokes VA Medical Center in Cleveland, OH for a "walk through" of the facility. This was followed with a visit to the VAMC at Brecksville, OH for a "walk through" of the facility and a planned meeting with VA information technology and contracting personnel and Contractor personnel to discuss the Patient Financial Services System. At all six VAMCs, management of VA information technology systems was a key topic.

Oversight hearing on VA's flu vaccination program

On December 15, 2005, the Subcommittee held a hearing on VA's flu vaccination program and preparation for a pandemic flu epidemic. The purpose of this hearing was to learn more about VA's efforts in planning, budgeting and administering its annual flu vaccination program, as well as VA's current immunization efforts, including shortages of vaccination, if any, reported cases, and surveillance efforts to date. Additionally, this hearing reviewed interagency coordination and collaboration and VA's role in the event of an avian flu pandemic.

VA testified on their annual flu plan and the preparedness plan for a possible avian flu pandemic that is based off the annual plan. For the 2005–2006 flu season, VA spent $18.4 million for 2.24 million doses of the flu vaccination. The Centers for Disease Control and Prevention (CDC) testified that seasonal flu could cause an average of 36,000 deaths and more than 200,000 hospitalizations in the United States. A pandemic influenza could cause major economic impacts on the United States and would require strong interagency coordination and collaboration. *See The Department of Veterans Affairs' Flu Vaccination Program—Serial No. 109–29.*

Second Session

Site Visit—Nebraska

On January 5–6, 2006, majority and minority staff from the Subcommittee on Oversight and Investigations and the Subcommittee on Economic Opportunity traveled to Nebraska to review the Transition Assistance Program (TAP) at Offutt Air Force Base and the VETSNET demonstration at the Regional Office in Lincoln, NE.

Site Visit—Denver, CO

On January 23–25, 2006, minority staff visited the Health Administration Center (HAC) in Denver for the purpose of following up on the concerns of several individuals with regard to contracting and personnel practices of the organization. Many HAC personnel

records were reviewed by the Minority Staff Director, who also met on site with representatives from the VA Office of the Inspector General to review contracting practices. Additionally, the VA's participation in the University of Colorado's Fitzsimons Project was reviewed in detail.

Site Visit—San Diego, CA and El Paso, TX

On February 21–24, 2006, majority staff traveled to California to visit the VA Health Care System San Diego and Balboa Naval Medical Center. Staff also traveled to El Paso, Texas to visit the VA Health Care System El Paso and William Beaumont Army Medical Center. The purpose of this trip was to evaluate seamless transition and use of electronic medical records between DOD and VA.

Site Visit—Baltimore, MD

On February 26–March 2, 2006, minority staff attended the Office of Personnel (OPM) Conference at the Convention Center in Baltimore, MD. The purpose of this visit was to review OPM policy with regard to veterans seeking federal employment, enforcement of that policy, and the impact of alternative personnel systems on statutory veterans' preference.

Site Visit—Clearwater, FL

On February 27–28, 2006, subcommittee staff traveled to the 6th Annual Safe Patient Handling and Movement Conference jointly provided by the VISN 8 Patient Center of Inquiry, the University of South Florida College of Nursing, the American Nurses Association, the National Institute for Occupational Safety and Health and the National Back Exchange of the UK. The purpose of this travel was to discuss "no lift" policies for nurses, and how this policy affects patient safety, employee safety, workers' compensation claims, and nurse retention.

Oversight hearing on VA's FY 2007 information technology budget

On March 2, 2006, the Subcommittee held a hearing on VA's FY 2007 Information Technology (IT) Budget and the priority IT projects and programs for FY 2006.

VA testified on the IT Realignment initiative, a move toward a more effective IT infrastructure that fulfills VA's mission to provide for the health and well-being of the nation's veterans. Secretary Mansfield reiterated the VA commitment to the reorganization of the IT infrastructure. The President's 2007 budget for VA requested $1.257 billion for the non-payroll costs associated with IT projects across the department. *See The Department of Veterans Affairs Budget Request for FY 2007 Information Technology Budget—Serial No. 109–36.*

Subcommittee inquiry into VA's contracted Compensation and Pension exams

On April 27, 2006, Chairman Buyer requested that the Subcommittee conduct a bipartisan preliminary inquiry into the contracts VA awarded to QTC Management, Inc., and the role of former Secretary of Veterans Affairs Anthony J. Principi, in QTC and any of its contracts with VA. During the course of the inquiry, the Subcommittee interviewed 24 witnesses, including the former

Secretary and key VA employees and reviewed 85 documents relating to the QTC contracts and the former Secretary. As part of the inquiry, the VA's Office of Inspector General conducted a technical review of the QTC contracts awarded on February 23, 1998 and May 1, 2003. The bipartisan preliminary inquiry by the Subcommittee did not find evidence of conflict of interest or improper influence by the former Secretary in VA's contracts with QTC for compensation and pension medical examinations. However, the inquiry revealed serious flaws in the management of VA's contracting process.

Oversight Hearing on recent patient safety issues at VA medical centers

On Thursday, June 15, 2006, the Subcommittee held a hearing to review patient safety at VA medical centers, and safety of medical devices involved in incidents at two VA medical centers.

Testimony from VA focused on VA initiatives to monitor patient safety and the quality of care at VA medical centers. Testimony also discussed recent incidents in Tampa, Florida, and Togus, Maine, on the safety of medical devices, where sterilization of these devices was questioned. Testimony from the Food and Drug Administration discussed regulatory policy on medical devices and illustrated how unclear package labeling and instructions contributed to patient safety errors. The Honorable Nathan Deal, Georgia, Chairman of the Subcommittee on Health for the Committee on Energy and Commerce, attended this hearing to help examine medical device labeling requirements. The Government Accountability Office testified on recommendations relating to health care employment screening, regarding privileging, credentialing, and criminal background checks that have not been implemented VA-wide. *See VA's Oversight on Patient Safety—Serial No. 109–52.*

Staff Site Visit—Indianapolis, IN

On July 5–6, 2006, the majority staff made an unannounced visit to the Indianapolis Regional Counsel's office. During the site visit, it was observed that the room containing backup tapes should be locked. Chairman Buyer and the Subcommittee Staff Director also conferred with Dr. Eugene Spafford, Professor of Computer Science and Executive Director, Center for Education and Research in Information Assurance and Security at Purdue University.

Staff Visit—Salt Lake City, UT and Reno, NV

On August 27–30, 2006, minority staff visited two veteran service organization conventions. On August 27–28, he visited the American Legion Convention in Salt Lake City, UT for the purpose of soliciting grassroots perspectives regarding veterans' issues and for the purpose of speaking before the American Legion's Legislative Committee. He was joined by the Committee's Chief Counsel. The remainder of the visit was spent in Reno, NV meeting with veterans at the VFW convention and soliciting grassroots perspectives regarding veterans' issues.

Site Visit—Tampa, FL

On August 29–30, 2006, majority staff traveled to Tampa, Florida, to join Subcommittee Chairman Bilirakis on a follow-up visit to the James A. Haley VAMC. The purpose of this trip was to discuss Committee issues with medical center staff and assist in a

forum with Subcommittee Chairman Bilirakis and the Honorable Ginny Brown-Waite. Veterans' issues and updates on a number of actions at Haley were discussed with area veterans. Patient waiting times, the polytrauma center and spinal cord injury unit, patient safety, background and credentialing of hospital staff, nursing shortage and retention, PTSD, Medical Care Collections Fund (MCCF), data security and other current events at the Haley VAMC were discussed at the forum. A VBA representative from the St. Petersburg Regional Office was present to provide an update on claims processing times.

Site Visit—Richmond, VA

On October 13, 2006, majority and minority staff traveled to the Hunter Holmes McGuire VA Medical Center in Richmond, Virginia. The purpose of this visit was part of a systemic review of VA polytrauma centers. Staff met with the medical center staff and toured the facility, focusing on the polytrauma and spinal cord injury (SCI) units. Issues concerning PTSD, nurse staffing and retention, workers' compensation, VA weapons policy, scarce medical resource contracts, emergency preparedness, research activities and protection of human subjects were discussed. Staff also discussed the supply inventory and recommendations from the 2004 Inspector General Combined Assessment Program (CAP) review report. Medical center staff told the Committee staff that all of the issues found in the 2004 CAP report were closed.

SUMMARY OF VETERANS' AFFAIRS COMMITTEE ACTION
BILLS AND RESOLUTIONS REFERRED AND HEARINGS/EXECUTIVE SESSIONS CONDUCTED

	Congress																		
	91st	92d	93d	94th	95th	96th	97th	98th	99th	100th	101st	102d	103d	104th	105th	106th	107th	108th	109th
Bills and resolutions referred	740	693	839	719	709	339	273	229	198	147	194	215	174	128	134	146	194	253	239
Hearing Sessions	43	37	44	58	72	84	89	71	76	44	72	67	71	39	56	66	58	65	71
Meetings and markup sessions	27	21	16	30	26	19	18	16	20	16	26	20	23	19	18	13	14	16	18
Bills reported	34	26	[1] 14	23	32	11	16	15	17	14	33	21	25	15	15	10	14	22	10
Bills in House	1	4	1	.....	1	1	1	3	3	1	4	3	11	.....	.....	1	.....	.....	.....
Pending in Senate committees	9	7	2	[2] 9	17	3	6	6	8	9	23	7	11	10	1	1	10	7	11
Bills on Senate Calendar or in Senate	.....	.....	.....	.....	1	1	1	.....	1	3	1	3	3	.....	.....	1	.....	4	.....
Recommitted	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bills vetoed	.....	2	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bills passed over veto	.....	.....	1	.....	.....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Laws enacted	24	15	15	15	13	6	8	8	6	4	8	24	15	6	6	11	13	9	9

[1] The difference in number of bills reported (14) and number of laws enacted (15) is due to the fact that S. 3705 did not go to the House Committee. However, the subject matter was included in H.R. 12628.
[2] Includes H.R. 9576 subject matter of which was contained in S. 969, passed in lieu.

HEARINGS AND EXECUTIVE SESSIONS

All hearings and executive sessions of the Committee are held in the Committee hearing room, Room 334, Cannon House Office Building unless otherwise designated.

February 10, 2005. OPEN. 1:00 p.m. Full Committee. Meeting. Organizational and Oversight Plan.

February 16, 2005, OPEN. 10:00 a.m. Full Committee, Hearing. Department of Veterans Affairs Budget Request for FY 2006. (Serial No. 109–1)

February 17, 2005. OPEN. 10:00 a.m. Full Committee. Meeting To discuss Committee's views and estimates for the FY 2006 budget for submission to the Budget Committee.

March 8, 2005. OPEN. 2:00 p.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon 110B. The Legislative Priorities of the Disabled American Veterans.

March 9, 2005. OPEN. 10:00 am. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 216 Hart SOB. The Legislative Priorities of the Veterans of Foreign Wars.

March 10, 2005. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the Blinded Veterans Association, Non Commissioned Officers Association, Military Order of the Purple Heart, Paralyzed Veterans of America and Jewish War Veterans.

April 14, 2005. OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees. Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the Military Officers Association of America, National Association of State Directors of Veterans Affairs, AMVETS, American Ex-Prisoners of War and Vietnam Veterans of America.

April 20, 2005. OPEN. 10:00 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Oversight hearing on the National Cemetery Administration. (Serial No. 109–2)

April 20, 2005. OPEN. 2:00 p.m. Subcommittee on Economic Opportunity. Hearing. Oversight hearing on the Department of Veterans Affairs' Vocational Rehabilitation and Employment Program. (Serial No. 109–3)

April 21, 2005 OPEN. 10:00 a.m. House and Senate Veterans' Affairs Committees Joint Hearing. Room 345 Cannon HOB. The Legislative Priorities of the Fleet Reserve Association, Air Force Sergeants Association, The Retired Enlisted Association and Gold Star Wives.

May 4, 2005. OPEN. 2:00 p.m. Subcommittee on Economic Opportunity. Hearing. Legislative Hearing on H.R. 419, Hire Veterans Act of 2005, H.R. 2046, Servicemembers' Health Insurance Protection Act of 2005, and two draft bills. (Serial No. 109–6)

May 5, 2005. OPEN. 9:00 a.m. Subcommittee on Economic Opportunity. Markup. H.R. 2046, Servicemembers' Health Insurance Protection Act of 2005.

May 5, 2005. OPEN. 10:30 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Oversight hearing to review the operations of the Board of Veterans' Appeals (BVA) and the Appeals Management Center (AMC). (Serial No. 109–5)

May 11, 2005. OPEN. 11:00 a.m. Full Committee. Markup. H.R. 2046, Servicemembers' Health Insurance Protection Act of 2005.

May 12, 2005. OPEN. 2:00 p.m. Subcommittee on Economic Opportunity. Hearing. Oversight hearing on the U.S. Department of Labor, Veterans' Employment and Training Service (VETS). (Serial No. 109–7)

May 18, 2005. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Oversight hearing on the use and development of telemedicine technologies in the Department of Veterans Affairs (VA) health care system. (Serial No, 109–8)

May 19, 2005. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Oversight hearing regarding the Department of Veterans Affairs' and the Department of Defense's efforts to assist military personnel in making a "seamless transition" from active duty to veterans" status. (Serial No. 109–9)

May 24, 2005. OPEN. 10:00 a.m. Subcommittee on Workforce, Empowerment, and Govemment Programs, Committee on Small Business, and Subcommittee on Economic Opportunity, Committee on Veterans' Affairs. Hearing. Room 311 Cannon HOB. "How are our veteran-owned small business owners being served?" (HSBC Serial No. 109–17/HVAC Serial No. 109–4)

May 25, 2005. OPEN. 2:00 p.m. Subcommittee on Economic Opportunity. Hearing. Legislative hearing on H.R. 717, to expand the scope of programs of education for which accelerated payments of educational assistance under the Montgomery GI Bill may be used, and for other purposes; H.R. 745, the Veterans Self-Employment Act of 2005; and H.R. 1207, the Department of Veterans Affairs Work-Study Act of 2005. (Serial No. 109–10)

June 9, 2005. OPEN. 10:30 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Markup. H.R. 1220, Veterans' Compensation Cost-of-Living Adjustment Act of 2005.

June 16, 2005. OPEN. 1:00 p.m. Subcommittee on Disability Assistance and Memorial Affairs Hearing. Legislative hearing to consider draft legislation to amend the Servicemembers' Group Life Insurance (SGLI) program, the Traumatic Injury Protection provisions of Public Law 109–13, and H.R. 1618, the Wounded Warrior Servicemembers' Group Disability Insurance Act of 2005. (Serial No. 109–11)

June 21, 2005. OPEN. 2:00 p.m. Subcommittee on Oversight and Investigations. Markup. To consider H.R. 2988, the Veterans Medical Care Revenue Enhancement Act of 2005.

June 23, 2005. OPEN. 9:30 a.m. Full Committee. Markup. H.R. 1220, the Veterans' Compensation Cost-of-Living Adjustment Act of 2005.

June 23, 2005. OPEN. 10:00 a.m. Full Committee. Hearing. To examine the budget modeling and methodologies used by the Department of Veterans Affairs to develop and forecast veterans' health care costs and utilization projections for future years. (Serial No. 109–12)

June 29, 2005. OPEN. 2:00 p.m. Subcommittee on Economic Opportunity. Hearing. Oversight hearing on the Transition Assistance and Disabled Transition Assistance Programs (TAP/DTAP). (Serial No. 109–17)

June 30, 2005. OPEN. 10:00 a.m. Full Committee. Hearing. Oversight hearing on the Department of Veterans Affairs' necessity to reprogram SI billion to the medical services account in Fiscal Year 2005 and its implication for Fiscal Year 2006. (Serial No. 109–16)

July 13, 2005. OPEN. 10:30 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Markup. Markup of H.R, 3200, the Servicemembers' Group Life Insurance Enhancement Act of 2005.

July 14, 2005. OPEN. 1:00 p.m. Full Committee. Markup. H.R. 3200, the Servicemembers' Group Life Insurance Enhancement Act of 2005, and H. Res. 361, a resolution recognizing the 75th anniversary of the establishment of the Veterans Administration on July 21, 1930.

July 21, 2005. OPEN. 2:00 p.m. Full Committee. Hearing. Oversight hearing on the amendment the Administration submitted to Congress for the Department of Veterans Affairs (VA) FY 2006 budget, requesting $1.977 billion for higher-than-expected veterans' health care needs. (Serial No, 109–18)

July 27, 2005. OPEN. 10:00 a.m. Full Committee. Hearing. Oversight hearing on the Department of Defense and Department of Veterans Affairs: The Continuum of Care for Post Traumatic Stress Disorder. (Serial No. 109–19)

July 27, 2005. OPEN. 2:00 p.m. Subcommittee on Economic Opportunity. Markup. H.R. 419, the Hire Veterans Act of 2005, and H.R. 3279, to amend title 38, U.S. Code, to reauthorize the Homeless Veterans Reintegration Program for FY 2007 and FY 2008.

July 27, 2005. OPEN. 2:30 p.m. Subcommittee on Economic Opportunity Hearing. Legislative hearing on several bills and draft bills regarding matters under its jurisdiction. (Serial No. 109–20)

August 22, 2005. OPEN. 9:00 a.m. Subcommittee on Health Field Hearing. Rangley Hall, Eastern Maine Community College. Bangor, Maine. Oversight Hearing on Rural Veterans' Access to Primary Care: Successes and Challenges. (Serial No. 109–21)

September 8, 2005. OPEN. 3:30 p.m. Subcommittee on Economic Opportunity. Markup. Pending Legislation.

September 14, 2005. OPEN. 10:00 a.m. Full Committee. Hearing. Oversight hearing regarding the Department of Veterans Affairs' (VA) information technology infrastructure reorganization, and proposed legislation to enhance the role of the Chief Information Officer (CIO). (Serial No. 109–22)

September 19, 2005. OPEN. 10:00 a.m. Subcommittee on Economic Opportunity Field Hearing. Pease Air National Guard Base, New Hampshire. Oversight hearing on transition assistance for members of the National Guard. (Serial No. 109–23)

September 20, 2005. OPEN. 10:00 a.m. House and Senate Committees on Veterans' Affairs. Joint Hearing. Room 345 Cannon House Office Building. Annual legislative presentation of The American Legion.

September 26, 2005. OPEN. 9:00 a.m. Subcommittee on Health. Field Hearing. Solomon Conference Room, Thurmond Gazes Research Building Medical University of South Carolina, Charleston, South Carolina. Oversight hearing on a formalized agreement between the Department of Veterans Affairs and the Medical Univer-

sity of South Carolina on shared facilities and resources. (Serial No. 109–24)

September 28, 2005. OPEN. 10:00 a.m. Full Committee. Hearing. Oversight hearing regarding the status of seamless transition between the Department of Defense and the Department of Veterans Affairs. (Serial No. 109–25)

October 20, 2005. OPEN. 10:30 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Oversight hearing on State-by-State variances of claims decisions. (Serial No. 109–26)

October 20, 2005. OPEN. 2:00 p.m. Full Committee. Markup. H.R. 3665, the Veterans Housing Improvement Act of 2005, H.R. 1691, Designating the Department of Veterans Affairs outpatient clinic in Appleton, Wisconsin, as the "John H. Bradley Department of Veterans Affairs Outpatient Clinic," and H.R. 4061, The Department of Veterans Affairs Information Technology Management Improvement Act of 2005.

November 3, 2005. OPEN. 2:00 p.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Budget Methodologies for Veterans' Benefits Administration Compensation and Pension Programs. (Serial No. 109–27)

December 7, 2005. OPEN. 10:30 a.m., Full Committee. Hearing. Oversight hearing on the challenges and opportunities facing disability claims process at the Veterans Benefits Administration. (Serial No. 109–28)

December 15, 2005. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Oversight hearing on the Department of Veterans Affairs' annual flu vaccination program and its preparedness in the event of an avian flu pandemic. (Serial No. 109–29)

February 8, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. The Department of Veterans Affairs Budget Request for FY 2007. (Serial No. 109–30)

February 14, 2006. OPEN. 10:00 a.m. Subcommittee on Economic Opportunity Hearing. Department of Veterans Affairs Budget Request for FY 2007 for the Education, Vocational Rehabilitation, and Loan Guaranty Programs. (Serial No. 109–31)

February 14, 2006. OPEN. 2:00 p.m. Subcommittee on Health. Hearing. Department of Veterans Affairs Budget Request for FY 2007 for the Veterans Health Administration (VHA). (Serial No. 109–32)

February 15, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Presentation of annual legislative agenda, views, and priorities for the following Veterans Service Organizations: Disabled American Veterans, Veterans of Foreign Wars, AMVETS, The American Legion, Jewish War Veterans, Blinded Veterans Association, Non Commissioned Officers Association, Military Order of the Purple Heart, and Paralyzed Veterans of America. (Serial No. 109–33)

February 16, 2006. OPEN 10:30 a.m. Full Committee. Hearing. Presentation of annual legislative agenda, views, and priorities for the following Veterans Service Organizations: Gold Star Wives, Fleet Reserve Association, Air Force Sergeants Association, The Retired Enlisted Association, The Military Officers Association of America, The Vietnam Veterans of America, Association for Service Disabled Veterans, National Association of State Directors of Vet-

erans Affairs, American Ex-Prisoners of War and National Association of County Veterans Service Officers. (Serial No. 109–34)

February 16, 2006. OPEN. 2:00 p.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. The Department of Veterans Affairs FY 2007 Budget Request for the Compensation and Pension Business Lines. (Serial No. 109–35)

February 16, 2006. OPEN. 3:00 p.m. Full Committee. Meeting. Business meeting to discuss the Committee's views and estimates for the FY 2007 budget.

March 2, 2006. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. The Department of Veterans Affairs Budget Request for FY 2007 IT budget (Serial No. 109–36)

March 8, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Department of Veterans Affairs Collaboration Opportunities with Affiliated Medical Institutions and the Department of Defense. (Serial No. 109–37)

March 9, 2006. OPEN. 10:00 a.m. Subcommittee on Economic Opportunity. Hearing. Oversight hearing on the VA's Vocational Rehabilitation and Employment Service (VR&E) contract services and its coordination with the Department of Labor's Veterans' Employment and Training Service (VETS). (Serial No. 109–38)

March 15, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Oversight hearing on the Modernization of the GI Bill. (Serial No. 109–39)

March 16, 2006. OPEN. 2:00 p.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. The accuracy of benefits information provided to, and the quality of service received by, individuals calling into the Veterans Benefits Administration (VBA). (Serial No. 109–40)

March 22, 2006. OPEN. 10:00 a.m. Subcommittee on Economic Opportunity. Hearing. Field Hearing. National Guard Armory, Rogers, AR. Oversight hearing on transition assistance for members of the National Guard and education benefits for the total military force. (Serial No. 109–41)

March 29, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Oversight hearing on Enhanced Access to the Department of Veterans Affairs Health Care, (Serial No. 109–42)

March 30, 2006. OPEN. 1:30 p.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Oversight hearing on Arlington National Cemetery and the American Battle Monuments Commission. (Serial No. 109–43)

April 6, 2006. OPEN. 1:30 p.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Legislative hearing on H.R. 23, H.R. 601, H.R. 2188, H.R. 5037, and H.R. 5038. (Serial No. 109–44)

April 26, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Over-sight hearing on Corporate Commitment to Hiring Veterans. (Serial No. 109–45)

April 27, 2006. OPEN 1:30 p.m. Subcommittee on Economic Opportunity. Hearing. Legislative hearing on H.R. 4791, three draft bills, and a proposed amendment to H.R. 3082. (Serial No. 109–46)

May 10, 2006. OPEN. 2:30 p.m. Subcommittee on Economic Opportunity. Markup. Markup on H.R. 3082 and H.R. 5220. Amend-

ments in the nature of a substitute offered for both bills. (Serial No. 109–47)

May 11, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Oversight hearing on Right-sizing the Department of Veterans Affairs Infrastructure and the Department's pending major medical facility project and lease authorization requests. (Serial No. 109–47)

May 25, 2006. OPEN. 9:00 a.m. Full Committee. Hearing. The Failure of VA's Information Management. (Serial No. 109–48)

June 7, 2006. OPEN. 12:30 p.m. Full Committee. Hearing. Department of Veterans Affairs Research—From Bench to Bedside. (Serial No. 109–49)

June 8, 2006. OPEN. 10:00 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Oversight hearing on the Veterans Benefits Administration's fiduciary program, including implementation of Title V of Public Law 108–454. (Serial No. 109–50)

June 8, 2006. OPEN. 11:30 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Markup. H.R. 601, H.R. 4843, and H.R. 5038.

June 14, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Continued oversight on the Failure of VA's Information Security Management. (Serial No. 109–51)

June 15, 2006. OPEN. 10:00 a.m. Subcommittee on Oversight and Investigations. Hearing. Oversight hearing on VA's Oversight on Patient Safety. (Serial No. 109–52)

June 19, 2006. OPEN. 9:30 a.m. Subcommittee on Economic Opportunity. Field Hearing. 29 Operation Support Squadron Auditorium, 1956 Scott Drive, Ellsworth AFB, SD 57706. Oversight hearing on transition assistance for members of active duty, Reserve, and National Guard servicemembers and education benefits for the total military force. (Serial No. 109–53)

June 20, 2006. OPEN. 10:00 a.m. Subcommittee on Disability Assistance and Memorial Affairs and Subcommittee on Economic Opportunity. Joint Hearing. Oversight hearing on Veterans Benefits Administration and Data Protection. (Serial No. 109–54)

June 21, 2006. OPEN. 10:00 a.m. Subcommittee on Health. Oversight hearing on Safeguarding veterans' medical information within the Veterans Health Administration (VHA). (Serial No. 109–55)

June 22, 2006. OPEN. 10:15 a.m. Full Committee. Markup. Markup of H.R. 4843, the Veterans' Compensation Cost-of-Living Adjustment Act of 2006.

June 22, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Oversight hearing on the legal aspects relating to compensation of veterans affected by the theft of data from a VA employee's home. (Serial No. 109–56)

June 27, 2006. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Oversight hearing to examine the Department of Veterans Affairs' efforts to provide high quality health care to veterans in rural communities. (Serial No. 109–57)

June 28, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Oversight hearing on the Department of Veterans Affairs' Information Technology Management. (Serial No. 109–58)

June 29, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Continued oversight on the loss of data due to the theft at a VA employee's home. (Serial No. 109–59)

July 13, 2006. OPEN. 10:30 a.m. Full Committee. Markup. Markup on H.R. 3082, The Veterans Small Business and Employment Promotion Act of 2006.

July 18, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Legislative hearing on Veterans Identity and Credit Protection Legislation. (Serial No. 109–60)

July 19, 2006. OPEN. 2:30 p.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Oversight hearing on the role of national and county service officers in claims development. (Serial No. 109–61)

July 20, 2006. OPEN. 10:30 a.m. Full Committee. Markup. Markup on H. Con. Res. 125, H. Con. Res. 347, H.R. 5815, and H.R. 5835.

September 13, 2006. OPEN. 2:30 p.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Training and performance standards for VBA claims adjudicators. (Serial No. 109–62)

September 20, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Hearing I to receive a look behind, and a look forward from the major Veterans Service Organizations in preparation for budget consideration. (Serial No. 109–63)

September 21, 2006. OPEN. 10:30 a.m. Full Committee. Hearing. Hearing II to receive a look behind, and a look forward from the major Veterans Service Organizations in preparation for budget consideration. (Serial No. 109–64)

September 27, 2006. OPEN. 10:00 a.m. 2118 Rayburn House Office Building. Joint Hearing. Subcommittee on Economic Opportunity and Military Personnel Subcommittee of the House Armed Services Committee. Joint hearing on the Montgomery G.I. Bill for Members of the Selected Reserve. (HASC Serial No. 109–85/HVAC Serial No. 109–65)

September 27, 2006. OPEN. 10:30 a.m. Subcommittee on Disability Assistance and Memorial Affairs. Hearing. Oversight hearing on the VBA Pension Program. (Serial No. 109–66)

September 28, 2006. OPEN. 10:00 a.m. Subcommittee on Health. Hearing. Oversight hearing on Post-Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury. Emerging trends in force and veteran health. (Serial No. 109–67)

December 7, 2006. OPEN. 2:00 p.m. Subcommittee on Economic Opportunity. Hearing. Oversight hearing to review Departments' actions regarding the recommendations of the 1999 Transition Commission Report. (Serial No. 109–68)

COMMITTEE WEB SITE

www.veterans.house.gov

The Committee on Veterans' Affairs operates, maintains, and updates a web site (veterans.house.gov) containing comprehensive and timely information on Committee activities, federal actions, and other news of interest to veterans. The web site contains thousands of pages of information, organized into nine sections: About

the Committee; About the Chairman; Committee News; Committee Hearings; Committee Documents; Veterans' Legislation; VA Benefits; VA Health Care; and Veterans Links. The web site continues to be a resource for the veteran community for news and information relating to benefits and programs.

OVERSIGHT PLAN FOR 109TH CONGRESS

In accordance with clause 2(d)(1) of Rule X of the House of Representatives, the Committee on Veterans' Affairs on February 10, 2005, adopted its oversight plan for the 109th Congress. This oversight plan is directed at those matters most in need of oversight within the next two years. The Committee is cognizant of the requirement adopted for the 109th Congress that oversight plans "have a view toward insuring against duplication of Federal programs." The Committee will consult as necessary with other House Committees having jurisdiction over the same or related laws affecting veterans.

Oversight will be accomplished through committee and subcommittee hearings, field and site visits by Members and staff, and meetings and correspondence with interested parties. Methods of oversight will include existing and requested reports, studies, estimates, investigations and audits by the Congressional Research Service, the Congressional Budget Office, the Government Accountability Office, and the Offices of the Inspectors General of the Departments of Veterans Affairs and Labor.

The Committee will seek the views of veterans' service organizations, military associations, other interest groups and private citizens. The Committee also welcomes communications from any individuals and organizations desiring to bring matters to its attention. While this oversight plan describes the foreseeable areas in which the Committee expects to conduct oversight during the 109th Congress, the Committee and its subcommittees will undertake additional oversight activities as the need arises.

The full Committee may at the discretion of the Chairman after consultation with the Ranking Minority Member conduct any of the oversight activities planned by the subcommittees.

SUBCOMMITTEE ON DISABILITY ASSISTANCE AND MEMORIAL AFFAIRS

1. **Consistency Among Claims Decisions.** The Committee is concerned about evidence of inconsistencies among VA's regional offices when making an initial decision on whether to award disability benefits and the rating assigned to similar disabilities. As GAO reported in August 2002 and November 2004, VA has not systematically assessed the consistency of regional offices' ratings of impairments. In December 2004, the VA Inspector General began a review of inconsistencies in the rating assigned to disability claims. Following the results of that assessment, the Committee intends to examine the measures VA is taking to assess and measure consistency and to assure that disability decision-making is consistent among all 57 regional offices.

2. **Training of Claims Adjudicators.** The Committee plans oversight of the training standards of claims adjudicators, to include how changes in law and regulation are transmitted to the field and disseminated to regional staff, how quality assurance is maintained, and the implementation of VA's new pilot authority under Public Law 108–454 to create structured on-job training for claims adjudicators under VA educational assistance programs.

3. **Nonservice-Connected Pension Program.** The VA pension program provides financial assistance to more than 340,000 low-in-

come veterans. Benefits under the pension program provide assistance to veterans who are totally and permanently disabled, but whose disability is not service-connected. Veterans who are age 65 or older may qualify for a VA pension based upon age. To be eligible, veterans must have at least 90 days of military service, including at least one day of wartime service. The Committee will examine the administration of these programs.

4. **Review of Board of Veterans' Appeals and Appeals Management Center.** The Board of Veterans' Appeals reviews benefit claims determinations made by local VA regional offices, and issues decisions on appeals. In FY 2004, the Board decided 38,371 appeals and remanded 56.8 percent for additional action. In order to handle the large number of remands, the Veterans Benefits Administration established an Appeals Management Center. The Committee will review the operations of the Board of Veterans' Appeals and the Appeals Management Center through briefings and hearings.

5. **Veterans' Disability Benefits Commission.** Public Law 108–136 established the Veterans' Disability Benefits Commission. The commission will examine and make recommendations concerning, among other things, the appropriateness of the level of benefits and the appropriate standard or standards for determining whether a disability or death of a veteran should be compensated. The Committee will review the recommendations of the Commission through briefings and hearings.

6. **Maintenance, Appearance, and Upkeep of National Cemeteries.** Many VA national cemeteries, both open and closed, are in a deplorable state of disrepair. A 2002 Logistics Management Institute study of improvements to veterans' cemeteries (entitled "National Shrine Commitment") identified 928 full-scale cemetery restoration and repair projects. The Committee will examine the immediate and long-term needs of the national cemetery system.

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

1. **Jobs and Business Opportunities for Servicemembers and Veterans.** The Committee plans to conduct hearings to highlight servicemembers and veterans as a desirable business asset, with a focus on recently separated servicemembers returning from Iraq and Afghanistan. The Committee will also examine the results of the President's National Hire Veterans Committee, created by Public Law 107–288.

2. **Department of Labor Job Training and Transition Services.** Public Law 107–288, the Jobs for Veterans Act, improved and modernized the Department of Labor's veterans' employment and training services, including providing veterans "first-in-line" priority in all DOL funded employment and training programs. Public Law 108–183 requires DOL to furnish pre-separation job placement services to servicemembers serving overseas. The Committee will examine the effectiveness of each of these programs.

3. **Department of Labor Disabled Veterans Outreach Program Specialist and Local Veterans Employment Representative Programs.** The Department of Labor funds state employment service positions, Department of Labor Disabled Veterans Outreach Program (DVOP) specialists and Local Veterans Employ-

ment Representatives (LVERs). These positions are responsible for identifying employment opportunities for veterans and job placement. The Subcommittee will evaluate the results obtained by DVOPs and LVERs and program coordination with other government and non-governmental agencies tasked with ensuring veterans achieve and maintain gainful employment.

4. **State Approving Agencies.** Veterans may only receive GI Bill benefits while attending a VA-approved course of instruction. VA contracts with state education agencies to approve and monitor education and training programs to ensure they meet the needs of veterans. The state agencies also provide local resources to investigate alleged violations of VA education regulations as well as a wide range of oversight functions on behalf of VA. The Subcommittee will assess the performance of the State Approving Agencies.

5. **Vocational Rehabilitation and Employment.** VA's Vocational Rehabilitation and Employment (VR&E) program provides services and assistance to enable veterans with service-connected disabilities to obtain and maintain suitable employment, and to enable certain other disabled veterans to achieve independence in daily living. The Committee will examine VR&E's focus on suitable employment, assistance to the most seriously disabled veterans, succession planning, contracted services, claims processing, employer outreach and quality assurance.

6. **Uniformed Services Employment and Reemployment Rights Act.** Uniformed Services Employment and Reemployment Rights Act (USERRA) provides a broad range of employment rights and responsibilities for veterans and employers. The law was recently amended to establish a demonstration project for improved enforcement by the Federal government. The Subcommittee will assess the effectiveness of USERRA with special emphasis on National Guard and Reserve members returning to the workforce following activation.

7. **The Veterans Corporation.** The Veterans Corporation (TVC) was created to promote entrepreneurial activities among veterans. The Subcommittee will review TVC programs, activities and plans for future expansion.

8. **VA Office of Small and Disadvantaged Business.** Federal agencies are required to observe a veterans set aside for a portion of their supply and service contracts for small and disadvantaged businesses. The Subcommittee will determine whether VA is meeting its goals to expand opportunities for small, disadvantaged and veteran-owned businesses.

9. **Categorical Ranking System.** The Office of Personnel Management has authorized implementation of a categorical ranking system that accords veterans' preference differently than the 5 or 10 point advantage required by the previous system. The subcommittee will review the effectiveness of the new system.

SUBCOMMITTEE ON HEALTH

1. **Advisory Committee Review.** VA has many advisory committees, often required by Congress, to provide advice and guidance on veterans programs and services. The Subcommittee will review the cost and effectiveness of advisory committees.

2. **Delivery Options for VA Health Care.** The Subcommittee will examine the use of telemedicine and other innovative alternatives to provide quality and cost-effective care to eligible veterans.

3. **Home Improvements and Structural Alterations Program.** The Subcommittee plans to review the operation of the program and whether there is a duplication of services in VA's adapted housing program.

4. **Homeless Assistance Programs for Veterans.** The Subcommittee will evaluate the effectiveness of VA's homeless programs, coordination with other federal agency programs, and the need for better census and outcome data.

5. **Long-Term Care Programs.** The Subcommittee will review VA's institutional and non-institutional programs and explore innovative ways to deliver long-term care for eligible veterans.

6. **Medical Research Programs.** The Subcommittee will examine the extent to which VA's research programs meet the statutory requirement for conducting research into injuries and illnesses related to military service and benefit the clinical treatment needs of veterans.

7. **Meeting the Health Care Needs of Veterans.** The Subcommittee will evaluate VA's priorities of care in fulfilling its mission to provide timely, high-quality health care.

8. **Post Deployment Health.** Thousands of service members have recently returned and will continue to return from Operation Iraqi Freedom and Operation Enduring Freedom. The Committee will assess VA's programs for meeting the health care needs of these veterans, including their mental health care needs.

9. **Prosthetics and Special-Disabilities Programs.** The Subcommittee will assess VA programs, including research and technology development, that serve veterans with spinal cord injury, vision impairment, loss of or loss of use of extremities, hearing impairment, or other serious disabilities and injuries.

10. **VA Capital Asset and Facility Management.** VA plans to invest $1 billion annually over the next several years to implement the Capital Asset Realignment for Enhanced Services (CARES) recommendations and modernize VA's health care system. The Subcommittee will continue to evaluate the CARES process and VA's capital asset plans, including those for Charleston, SC and Denver, CO. Additionally, the Subcommittee will review VA's implementation of section 411 of Public Law 108–422, which established the Capital Asset Fund and provided VA with additional authority to transfer unneeded VA real property.

11. **VA Nursing Quality and Recruitment.** The Subcommittee will explore innovative measures VA medical centers may use to attract and retain nursing personnel and support quality patient care, including the Magnet Recognition Program.

12. **VA Physician and Dentist Issues.** Public Law 108–445, the Department of Veterans Affairs Health Care Personnel Enhancement Act of 2003, established a reformed compensation system for VA physicians and dentists. The Subcommittee will conduct oversight to ensure VA is meeting Congressional intent, and to monitor the extent the reformed compensation system reduces VA's use of costly contract physicians.

13. **Women Veterans Programs.** VA has many clinical programs that serve women veterans. The Subcommittee will evaluate VA's programs and the various care delivery options to provide services to women veterans.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

1. **VA's Acquisition Process.** The VA spends approximately $6 billion annually for pharmaceuticals, medical and surgical supplies, prosthetic devices, information technology, construction, and services. VA faces major challenges to implement a more efficient, effective, and coordinated acquisition program. The subcommittee will hold a hearing to review VA's procurement practices.

2. **Evaluating Management Efficiencies.** The VA plans to achieve specified savings each FY by implementing various procedures to achieve cost avoidance. The subcommittee will examine the relationship of projected savings with demonstrated savings and assess the impact on delivery of quality services.

3. **Nursing Recruitment, Retention, and Staffing.** VA continues to have nursing recruiting and retention problems, and nursing resource issues. The subcommittee will review what actions VA has taken to address these issues. The subcommittee will also review VA's staffing methodologies, standards, and data systems for nursing services to enhance recruiting, retention, and job satisfaction.

4. **VA Information Technology Programs.** The subcommittee will continue its oversight of VA's IT programs, including the Core Financial and Logistics System, the integrated financial management and logistics system under development by VA. The Subcommittee will continue its review of this program and VA's development plans for the future.

5. **Recruiting and Retention of Medical Specialists.** The subcommittee will examine whether VA has the proper medical specialists to meet the needs of veterans.

6. **Credentialing and Screening of VA Healthcare Employees.** The subcommittee will examine VA's implementation of Government Accountability Office (GAO) recommendations for screening professional credentials of VA healthcare practitioners.

7. **VA/DOD Consolidated Mail Order Pharmacy Demonstration.** The subcommittee has requested that GAO review the cost effectiveness of having VA consolidated mail order pharmacies handle DOD's prescription refills. The subcommittee will assess whether cost savings could be realized by consolidating similar programs within VA and DOD.

8. **Controlled Substances Security.** The IG's Combined Assessment Program Reviews have repeatedly found material weaknesses in VA medical center security of controlled substances. Poor security or lack of security seriously increases the potential for waste, fraud, abuse, and drug diversion. The subcommittee will examine how VA is addressing this issue.

9. **Medical Care Collection Fund.** The subcommittee will conduct a follow-up oversight on VA's progress in its medical care collection efforts including demonstrations, consolidations and outsourcing initiatives.

10. **Medical Appointment Waiting Times.** VA states that 94 percent of primary care appointments are made within 30 days, even with a 34 percent increase in health care users. The subcommittee will examine VA's progress in reducing waiting times and review the methodology utilized in these performance outcome measurements.

11. **Human Subjects Protection Program.** GAO will evaluate VA's notification procedures for dealing with research misconduct, and the lessons learned from veterans' deaths as a result of research misconduct. The subcommittee will review what corrective actions have been implemented by VA system-wide.

12. **Physician Time and Attendance.** The IG has cited numerous problems with part-time physician time and attendance issues in its Combined Assessment Program (CAP) reports. In its Audit Part-Time Physician Time and Attendance, Report 02–01339–85, April 23, 2003, the IG made recommendations to correct the problem. The subcommittee will continue to review corrective actions taken by VHA.

13. **VA/DOD Benefits Delivery at Discharge Program.** The subcommittee will evaluate DOD's utilization of a single examination that meets both military services' separation requirements and VA's disability compensation criteria. The subcommittee will also review VA's efforts to co-locate Veterans Benefits Administration and Veterans Health Administration personnel involved in compensation and pension claims processing to provide more efficient one-stop claims processing centers. Further, the Subcommittee will examine whether there is duplication of physical examinations between VA and DOD.

14. **Force Protection and Seamless Transition.** The process for determining eligibility for veterans' benefits, assessing health status and receiving VA health care once a servicemember separates from active duty should be seamless, timely and accurate. The subcommittee will review VA and DOD progress toward a seamless transition to veteran status.

15. **Electronic Medical Records.** VA and DOD through their joint Health Executive Council have developed a plan to create an interoperable electronic medical record by 2005. The subcommittee will review the progress that has been made in interoperability and the timely bi-directional exchange of medical information.

16. **Workers' Compensation Program.** The IG previously reported on VA's poor case management of workers' compensation claims. VA is at risk for program abuse, fraud, and unnecessary costs because it has not fully implemented IG recommendations issued in 1999. The subcommittee will examine what should be done to improve the Workers Compensation Program.

17. **EEO Complaint Resolution System.** Public Law 105–114, the Veterans Benefits Act of 1997, included a requirement that the Department of Veterans Affairs take actions to improve its equal employment opportunity program and created the Office of Resolution Management. The subcommittee will review the effectiveness of the Office of Resolution Management.

18. **Enhanced Land Leases and Divestment of Federal Property.** The subcommittee will review the adequacy of internal

controls related to leasing or selling of Department of Veterans Affair's assets and assess the tangible benefit to taxpayers.

REPORT TO THE COMMITTEE ON THE BUDGET FROM THE COMMITTEE ON VETERANS' AFFAIRS, SUBMITTED PURSUANT TO SECTION 301 OF THE CONGRESSIONAL BUDGET ACT OF 1974, ON THE BUDGET PROPOSED FOR FY 2006, FEBRUARY 23, 2005

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 23, 2005.

Hon. JIM NUSSLE,
Chairman, House Committee on the Budget,
Cannon House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: As Chairman of the Committee on Veterans' Affairs, I submit this letter on behalf of the Majority in response to the request of the Committee on the Budget that each standing committee submit views and estimates on all matters under its jurisdiction by February 23, 2005, with regard to the President's budget request for fiscal year 2006. The Ranking Minority Member of the Committee will submit a separate letter on behalf of the Minority. With its core values-based assessment of the budget submission for veterans' programs, the Committee on Veterans' Affairs is aware of the difficult choices that must be made at a time when our Nation is at war and faces fiscal constraints.

In establishing priorities for veterans' services and assistance, Congress believes that the same military values that guided servicemembers on active duty should define how services and assistance are provided to them now as veterans. These values are similar for all of the Armed Services: Navy—Honor, Courage, Commitment; Marine Corps—Honor, Courage, Commitment; Army—Loyalty, Duty, Respect, Service, Honor, Integrity, Courage; Air Force—Integrity First, Service Before Self, Excellence in All that We Do; Coast Guard—Honor, Respect and Devotion to Duty.

Congress restructured the Department of Veterans Affairs (VA) health care system in 1996 to include health care for lower priority, nonservice-connected categories of veterans based on their need and means to pay for those services, and to the extent resources and facilities were available. The 1996 veterans health care eligibility reform of Public Law 104–262 was based on assumptions that providing VA health care to lower priority veterans would be "budget neutral" and at best "revenue enhancing." These assumptions have now proven to be in error. The VA has $3 billion in uncollected debts. Therefore, it is time for Congress to focus its commitment to veterans based on the clear priorities and ageless military values that should define the VA health care system. It is contrary to these values to have a system that allows nonservice-connected veterans to compete with service-connected disabled veterans for health care. While we always honor service in and of itself, we should consider the effect of that service on the individual veteran to determine our priorities for VA health care. It follows, then, that disabled, injured, low income, and special needs veterans are to be given priority for their health care.

The prospect is for continuing high levels of demand for government services and assistance, both from veterans of past wars and from servicemembers returning from Iraq, Afghanistan and other fronts of the war on terror. This has led our Committee to begin a comprehensive reevaluation of the programs of the VA and the Veterans' Employment and Training Service at the Department of Labor. The Committee's objective is to ensure that the veterans most in need—those who are disabled, injured, low income, or have special needs—have priority for appropriate services and assistance. The Committee intends to protect the investment of tax dollars in veterans' programs by holding executive departments accountable for their performance by stressing quality and timeliness, and by requiring measurable performance outcomes and streamlining infrastructure.

The President requests a total of $70.8 billion, including collections, for the fiscal year 2006 veterans' budget, an increase of $1.5 billion in budget authority. The President requests $37.4 billion for fiscal year 2006 in mandatory funding for veterans' disability compensation, pension, education, vocational rehabilitation and employment, housing, life insurance, and burial programs. Discretionary programs would receive $33.4 billion, including $30.7 billion for veterans' medical care. The President proposes an overall increase in discretionary budget authority of $880 million, including collections.

The Committee recommends for fiscal year 2006 an increase in discretionary funding for veterans' health care funding of $317.2 million. The Committee believes an increase in this amount is warranted during the war on terror to ensure adequate health care and mental health services for returning servicemembers and a large population of aging veterans. This amount includes $293.5 million to continue the strong State-Federal cost sharing partnership which currently exists for State Nursing Homes; $215 million to offset a reduced estimate of achievable management efficiencies; and $202.3 million to allow a more balanced and equitable enrollment fee system that takes into account the priority of care as set forth by Congress, and to maintain the current prescription drug co-payment at $7. Further, the Committee recommends an increase in discretionary funding of $12.6 million for medical and prosthetic research projects, and an additional $45.6 million in minor construction to begin a five-year, $300 million National Shrine Commitment project to repair and restore existing national cemeteries. The Committee recommends an increase in mandatory funding of $117 million that also allows a more balanced and equitable enrollment fee system and the current prescription drug co-payment amount. The total mandatory and discretionary budget increase for fiscal year 2006 recommended by the Committee is $434.2 million.

Disability Compensation.—The President requests $29.8 billion in mandatory funding for compensation payments by the Veterans Benefits Administration (VBA) to disabled veterans, certain survivors and eligible dependent children. The President requests $751 million in discretionary funding for administrative expenses and 7,628 full time equivalent employees (FTEE), an increase of 113 FTEE over fiscal year 2005: Also, the President requests $4.9 million to support new and continuing initiatives to provide better customer service through improved accuracy and access to benefits. The President's request includes a full cost-of-living adjustment (COLA), the same as the Social Security COLA, and estimates it will be 2.3 percent. The Committee supports the President's requests.

Pension Program.—The President requests $3.5 billion in mandatory funding for pension payments to eligible veterans, and $147.7 million in discretionary funding for administrative expenses and 1,459 FTEE, an increase of 15 FTEE over fiscal year 2005. The Committee supports the President's requests.

Education Service.—The President requests $100.3 million in discretionary funding for administrative expenses and 874 FTEE for the Education Service, a decrease of 14 FTEE over fiscal year 2005. VA's education programs assist veterans in readjusting to civilian life by helping them afford a wide range of vocational training and higher education options. These programs also enhance the Nation's competitiveness through the development of a more highly educated and productive workforce. VA projects that participation in its education programs will increase by about 27,000 in 2006. Therefore, the Committee recommends an additional $1.1 million in discretionary funding for fiscal year 2006 to maintain current staffing levels until the Education Service's new benefits management system, The Education Expert System (TEES), is fully deployed. TEES is designed to allow automated application and processing of VA education benefits to increase payment accuracy and meet VA's timeliness goals.

Vocational Rehabilitation and Employment Service.—The President requests $147.1 million in discretionary funding to support 1,123 FTEE for the Vocational Rehabilitation and Employment program, an increase of 21 FTEE above fiscal year 2005. VA's Vocational Rehabilitation and Employment (VR&E) program provides services and benefits to more than 55,000 disabled veterans annually to enable them to obtain and maintain suitable employment to the maximum extent possible. VR&E also offers services and benefits for severely disabled veterans who do not have employment potential to achieve the ability to live independently. Performance in the VR&E program continues to be mixed, despite a VA task force established in 2003 to analyze the program's performance and to make recommendations to improve the program's outcomes. One of the main recommendations, the Five-Track Employment Process, focuses on finding suitable employment quickly. This would be a change from the current focus on long-term training and college-level education programs for over 90 percent of those receiving VR&E services and benefits. The Committee commends this concept and intends to monitor closely its implementation. While the Committee supports the President's request, the Committee expects continued improvement in achieving vocational rehabilitation performance goals.

Home Loan Guaranty Service.—The President requests $156.7 million in discretionary funding for administrative expenses and 1,076 FTEE for this transition benefit. VA loan guarantees help veterans finance the purchase of a home with favorable loan terms and competitive loan rates.

As a result of outsourcing of the property management function and continued improvement in automation, this represents a decrease of 205 FTEE below fiscal year

2005 and enables redistribution of personnel to correct prior imbalances among VBA business lines. The Committee supports the President's request. The Committee believes that the amount of the adaptive housing grant for disabled veterans may be insufficient, and based on oversight findings, may propose an increased level of assistance.

Veterans Employment.—The President requests $224.3 million for Veterans' Employment and Training Service (VETS) programs of the Department of Labor, a $1.5 million increase above fiscal year 2005. The purpose of VETS is to promote employment and training opportunities for veterans. To do this, VETS administers grants to States, public entities and nonprofit organizations, including faith-based organizations, to help veterans find jobs. The most recent Bureau of Labor Statistics data from 2004 shows that veterans of the U.S. Armed Forces were more likely to be employed than nonveterans, with an overall unemployment rate of 4.6 percent, compared with 5.0 percent for nonveterans, but it is not clear that this is an outcome of the VETS state grant program. The Committee believes that the VETS state grant program to fund Disabled Veteran Outreach Program Specialists and Local Veterans Employment Representatives continues to under perform. The Committee notes that authorization for the Homeless Veterans Reintegration Program (HVRP), administered by VETS, expires at the end of fiscal year 2006. The law currently authorizes up to $50 million per year for the program. HVRP is intended to provide shelter and a wide range of social and employment services to homeless veterans. The Committee will review the performance of the program as it considers reauthorization. The Committee supports the President's request with the qualifications discussed.

National Cemetery Administration.—The President requests $170.5 million in mandatory funding for veterans burial benefits and payments, an increase of $1.9 million over 2005, and $289.7 million in discretionary funding, an increase of almost $17 million over fiscal year 2005, for administrative expenses and 1,566 FTEE. The Committee supports the President's requests.

National Cemetery Construction.—The President also requests $90.3 million for major and minor National Cemetery construction projects. Of the $25 million for minor construction projects, $14.4 million would address cemetery infrastructure improvements. Pursuant to Public Law 106–117, VA awarded a contract to Logistics Management Institute (LMI) to conduct an assessment of the current and future burial needs of veterans. The LMI study (Vol. 2), which includes photographs, reveals that many VA national cemeteries are in a deplorable state of disrepair after long neglect. The President requests $14.4 million to address cemetery infrastructure improvements, but this request would not include any funding for 928 needed full-scale cemetery restoration and repair projects identified by the LMI study and estimated to cost $279 million. Therefore, the Committee strongly recommends an additional $45.6 million in minor construction funding for fiscal year 2006 to begin a five-year, $300 million National Shrine Commitment project to repair and restore existing national cemeteries.

Board of Veterans' Appeals.—The President requests $53.1 million in discretionary funding for administrative expenses and 434 FTEE, an increase of $1.8 million above fiscal year 2005. FTEE would be decreased by 6. The Board's pending appeals backlog at the end of January 2005 was 31,665. The Board is now considering original appeals that were entered into the docket in October 2003. If current trends continue, the number of appeals filed is projected to be higher than dispositions, and the Board's estimated disposition time will increase from 170 days at the end of 2004 to 391 days by the end of 2006. Without additional FTEE, the Committee is concerned that the pending appellate workload will continue to grow and the Board's disposition times will more than double by 2008. Such a deterioration of service would not allow the Board to meet its performance goals. The Committee recommends an additional $6 million in fiscal year 2006 for an increase of 50 FTEE above the current level.

Veterans Health Care.—The President requests $30.7 billion in discretionary funding for veterans' health care. The budget request focuses on the Veterans Health Administration's core medical care mission of caring for disabled, injured, low income, and special needs veterans. VA contracted with an actuarial firm, Milliman USA, and utilized modeling techniques similar to those used in the private sector to estimate the resources needed for veterans' health care in 2006. VA's estimates are based on benchmarks that are adjusted to reflect the age, gender, and morbidity of veteran enrollees, their reliance on VA versus other health care providers such as Medicare, and VA management practices. VA also uses health care inflation and utilization trends to develop cost and utilization projections. The Committee will review the modeling and estimating methods that are being employed in making budget projections and proposals.

Returning Servicemembers.—The Committee strongly supports the President's requests for a $100 million and 627 FTEE increase in discretionary funding for mental health services, and for a $100 million increase for Prosthetics and Sensory Aids. Thousands of servicemembers are returning from Iraq and Afghanistan. VA must be equipped to provide them with the health care services they need in order to make a successful transition to civilian life.

Medical Care Collections.—VA is authorized to bill some veterans and many health care insurers for nonservice-connected care provided to veterans enrolled in VA health care. These collections are retained in the Medical Care Collections Fund (MCCF) to defray costs of delivering VA medical services. VA projects medical care collections of $2.2 billion in fiscal year 2006, an increase of 11 percent over fiscal year 2005. The Committee acknowledges VA's collection improvements in the past several years and supports VA's efforts to increase medical care collections. The Committee intends to continue oversight of VA's progress. The Committee recommends an additional $5 million in discretionary funding for fiscal year 2006 to initiate a total patient financial services pilot program for improvement of medical care collections. The Committee expects to report authorizing legislation for such a pilot program.

Management Efficiencies.—The President's budget request includes management savings of $1.8 billion in fiscal year 2006, an increase of $590 million over the estimated savings in fiscal year 2005. The management savings are intended to partially offset the overall cost of VA health care. While the VA has made progress in implementing management efficiencies, the Committee is not confident that savings of this magnitude can be achieved during the fiscal year and recommends that the budget assume only $375 million in additional efficiencies. The Committee recommends that discretionary funding for veterans' health care be increased by $215 million, because in its view, management efficiencies are overestimated.

Medical and Prosthetic Research.—The President requests $786 million in discretionary funding for Medical and Prosthetic Research, an increase of $2 million over the 2005 fiscal year level. The Committee recognizes the significant benefit of VA research to improve the clinical treatment needs of veterans and recommends an additional increase of $12.6 million for medical and prosthetic research projects. The Committee also intends to review the extent to which VA's research programs meet the statutory requirement for conducting research into the injuries and illnesses related to military service.

Major Medical Construction Projects.—The President requests $750 million for major and minor construction projects. The Committee concurs with the President's request. The Committee expects increased cost sharing activities between the Departments of Veterans Affairs and Defense, and compliments the ongoing sharing projects in Anchorage, Alaska, and El Paso, Texas. The Committee intends to review the progress of planning for sharing and joint activities for future medical facilities in Denver, Colorado; Charleston, South Carolina; and Las Vegas, Nevada.

State Veterans Nursing Homes.—The President proposes legislation to revise eligibility criteria for VA sponsored long-term care in State nursing homes. However, there is a long-standing partnership between VA and States for cost-sharing in caring for veterans in State nursing homes. Further, VA's per diem reimbursement to the States for nursing home care compares favorably to the cost of VA operated and community nursing homes. Therefore, the Committee does not expect to act on the legislative proposal.

Emergency Care for Insured Veterans.—The President proposes legislation to authorize VA to reimburse eligible insured veterans for out-of-pocket expenses for emergency care obtained outside of VA's health care system, less the co-payment the veteran would have paid for care within VA. The Committee does not agree that VA should cover such additional expenses and does not expect to act on this proposal.

Homeless Veterans.—The President's budget requests $1.33 billion to provide for the treatment, rehabilitation and residential needs of homeless veterans, a $30.4 million increase over fiscal year 2005. A $13 million increase in spending for the Homeless Grant and Per Diem (GPO) program is included in this amount. The President also proposes legislation to permanently authorize the GPD program and increase the authorized funding level from $99 million to $130 million. The GPD program has sustained significant growth in recent years, with expenditures increasing from $19.6 million in 2000 to an estimated $86 million in 2005, over a 400 percent increase. The Committee is concerned that VA's estimate of the number of homeless veterans in 2000 was about 250,000 and currently remains about the same. Therefore, the Committee intends to address the need for better census data and performance outcome measures, and recommends maintaining the GPD program at the fiscal year 2005 level.

Magnet Recognition Program.—The American Nurses Credentialing Center's Magnet Recognition Program recognizes health care organizations that provide successful professional nursing practices and excellence in nursing care. Magnet Recognition is the organization's highest level of recognition. The Committee recognizes the importance of VA medical centers establishing magnet status to recruit and retain nursing personnel, and to support a proven level of quality patient care. All VA medical centers should attain magnet status. The Committee recommends an increase in discretionary funding of $700,000 to allow 20 facilities to achieve this objective. The Committee will consider the legislative proposal on pay comparability for the Director of Nursing Programs when significant progress toward magnet status has been achieved.

Education and Training Programs on Medical Responses to Consequences of Terrorist Activities.—The Committee strongly recommends an additional $5 million to better support the training of current and future health care professionals in diagnosis and treatment of casualties exposed to chemical, biological or radiological agents, as authorized by Public Law 107–287.

Enrollment Fees and Co-Payments.—The President proposes to require Priority 7 and 8 veterans to assume a greater share of the cost of their health care by paying an annual enrollment fee of $250 and higher co-payments for prescription drugs, from $7 to $15 for a 30–day supply of medication. These lower priority veterans do not have service-connected disabilities, have higher incomes, and as a group are better insured than enrollees in Priorities 1–6. The increased cost-sharing for Priority 7 and 8 enrollees is estimated to generate $424 million in fees. In order to correct the inequity between DOD TRICARE beneficiaries, who pay an enrollment fee and deductibles and who have higher co-payments, and Priority 7 and 8 non-compensable or nonservice-connected veterans who currently have no enrollment fee or deductible and a lower co-payment, the Committee recommends a $230 enrollment fee for Priority 7 veterans; however, at this time, the Committee recommends maintaining the present co-payment level for prescription drugs and will not institute a deductible. The Committee recommends a four tiered enrollment fee for Priority 8 veterans based on their income above the geographic means test. The fees would be: Tier 1—$230; Tier 2—$250; Tier 3—$350; Tier 4—$500. The Committee will work with VA to achieve the appropriate income tiers. These enrollment fees would apply to both veterans who are currently enrolled and new enrollees.

Co-payment for Hospice Care.—The President proposes legislation to eliminate required co-payments for hospice care provided in a VA setting. Public Law 108–422 authorized a similar exemption for hospice care delivered only in VA nursing homes. The Committee expects to act on the legislative proposal.

Co-payment for Former Prisoners of War.—The President proposes legislation to exempt former prisoners of war (POWs) from required co-payments for extended care services. The Committee expects to act on the President's legislative proposal that recognizes the extreme sacrifices of former POWs.

First Party Offset.—The President proposes legislation to clarify that first party co-payment obligations should not be offset by third party reimbursements. Acceptance of this proposal would improve VA's operational performance and reduce administrative burdens. The Committee expects to act on this legislative proposal.

Information Technology.—The President requests approximately $1.9 billion for information technology (IT) programs throughout VA. VA management of IT programs has been ineffective as a result of their current organization. For example, last year VA experienced the failure of a $372 million financial management and logistics integration project, CoreFLS, in Bay Pines, Florida. The Department's Chief Information Officer (CIO) subsequently testified before the Committee that VA's IT programs are being reviewed. Therefore, the Committee recommends a reduction of $400 million for VA information technology programs until the CIO has completed the review. The Committee will consider legislation to provide the CIO direct line and budget authority over the IT budget and associated personnel within the entire Department.

Office of Inspector General.—The President requests $70.9 million for administrative expenses and 468 FTEE for VA's Office of the Inspector General (OIG). The Committee recommends an increase in funding of $7.8 million and an additional 37 F 1'EE to support the OIG's fugitive felon program. This effective program has provided a return on investment of 30:1 and should be provided additional resources.

The Committee believes that its recommendations provide the budgetary resources for veterans' programs necessary to fulfill the Nation's obligations for fiscal year 2006.

Sincerely,

STEVE BUYER,
Chairman.

DEMOCRATIC VIEWS AND ESTIMATES—FEBRUARY 23, 2005

Overview

The Administration's budget submission for the Department of Veterans Affairs for FY 2006 is deficient in numerous areas. The following proposal aims to make critical increases in veterans' programs, including adding $800 million for direct spending (mandatory) veterans' benefits for a total request of $37.537 billion. For discretionary programs, including medical programs, benefits administration, construction, and departmental administration, we have requested additional funds in the amount of $3.2 billion ($2.6 billion, when a reasonable estimate of medical collections is included) for a total of $34.066 billion without collections and $36.066 billion, including collections.

Medical Programs

The Administration has submitted a budget proposal that is inadequate by any measure. It is our belief that proposing $28.2 billion for medical programs under-funds critical programs by $3.0 billion—even when a reasonable estimation of collections ($2.0 billion) is included to offset this deficit, it is still short by $2.4 billion to fund current services to restore and revitalize programs for our veterans now using them and for the service members returning from Iraq and Afghanistan now and in the near future.

The Administration's FY 2006 request for discretionary funds without collections is a scant $105 million (or .3%) more than Congress appropriated for FY 2005. A flat-line budget for the programs developed on behalf of our nation's heroes is inappropriate under normal times; in a time of war it is disgraceful.

The Administration would impose a new enrollment fee and increase existing fees for pharmaceutical drugs. These fees are designed for two purposes—first, to discourage almost half (1.1 million) of the current priority 7 and 8 veterans enrolled in the system from re-enrolling for health care in the Department of Veterans Affairs and second, to raise revenues in order to fund the ongoing operations of the Department.

We categorically reject any increase in veterans' copayments and any enrollment fee specifically developed to discourage veterans' utilization of health care services.

VA must fund the cost of increased workload, payroll, and inflation—by the Department's own estimation, these costs alone require $1.4 billion. Rather than ask for additional funds, however, the Administration proposes to meet these uncontrollable costs by in-creasing copayments and by limiting eligibility for any VA-provided or sponsored nursing home care to only service-connected veterans, non-service-connected veterans with catastrophic disabilities and those with a short-term need for care. It also proposes the adoption of poorly defined "management efficiencies" to write off much of its need for resources. Since 2002, VA has required its medical care programs to absorb $1.2 billion of these efficiencies and to this amount already programmed into its baseline, it proposes to add another $590 million in FY 2006.

VA has yet to offer any evidence that its estimates for savings due to management efficiencies have come to fruition. Neither has it provided a plan for finding further efficiencies in the future. We,

therefore, do not recognize the FY 2006 savings estimates based on management efficiencies that are forecast by VA, without any accounting or verification of these savings. Past attempts by this Committee to seek detail from either VA or OMB have not yielded results that can be checked or verified. They have, however, yielded admissions that planning factors or estimates in previous years may not have been accurate.

In the FY 2004 Budget Submission (Vol. 4 pages 1–15), VA estimated management savings of $950 million to partially offset the overall cost of health care. The estimate was based on implementation of a rigorous competitive sourcing plan, reforming health care procurement, increasing employee productivity, shifting from inpatient to outpatient care, reducing employee travel, interagency motor pools, maintenance and repair services, and operating supplies. We have not been given any detailed analysis of savings from these areas.

For example, competitive sourcing in VHA was very limited following the April 2003 General Counsel Opinion and actual savings from prior competitive sourcing actions has yet to be demonstrated. VA did save $25.2 million from pre- and post-award audits (performed by VA Office of Inspector General), but this demonstrable efficiency should likely be offset by the well-publicized failures associated with the CoreFLS project pilot. For the near future, VA can no longer project significant savings from automation of finance, logistics, and supply functions. This may result in a significant adjustment to savings in the $200 million range for the FY 2004 budget and more in the out years. It is even possible that for FY 2004, the effect of all management "actions" is an additional burden on VHA rather than purported cost avoidance and savings. In the absence of data from VA to demonstrate its case for further cost savings, we will not credit it for further management efficiencies.

In addition, the Administration fails to acknowledge additional funds needed to shore up some of VA's highest demand programs particularly mental health and other specialized services and long-term care programs. P.L. 104–262 required VA to maintain the capacity of its "specialized services" for some of its most seriously 115 disabled veterans—veterans with disorders such as amputations, spinal cord injury, blindness, traumatic brain injury, and serious mental illness. Yet, GAO report (GAO/HEHS–00–57) Disabled Veterans' Care: Better Data and More Accountability Need to Adequately Assess Care requested by Ranking Member Evans indicated that VA could not verify that it was preserving these programs. In past years, VA's Federal Advisory Committee on Special Disabilities and Prosthetics and the Under Secretary for Health's Advisory Committee on Care for the Seriously Mentally Ill have both disputed VA's assertions in yearly reports to Congress that it is maintaining capacity. In some years, VA's Inspector General has also failed to approve data VA uses to report on maintaining capacity. In fact, in testimony to the Committee, even VA officials have acknowledged some programmatic shortfalls, particularly in substance abuse programs.

As troops return home from Operation Iraqi Freedom and Operation Enduring Freedom, VA will eventually become responsible for

many of their health care needs, particularly for those with injuries that may last a lifetime. Many of these servicemembers will require ongoing rehabilitative care for their injuries both—mental and physical. As of December 2004, VA had treated roughly 32,684 of the 210,000 veterans from these deployments. We agree with the Independent Budget on the necessity of a significant infusion of funds to ensure that veterans are able to receive the best sustaining care available for their problems.

Recent studies have shown that a significant number of returning troops (up to 17%) are demonstrating a need for some post-deployment mental health intervention. Troops' mental health issues range from acute and transitory anxiety and readjustment disorders to more chronic and severe problems—even psychoses. We believe VA must stand ready to provide immediate relief to service members who return requiring its services. Experts indicate that immediate intervention may be the surest remedy to preventing more serious and chronic disorders later on.

A February 16 report from the Government Accountability Office conducted at the request of Ranking Member Evans suggests that VA has not fully implemented any of its Special Committee on Post-Traumatic Stress Disorder's recommendations. VA's stated reasons for delaying implementation of these recommendations often include fiscal limitations. As a result, VA may not be adequately prepared to meet troops' needs for services upon their return. An earlier report requested by Representative Evans asserts that VA's data does not verify its programs' current capacity. We recommend additional resources and oversight to expedite VA's progress toward implementing its experts' recommendations and better ensuring that veterans have timely access to quality post-deployment mental health services.

P.L. 106–117 requires VA to maintain its in-house nursing home capacity at the level that existed in FY 1998 (average daily census [ADC] of 13,391). VA's programs have continued to erode since that time (in the current FY ADC is projected to be 11,548) and, rather than take actions to redress this erosion, VA continues to propose to do away with the requirement and fund ways to reduce its institutional long-term care capacity even though we are now in the veteran population's peak need for such services. This year's proposal would result in the elimination of more than a third of the average daily census across VA's provided or sponsored institutional settings. As a substitute for $400 million worth of institutional services, VA proposes a modest increase ($60 million) in its home and community based long-term care programs. While we believe the non-institutional programs are a necessary part of VA's care continuum, we hold to the 1998 recommendations of the Federal Advisory Committee on the Future of VA Long-Term Care that VA should maintain its bed capacity, increase capacity in the state homes and double or triple capacity in its non-institutional long-term care settings. To that end, we recommend funding to restore the 1998 baseline of services.

We also are greatly dismayed by proposals in the President's budget that could literally bankrupt many of the 109 veterans' state homes throughout the nation. For more than 40 years, VA and states have viewed state homes as a mutually beneficial means

of providing veterans with a long-term care safety net. Indeed, it has become the largest institutional long-term care venue for veterans relying on the VA for care and serves as the final home for many elderly and disabled veterans. VA estimates it will sponsor an ADC of 18,500 in 2005. Shockingly, the Administration now proposes to eviscerate this program limiting the care it will sponsor to an ADC of 7,217 (a reduction of 61%) in 2006! We reject this proposal and its companion—to place a virtual moratorium on state grants without further justification for these drastic proposals.

As uninsurance rates continue to climb and other public health safety nets, such as Medicaid, become increasingly fiscally constrained, we believe VA must reconsider its position on Priority 8 veterans. Contrary to the opinion that these "wealthier" veterans have other options, data from the 2001 National Survey of Veterans found that a significant portion (6.4%) of its lowest priority users lacked other health care coverage. Since the time of this survey, rates of uninsurance in the general population have grown and it must be assumed that this is also the case with veterans. VA must revisit its policy to bar the enrollment of new Priority 8 veterans. Included in this proposal are funds to allow approximately 85,000 new Priority 8 veterans to enroll in VA.

The President's budget also cuts $9 million from VA's renowned medical and prosthetic research program, whose achievements have benefited veterans and non-veterans alike. As advocates are quick to point out, without appropriated research dollars, these programs fail to draw competitively based funding from private and other government sources. With continued cuts to its appropriated funding levels the system continues to be challenged to fund merit-reviewed projects that could greatly benefit veterans and other Americans.

Finally, many of us argue that the process for funding VA health care is irreparably broken. Year after year, Congress simply lacks adequate discretionary funds to address VA health care as a high priority. For the last three years, this process has yielded late and inadequate budgets that defy efforts to plan. Looking at the fix that, by many accounts, is working for the once troubled TRICARE for Life program, and was recommended by George W. Bush's own Task Force to Improve Health Care Delivery For Our Nation's Veterans, we conclude that assured funding is an avenue worth exploring and encourage the members of the Budget Committee to give H.R. 515 serious consideration.

Benefits Programs

Funding for adjudication of veterans' claims is also inadequate. Although the budget includes some additional funding for compensation and pension staff, these positions are funded with one-year money. No additional funding is provided to address the huge and growing backlog of claims which has been remanded by the Board of Veterans Appeals and the United States Court of Appeals for Veterans Claims. Currently 22,150 remanded claims are assigned to the Appeals Management Center. Thousands of other claims are pending at VA regional offices. During the last four years, the number of claims in appellate status has almost doubled. The VA should use the one-year money provided in the Administration's budget to dramatically reduce the number of pending appeals

and remands, and provide 115 new FTEE as permanent positions. An additional 10 FTEE should be devoted to addressing issues of quality and consistency in decision-making.

The Administration's Budget reduces funding for training and travel related training during FY 2006. Although VA reports a relatively high rate of quality in its adjudication, this finding is inconsistent with other evidence such as the large percentage of claims appealed to the Board which are remanded for additional work, the Secretary's findings of non-compliance with the DeLuca criteria for evaluating musculoskeletal claims and the low pass rate on skills certification testing. An additional $2 million should be added to address these deficiencies.

The reduction in FTEE proposed for staff at the Board of Veterans Appeals is projected to more than double the time it takes an appeal to be resolved at the Board from 170 days at the end of 2004 to 391 days at the end of 2006. Along with the majority we recommend an additional $6 million to support an increase of 50 FTEE to permit the Board to provide veterans with timely and accurate decisions on their appeals.

Consistent with the majority we also recommend additional funding of $45.6 million over the President's FY06 budget request to equal a $60 million investment in the National Shrine Commitment. This amount is necessary for FY 2006 to complete the recommended improvements within the next five years, which are estimated to cost approximately $300 million. (See, Study on Improvements to Veterans Cemeteries, Volume 2: National Shrine Commitment Facility Condition Assessment—April 2000).

The President's FY06 budget request would eliminate 14 FTEE in the VA's Education Service. In agreement with the majority on this budget issue, we reject the Administration's funding level and recommend an increase in resources of $1.1 million to restore the projected FTEE cuts in VA's Education Service. Education claims are expected to increase due to more veterans seeking to take advantage of Montgomery G.I. Bill education benefits, as well as the new Chapter 1607—Guard and Reserve education program enacted last year as part of the National Defense Authorization Act of 2005 (see, section 527 of the National Defense Authorization Act of 2005; Public Law 108–375). Moreover, a number of senior VA Education Service employees are eligible to retire in the near future. Additional resources are needed to address the expected increases in education claims and hire new employees.

The President's FY06 budget request provides no funding for additional FTEE designated to provide direct vocational rehabilitation and employment counseling services. Rather, the President's budget simply reflects a redistribution of "management support" personnel. Veterans applying for vocational rehabilitation and employment services increased dramatically over the last decade—roughly a 75 percent increase. Demand for this service will surely continue due to the many injuries suffered by our troops serving in Iraq and Afghanistan. Former Secretary Anthony J. Principi, established a task force to review the vocational rehabilitation and employment program (VR&E) from "top-to-bottom." The VR&E Task Force issued a comprehensive report in May of 2004. The report contained 102 recommendations to improve the VR&E program and

reform it to be responsive to 21st century needs of service-connected disabled veterans.

The Task Force recommended increasing full-time staff positions in the VR&E program by approximately 200 FTEE; including 27 FTEE in headquarters; 112 in the regional offices to deliver direct services; 56 in the regional offices for contracting and purchasing; and 8 quality assurance staff. Consistent with the VR&E Task Force Report, we suggest an increase of $5 million to provide for 57 additional FTEE—one full time staff position in each regional office.

Direct Spending Legislative Proposals

We have included with our views and estimates legislative proposals that would increase mandatory spending by approximately $800 million. These proposals would increase important benefits earned by veterans, servicemembers and military families. (please see attached document for specific legislative proposals).

Lane Evans.
Bob Filner.
Luis Gutierrez.
Corrine Brown.
Vic Snyder.
Mike Michaud.
Stephanie Herseth.
Ted Strickland.
Darlene Hooley.
Silvestre Reyes.
Shelley Berkley.
Tom Udall.

ADDITIONAL AND DISSENTING VIEWS AND ESTIMATES

We have reviewed the Department of Veterans Affairs (VA) Budget Submissions for the last four FYs and are greatly concerned with the impact that claimed, but unrealized management efficiencies may have on veterans' health care funding. While we have joined our Democratic Colleagues on the Committee in their request to augment the Administration's budget proposal by an additional $3.4 billion, we would like to take this opportunity to express our continued reservations about the legitimacy of claims of savings created by alleged management efficiencies claimed for this and prior years. We explain below why an additional $3.7551 billion is required to correct this unfounded offset to veterans' health care, a claim based on VA's unsubstantiated claims of finding and implementing management efficiencies.

From 2003–2006 VA escalated its claims and projections of savings by implementing management efficiencies. The total offset to veterans' health care during this four-year period was $4.345 billion. As these savings have not been proven, and as significant evidence exists to refute the magnitude of savings claimed, the funds should be restored and no further offsets due to management efficiencies should be permitted until the detailed evidence and methodology is provided.

The current Democratic views and estimates disallows only the proposed FY (FY) 2006 increase to claimed VA management efficiencies of $590 million and leaves in place for FY06 a baseline of approximately $1.2 billion in previously claimed efficiency savings. As many of the assumptions underlying this baseline savings estimate were never realized, we recommend disallowing claimed management efficiencies until proof of savings is demonstrated. After FY03, each subsequent year projects a new "efficiency" amount added to a baseline savings estimate created the prior year.

FY 2003 $ 316.4 million—(FY 2003/book #2, page 2–136)
FY 2004 $ 950.0 million—(FY 2004/book #2, page 2–164)
FY 2005 $1.2900 billion—(FY 2005/book #2, page 2F–14)
FY 2006 $1.7891 billion—(FY 2006/book #2, page 8–14)

Examining the FY04 savings claim of almost one billion dollars as an example, we find that this amount of savings was based on competitive sourcing, procurement reform and employee productivity. While savings due to competitive sourcing are difficult to prove in the long-term, the basis for the claimed savings in FY04 never transpired because outsourcing has not occurred in VA since the VA General Counsel determined in April 2003 that VHA could not engage in competitive sourcing absent specific authorization from Congress.

Additionally in FY04, the VA Inspector General (IG) and Government Accountability Office published reports detailing problems with procurement, contracting and accountability in several different areas—they reflect serious management problems, not management efficiencies. An independent audit by Deloitte & Touche for FY04 found repeat material weaknesses and problems with operational oversight at VA that had not been corrected from the previous year. Additionally, the well publicized failure by VA to deploy the CoreFLS automated system resulted in $249 million in government obligations. The IG faulted both VA management and senior leadership in its August 11, 2004, report regarding the CoreFLS failure. From the evidence now available, the proven management problems may outweigh the proven management efficiencies.

In good conscience, we cannot allow illusory management efficiency claims to be deducted from veterans' health care based on "efficiencies" of the type listed above. It is incumbent on all Federal employees to be efficient managers, to always seek ways to become more effective. We all know that there are "gives and takes" in this process but we have little evidence of gains by VA to compare with the strong indications of management failure chronicled above. We should deduct only those efficiencies that are well-grounded and that are not offset by management errors, fraud, waste or abuse.

VA has not proven its net efficiency claims. We therefore request that the Budget Committee disallow all VA claims of savings based on management efficiencies from FY 2003–2006 and fully restore the missing $4.3451 billion. When and if VA is able to detail legitimate management savings, then and only then should we consider such savings for purposes of developing the budget resolution.

TED STRICKLAND.
BOB FILNER.
CORRINE BROWN.

DARLENE HOOLEY.
MICHAEL MICHAUD.
TOM UDALL.

REPORT TO THE COMMITTEE ON THE BUDGET FROM THE COMMITTEE ON VETERANS' AFFAIRS, SUBMITTED PURSUANT TO SECTION 301 OF THE CONGRESSIONAL BUDGET ACT OF 1974, ON THE BUDGET PROPOSED FOR FY 2007, FEBRUARY 23, 2006

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS AFFAIRS,
February 23, 2006.

Hon. JIM NUSSLE,
Chairman, Committee on the Budget,
House of Representatives Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the Congressional Budget Act of 1974 and House Rule X, clause 4(f), I herewith submit to the Committee on the Budget the Views and Estimates of the Committee on Veterans' Affairs regarding the Administration's FY 2007 budget request for veterans' programs, along with the Additional Views and Estimates of the Minority on the Committee, as provided by the Ranking Minority Member of the Committee.

The Committee's views and estimates take into consideration the written statements and testimony at a full Committee hearing on February 8, 2006. by the Secretary of Veterans Affairs and representatives of veterans service organizations, including those who present the Independent Budget. The full Committee heard testimony from veterans' and military service organizations (VSOs and MSOs) on February 15 and 16, 2006, to further examine the budget request and their legislative priorities. On February 14 and 16, 2006, the Committee's subcommittees heard testimony on these topics from VSOs and VA's Under Secretaries. The Committee's views and estimates were discussed at our business meeting of the full Committee on February 16, 2006.

As Chairman, I am pleased that the Administration's request places the appropriate focus on high priority benefits and services for the men and women in uniform who have borne the battle in defense of our nation, both in the past and in the Global War on Terrorism.

The Administration's request will further strengthen the delivery of high quality health care for the core constituency of veterans served by VA—service-connected disabled, special needs, and low income veterans—while preserving quality care for all enrolled veterans. The Administration's request will also provide additional resources to help ensure that servicemembers have a smooth transition from active military duty to civilian life, and it will expand access to national and state veterans' cemeteries.

Reflecting concerns brought to the Committee by VSOs and MSOs in the budget and legislative hearings, we recommend funding for additional disability claims processors to help reduce the growing backlog in compensation and pension claims. We also recommend increased funding for medical research, non-recurring maintenance for facilities, collections, and other activities outlined in more detail in the attached views and estimates.

Further, I will propose for consideration by the Committee legislation to modernize education benefits for servicemembers and veterans to help them take full advantage of the opportunities they have protected for all Americans. There is much consensus that the Montgomery GI Bill does not reflect the realities facing today's servicemembers, especially those in the National Guard and Reserves.

The Committee looks forward to working with you and other members of the Budget Committee as we formulate a FY 2007 budget that will continue to ensure a strong Veterans Affairs system for those to whom we all owe so much.

Sincerely,

STEVE BUYER,
Chairman.

BUDGET VIEWS AND ESTIMATES FOR FY 2007

OVERVIEW

The Committee recommends $1.9 billion above the Administration's FY 2007 request. This number includes $600 million in a new legislative initiative to modernize the GI Bill.

MANDATORY FUNDING

VETERANS BENEFITS ADMINISTRATION

The Veterans Benefits Administration (VBA) administers a broad range of non-medical benefits to veterans, their dependents, and survivors through 57 regional offices. These programs include disability compensation, nonservice-connected pension, education, vocational rehabilitation, burial, insurance, and home loan guaranty.

The Committee supports the Administration's FY 2007 budget request of $42.1 billion in mandatory funding for VBA, a 14.5 percent increase over the enacted level for FY 2006.

DISCRETIONARY FUNDING

VETERANS BENEFITS ADMINISTRATION

With the exception of the recommendations noted below, the Committee supports the Administration's FY 2007 budget request of $1.2 billion in discretionary funding for the management of the benefits programs administered by the VBA, an 11 percent increase over the enacted level for FY 2006.

Disability Compensation.—The Administration requests $924.4 million in budget authority to fund the discretionary portion of the Disability Compensation, Pension, and Burial programs, which will provide funding for the administrative expenses of 9,445 Full Time Equivalent Employees (FTEE)—an increase of 14 FTEE over the FY 2006 level; however, direct compensation FTEE—those who process disability compensation claims—would decrease by 149.

In FY 2007, the Department of Veterans Affairs projects it will provide monetary benefits to 2.87 million service-connected veterans, an increase of 10 percent over FY 2005, and 348,479 surviving spouses and dependent children, an increase of 7 percent over FY 2005. The number of veterans filing claims for compensation has increased every year since 2000. In FY 2007, VBA projects claims receipts of 828,186—2 percent more than in 2006. Between September 2003 and February 11, 2006, the pending workload for rating-related claims grew from 253,000 to more than 368,900.

The current backlog of pending claims is expected to rise to more than 396,000 at the end of FY 2007. The Committee strongly recommends an additional 200 FTEE in direct compensation at a cost of $17.1 million.

The Committee recognizes that additional direct compensation FTEE will not improve quality, accuracy, and timeliness in claims processing without corresponding increases in training resources. Therefore, the Committee strongly recommends an additional $200,000 for Training and Performance Support Systems and an additional $200,000 for Skills Certification.

The Committee recommends 6 FTEE in management and support personnel, at a cost of $500,000, to support the additional 200 FTEE recommended for direct compensation.

The Department has spent more than $600 million over the past decade in an attempt to automate the compensation and pension claims processing system. This complicated paper-driven process is over 25 years old. With the growing demands on the system, VBA needs to reexamine its Business Process Reengineering (BPR) focus to implement changes necessary in the field. The Committee recommends $18 million for BPR to reengineer and streamline the claims process and implement major business process changes.

NATIONAL CEMETERY ADMINISTRATION

National Shrine Commitment. The Administration requests $161 million for operations and maintenance of VA's national cemeteries, of which $9.1 million will fund cemetery infrastructure projects. Additionally, the Administration requests $18.7 million in minor construction to address cemetery infrastructure improvements.

In 2002 and pursuant to Public Law 106–117, the Logistics Management Institute (LMI) conducted a study on the burial needs of veterans which revealed that many VA national cemeteries are in a state of disrepair. As a result, LMI identified 928 full-scale cemetery restoration and repair projects estimated to cost $279 million. To date, the National Cemetery Administration (NCA) has completed 35 percent of the improvements.

The Committee strongly recommends an additional $14 million in NCA operations and maintenance and an additional $16 million in NCA minor construction in FY 2007.

BOARD OF VETERANS' APPEALS

The Administration requests $55.3 million in discretionary funding for the Board of Veterans' Appeals (BVA) to support 444 FTEE, an increase of $2.4 million above the FY 2006 level. BVA provides independent reviews of VA regional office decisions and makes the final administrative decision on behalf of the Secretary of Veterans Affairs. In FY 2005, BVA issued 34,175 decisions and conducted 8,576 hearings. Of those, 94 percent (32,207) involved disability compensation. These include not only claims for service-connection, but also claims for increased ratings and earlier effective dates.

While BVA has made many improvements, it continues to experience significant difficulties meeting the production levels needed to reduce the backlog of over 37,500 appeals. The average response time for FY 2005 was 622 days, well above the goal of 365 days. The Committee believes that additional staff is necessary if BVA is to provide timely and accurate decisions to veterans and their families.

The Committee strongly recommends an additional $6.4 million in FY 2007 for an increase of 56 FTEE above the current level to bring BVA staffing to 500.

VETERANS HEALTH ADMINISTRATION

The Administration's request will enable VA to provide timely and accessible high-quality health care to its core constituency—

the service-connected disabled, injured and indigent. VA's health care mission covers a wide range of services, such as pharmacy, prosthetics, mental health, long-term care. Construction funding for the medical care program allows VA to renovate and modernize its health care infrastructure to provide greater access to care.

With the exception of the recommendations noted below, the Committee supports the Administration's FY 2007 budget request of $38.5 billion in discretionary funding.

Medical and Prosthetic Research. The Administration proposes reducing the medical and prosthetic research account by $13 million to $399 million for FY 2007. While the Department intends to place additional reliance on outside federal grants to realize a net gain in research funding, the Committee recommends a $28 million increase above the Administration's request.

Medical Facilities. The Administration's proposal for medical facilities totals approximately $3.5 billion. The Committee however, believes the request underestimates the non-recurring maintenance required in a large number of the nearly 4,900 buildings owned, leased or operated by the VA. The Committee recommends an additional $100 million for these purposes.

Enrollment Fees, Co-Payments, and Third-Party Offset of First-Party Debt.—While the Committee understands the policy arguments providing the basis for the Administration's proposal for Priority 7 and 8 veterans to assume a greater share of the costs for their health care in the VA system, a majority of the Committee does not support these legislative proposals. The Committee recommends that the Administration's request be increased by $795.5 million.

Medical Care Collections Fund.—The Balanced Budget Act of 1997 (Public Law 105–33) established the VA Medical Care Cost Collections Fund (MCCF), and requires that amounts collected or recovered after June 30, 1997, be deposited in this fund. The Committee believes that VA has overestimated its ability to collect what they have projected, based on comparisons of previous years' actual collections and projected collections. Therefore, the Committee recommends adding $63 million to projected MCCF collections for Fiscal Year 2007.

Emergency Care.—The Administration's proposal anticipates the passage of legislation authorizing VA to compensate insured veterans for all out-of-pocket cost associated with seeking emergency care outside the VAMC setting. The Committee does not support expanding VA's authority in this area and recommends a decrease of $23.5 million.

Nurse Magnet Recognition.—Hospitals with magnet status have repeatedly demonstrated greater recruitment and retention of their nursing staff. The Committee believes that all VA medical centers should attain magnet status. The Committee recommends an increase in discretionary funding of $0.7 million to allow 20 facilities to achieve this objective.

Clinical Efficiencies.—The Administration's proposal includes nearly $1.1 billion in clinical efficiencies for FY 2007. The Committee accepts that $848 million is achievable savings due to pharmaceutical procurement, formulary management and advanced clinic access initiatives. However, due to recent GAO reviews not-

ing the lack of sound methodologies in attaining and accounting for the savings, the Committee rejects the additional $232.5 million claimed as management efficiencies. Therefore, the Committee recommends an additional $232.5 million above the Administration's proposal.

OFFICE OF INFORMATION AND TECHNOLOGY

The Military Quality of Life and Veterans Affairs Appropriations Act, 2006 (Public Law 109–114) mandated that VA IT funding be set-up as a new and separate account (IT Systems account) within VA. The Administration requests $1.3 billion for information technology.

Eliminating Funding.—The Committee recommends eliminating $198.1 million in funding from the following programs: Health Data Repository, Health*e*Vet Vista, Pharmacy Re-engineering and IT Support, Scheduling Replacement, Vista Imaging, Vista Laboratory IS System Re-engineering.

Reducing Funding.—The Committee recommends a reduction of $45 million from the "Pay Account" of the 20-year-old VistA legacy system, and $33 million from FLITE.

Increasing Funding.—The Committee recommends a $32 million increase in the Benefits Delivery Network Maintenance Operations and Enterprise Cyber Security Program, adding $12 million and $20 million to the programs respectively. Additionally, the Committee recommends an increase of $0.2 million in IT resources for BVA to support the recommended 56 additional FTEE.

Adding Funding.—The Committee recommends adding $90 million in new telecommunications funding for the VA Office of the Chief Information Officer for increased bandwidth, redundant back-up and Continuity of Operations Plans and new data center consolidations funding for the VA Office of the Chief Information Officer for data center consolidations, $30 million and $60 million respectively.

Therefore, the Committee recommends a total funding level for the VA IT Systems account of $1.1 billion, providing $154.4 million less than the Administration's request for Fiscal Year 2007. Further, the Committee recommends the $154.4 million be transferred to the Medical Services account.

OFFICE OF THE INSPECTOR GENERAL

VA's Office of Inspector General (OIG) is responsible for the audit, investigation, and inspection of all VA programs and operations. For FY 2007, the Administration requests $69.5 million and 458 Full Time Equivalent Employees (FTEE) to support the activities of the OIG. The Committee recommends an increase of $3.5 million in discretionary funding to support 485 FTEE.

DEPARTMENT OF LABOR

VETERANS EMPLOYMENT AND TRAINING SERVICE (VETS)

VETS manages employment and training related programs and services to veterans primarily through administering the Disabled Veterans Outreach Program Specialist (DVOPS) and Local Vet-

erans Employment Representative (LVER) state grant program. DOVPS and LVERs are state workforce agency employees whose job is to provide intensive case management services to disabled veterans and outreach to employers on behalf of all veterans.

VETS funds the National Veterans Training Institute (NVTI) in Denver through a contract with the University of Colorado Denver. The Institute trains DVOPS and LVERs in their statutory duties as well as providing training to other federal personnel regarding veterans employment rights and responsibilities as part of the Uniformed Services Employment and Reemployment Rights Act (USERRA) enforcement program.

The Administration's request of $1.9 million will fund a current services level of effort. Additional resources will provide training opportunities for several hundred veterans employment specialists. Given the additional need for well-trained DVOPS, LVERs, and USERRA enforcement investigators, the Committee recommends an increase of $200,000 over the Administration's FY 2007 request.

LEGISLATION THE COMMITTEE MAY REPORT

Modernized GI Bill.—Congress passed the modern day education benefit for veterans, the Montgomery GI Bill (MGIB), in 1985 to aid in recruitment, retention, and transition for the Cold War All-Volunteer Force. The program provides benefits for both the Active Duty and Reserve Forces. The active duty benefit is administered by the Department of Veterans Affairs and under the jurisdiction of the Veterans' Affairs Committee (title 38, United States Code). Benefits for the Reserve Components are funded by the Department of Defense and under the jurisdiction of the Armed Services Committee (title 10, United States Code) and administered by the Department of Veterans Affairs on a reimbursable basis.

The Committee believes that too many of those leaving the military both active duty and Reserve members—are not able to use their GI Bill education benefits. For those veterans who cannot or choose not to attend a typical college degree program, the current benefit restricts the types of education and training available to them.

The Committee proposes a new approach to the education benefit that supports national security and recognizes the earned nature of veterans' benefits while remaining mindful of the need to restrain increases in direct spending.

National Guard and Reserves education benefits are authorized under title 10 as discretionary spending. Active duty GI Bill benefits are authorized under title 38 as mandatory spending. VA does not have an account for discretionary funding for education benefits at this time. VA administers the title 10 payments through a Memorandum of Understanding with DoD on a reimbursable basis.

Based on an informal costing, the Committee estimates that a modernized GI Bill may cost up to $600 million in the first year, $2.5 billion over five years, and $4.5 billion over ten years. The Committee will explore funding options.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 23, 2006.

Hon. JIM NUSSLE,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 301(d) of the Congressional Budget Act of 1974, and clause 4(f) of rule X of the Rules of the House of Representatives, the minority of the Committee on Veterans' Affairs hereby submits its Minority, Additional, and Dissenting views and estimates with regard to programs and matters within the jurisdiction of the Committee to be set forth in the concurrent resolution on the budget for fiscal year 2007.

Providing for veterans is a continuing cost of war and a continuing cost of our national defense. We simply have no excuse for not meeting their needs. It is sometimes easy to forget that budgets and numbers ultimately come down to real people. We must not forget them. We hope that you will carefully consider these Democratic views and estimates. Working together, we can make sure that our veterans are not forgotten, and that we meet our obligations to them as a nation.

Sincerely,

LANE EVANS,
Ranking Democratic Member.

STEVE BUYER,
Chairman.

SECTION 1—DISCRETIONARY ACCOUNTS

DEPARTMENT OF VETERANS AFFAIRS

We are recommending a total increase in VA discretionary funding of $4.477 billion over the Administration's FY 2007 request, including an increase of appropriated dollars over this request for VA medical care of $3.627 billion.

VA MEDICAL CARE

Although the Administration's FY 2007 request for VA medical care is an improvement over its FY 2006 request, which included a recommended increase in appropriated dollars of less than one percent, in the final analysis we do not believe it provides the necessary resources to fully meet our obligation to our veterans.

We are recommending an increase in appropriated dollars for the three accounts comprising VA medical care (Medical Services, Medical Administration, and Medical Facilities) of $3.627 billion above the Administration's FY 2007 budget request. This recommended level is also above the amount recommended by the *Independent Budget*, co-authored by AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars.

The majority of the recommended increase results from merely providing, in actual dollars, what the Administration claims to be providing in its budget submission. In fact, $2.4 billion of the $3.6 billion recommended increase is attributable to these costs. Specifically, we provide appropriated dollars for the Administration's legislative proposal scheme, the same proposals that we see each year and which have been rejected time and time again by Congress ($796 million), resources to correct the Administration's "double-counting" the same $544 million from its legislative proposal scheme to augment its collections estimate and fill the gap between appropriations and obligations ($544 million), and dollars added back to cover estimated "efficiencies" that the Administration has claimed but has provided no justification that savings were realized ($1.1 billion). We also provide funding to lift the Administration's enrollment ban on new Priority 8 veterans and increases to VA's priority programs.

Last year, we saw the VA face shortfalls in both its FY 2005 and FY 2006 health care budgets, shortfalls that had a direct impact upon the care received by veterans. Ultimately, the Administration begrudgingly admitted these shortfalls and requested additional resources. In fact, the final FY 2006 amount appropriated came close to the level we recommended in our Views and Estimates last February.

MEDICAL SERVICES

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
22,547,141,000	24,716,000,000	25,990,463,000	28,155,477,000	+3,439,477,000

FY 2007 Request—is reduced from $25,511,509,000, This budget submission states that the ''President's budget includes a legislative proposal section that reduces the appropriation by $795 million as a result of three legislative proposals that will increase user fees.'' The amount listed as the FY 2007 request is the amount of the reduced appropriation request.

Independent Budget—The Independent Budget recommendation of $25,990 billion does not include costs attributable to removing the enrollment ban on new Priority 8 veterans instituted by the Administration in January, 2003, The Independent Budget includes an estimate of $684 million to remove this ban as part of its total discretionary funding recommendation, but not as part of its Medical Services account recommendation.

The Medical Services appropriation provides for medical services of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis." H. Rept. 109–95, to accompany H.R. 2528, the Military Quality of Life and Veterans Affairs, and Related Agencies Appropriations Bill, 2006. Note that all account descriptions, unless noted, are from this Report.

The Medical Services account comprises the majority of funding for VA health care—nearly 80 percent of the total of the three accounts that make up "VA medical care." We are recommending a total increase in appropriated dollars, above the Administration's request of $3.4 billion. As stated above, the majority of this recommended increase seeks to provide real dollars for the Administration's claims regarding what it is providing in its request.

We are concerned that the Administration may have once again underestimated the total number of unique patients it expects to see in FY 2007. In FY 2005, the VA had 5.3 million unique patients. Its most current estimate for FY 2006 is 5.4 million. On July 14, 2005, the Administration requested additional resources for FY 2006, citing, among other expenses:

> A $677 million increase for VA to cover an estimated 2.0 percent increase in the number of patients expected to seek care in FY 2006. The President's Budget assumed 5.2 million patients in FY 2006 and VA now predicts this number to be 5.3 million patients.

In its FY 2007 submission, the Administration claims a total number of unique patients of 5.3 million, down from the 5.4 million for its FY 2006 estimate. Even when the number of veterans the VA claims will leave the system because of its legislative proposal to charge a $250 enrollment fee (199,667) are added back to the total, the VA estimates that it will essentially see the same number of patients in FY 2007 as it now believes it will see in FY 2006. We believe that the VA, over the course of the upcoming year, must work closely with this Committee to ensure that it has enough resources to care for all of its enrollees in both FY 2006 and FY 2007.

Although the Administration has indeed requested an increase in this account, we believe it falls short of meeting the health care needs of veterans. For this reason, we are recommending the following increases to the Administration's FY 2007 request:

Legislative proposals

We recommend providing appropriated dollars to cover the costs of the Administration's legislative proposals. These proposals are estimated by the Administration to result in a decrease in obligations of $251 million and an increase of $544 in collections, for a total of $796 million. We understand the Majority will also be recommending that these proposals be rejected and the Administration's request be increased. The Administration has used this $796 million to decrease its request for appropriated dollars in the Medical Services account.

- Increase to cover estimated costs of legislative proposals—$796 million.

Efficiencies

During the FY 2006 budget cycle, Minority Members of the Committee expressed concern regarding VA's practice of claiming "management efficiencies" and using these claimed "savings" to offset Administration requests for appropriated health care funding. Members made several requests for VA to support the efficiencies claimed, but received little supporting evidence to buttress the VA's estimates. Claimed efficiencies have offset a total of $5.426 billion dollars in appropriations requests for veterans' health care between FYs 2003–2007. During this same period of time, third-party auditors and investigators found significant losses due to fraud, waste, abuse and mismanagement at the Department. The Government Accountability Office (GAO) released a report, *Veterans Affairs: Limited Support for Re-*

ported Health Care Management Efficiency Savings, GAO–06–359R ("GAO Report"), on its audit of management efficiency savings assumptions claimed by VA for FYs 2003–2006 and was told by VA officials that:

> The management efficiency savings assumed in these requests were savings goals used to reduce requests for a higher level of annual appropriations in order to fill the gap between the cost associated with the VA's projected demand for health care and the amount the President was willing to request. *GAO Report, p.3*.

As the data for management efficiency savings are unreliable and as it would be reasonable to offset savings by well documented episodes of management difficulties at VA, we conclude that it is not clear if VA has even produced a "net" savings.

Therefore, we recommend providing appropriated dollars to cover the costs associated with the Administration's estimates for "efficiencies." The Administration includes a total of $1.1 billion in "efficiencies" in this year's budget. To quote from its budget submission, "VA is estimating cumulative efficiencies of $1.1 billion in 2007 which results in additional efficiencies of $197 million over the 2006 level of $884 million" (*Department of Veterans Affairs FY 2007 Budget Submission, Medical Programs, Volume 1 of 4*, at 1–12).

The GAO Report concluded the "VA lacked a methodology for making the health care management efficiency savings assumptions reflected in the President's budget requests for fiscal years 2003 through 2006 and, therefore, was unable to provide [GAO] with any support for those estimates." According to the GAO, there is no justification that this $884 million attributable to FY 2006 exists, but it is in the budget this year, and is used to offset increased appropriations.

The additional $197 million in new claims ($138 million in the Medical Services account) are, as VA has testified, not management efficiencies, rather they are called "Clinical and Pharmacy Efficiencies." As VA has changed its nomenclature for these savings five times in the last five years, we are able to recognize no distinction. The newly claimed $197 million in overall forecast savings should not be allowed to offset health care because we do not believe VA could have established a methodology and tracking system since the February 1, 2006 release of the GAO report.

We remain unconvinced that the Administration can adequately justify estimated "savings" of $138 million in the Medical Services account for FY 2007. Until detailed justifications that are acceptable to us can be offered, we propose an increase in appropriated dollars to cover this estimate in order to assure that veterans' medical care is not compromised.

- Increase to fund "savings" attributable to unjustified "efficiencies"—$1 billion

Priority programs

Mental health

While the Administration has taken important steps to address the mental health needs of veterans, the proposed Administration increase of $339 million is inadequate in several respects. It fails to address the mental health care needs of veterans and those returning from Iraq and Afghanistan.

We are concerned that VA's model for projecting demand fails to recognize that OIF/OEF veterans are disproportionately represented in its Post-traumatic Stress Disorder (PTSD) population. These veterans represent two percent of the overall patient population but nearly six percent of the veterans in treatment for PTSD. Mental health experts indicate that between 17 percent and 26 percent of troops returning from combat operations in Iraq and Afghanistan may experience symptoms related to a mental health disorder, such as depression, anxiety or PTSD. Our recommendations include funds to support increased demand and utilization in PTSD outpatient and inpatient programs.

We do not support the Administration's proposed cuts in the number of patients for which it will have the capacity to provide substance abuse treatment. Given that one out of five PTSD patients also has a substance abuse disorder, we believe that cutting substance abuse treatment levels does harm to VA's PTSD program.

We are concerned that the Administration's budget fails to respond to the growing mental health needs of our aging veterans' population. VA's own study for FY 2007 projects an estimated 66,730 cases of dementia in VA patients age 85 or older.

We believe that the Administration's budget fails to provide resources for Veterans Health Administration (VHA) staff to support the Post-Deployment Health Re-Assessment program to screen servicemembers, three to four months post-deployment, for mental and physical concerns.

We commend the VHA for developing a Comprehensive Mental Health Strategic Plan designed to implement the recommendations of the New Freedom Commission and to address significant gaps between demand and services. We are concerned

that actual dollars committed to support the initiatives in the plan have fallen short of the promised levels of funding. Our recommendation includes funds to not only ensure the full promise of the comprehensive mental health plan, we provide for needed staff in the Medical Administration account to help implement and monitor the plan.

We are recommending an increase for Vet Centers. The Readjustment Counseling Service program consists of 207 community-based Vet Centers located outside of the larger medical facilities, in easily accessible, consumer-oriented facilities. The Vet Centers have been on the vanguard of outreach efforts to returning veterans from service in Afghanistan and Iraq. In view of the Vet Center's existing authority to provide family readjustment counseling and the value of such family counseling to help strengthen and support traumatized veterans and their families, we recommend an additional $6.9 million above the President's recommendation to strengthen the Vet Centers' capacity with 100 family therapists. This is consistent with the repeated recommendations of both the Advisory Committee on the Readjustment Counseling of Veterans and the Special Committee on PTSD.

We recommend an additional $210 million for mental health, to enhance capacity to meet the needs of new veterans and veterans from previous conflicts who bear the psychological wounds of war.

- Increase of $7 million to support additional FTEE for increased demand and to expand veterans' access to family therapy—$7 million
- Increase of $140 million to fulfill the promised money to implement the Comprehensive Mental Health Strategic Plan—$140 million
- Increase of $20 million to increase VA's capacity to provide substance abuse treatment by 5 percent above FY 2006 levels. VA's proposed budget would cut capacity below FY 2006 levels, even though early reports suggest that alcohol misuse will have a profound impact on returning soldiers' reintegration—$20 million
- Increase of $28 million to increase capacity to treat returning OIF/OEF veterans who need outpatient mental health services—$28 million
- Increase of $13 million to adjust for VA's underestimation of PTSD special inpatient programs workload. VA projects 3.4 percent increase for specialized PTSD programs. Our projection reflects a 10 percent increase, to provide capacity to serve returning veterans with no diminishment in capacity to serve patient populations from previous wars—$13 million
- Increase of $2 million to increase FTEE to support VA efforts for seamless transition through the Post-Deployment Health Reassessment—$2 million

Long-term care

The Administration is in violation of its statutory responsibility to maintain FY 1998 levels for the Average Daily Census (ADC) for VA nursing home care, as mandated by P.L. 106–117, the Veterans Millennium Health Care and Benefits Act, The VA requests resources to support an estimated 11,100 ADC—2,291 below the 1998 figure. We recommend an increase of $471 million to enable the VA to meet its statutory obligations.

The non-institutional programs are indeed a necessary part of VA's care continuum, but we should hold to the 1998 recommendations of the Federal Advisory Committee on the Future of VA Long-Term Care that VA should maintain its bed capacity, increase capacity in the state homes and double or triple capacity in its non-institutional long-term care settings. While telemedicine and home care are important components of long-term care, telemedicine cannot help a veteran to get out of bed or take a shower. Home care may not be suitable for many severely disabled veterans who need 24-hour care for complex medical and psychiatric conditions.

- Increase for VA nursing home care—$471 million

While increasing the funding for VA to meet the statutory requirements of VA operated nursing home care, we also recommend that VA develop a long-term plan to meet the extended care needs of its patient population. VA projects that in FY 2007, the demand for VA-sponsored nursing home care among VA's patient population will be 80,511 ADC. Neither VA, nor Congress, can ignore the urgent and increasing needs consequent to the exponential growth in the population of veterans who are frail and aging.

Prosthetics

We recommend providing an additional five percent increase above the Administration's request for prosthetics. This total increase would be more in line with VA's past increases in this account. We remain very concerned that we are not providing the necessary resources to fund this area, especially in light of the increased needs of our servicemembers returning from Iraq and Afghanistan.

- Increase for prosthetics—$56 million

Collections

We remain concerned that VA is not realizing all it could in its collection efforts. We are concerned that VA has failed to provide an accurate cost for its collection efforts. We believe that in the future, the VA should provide details regarding the net amount that VHA receives through Medical Care Cost Collections Fund (MCCF), not just the gross amounts provided in its budget submissions.

We note that the Majority is concerned that VA is again over-estimating its collection amounts for FY 2007 and plans on providing for a lower collections estimate more in line with the VA's past annual increases. The VA estimates that it will achieve an increase in collections of more than 11 percent (not including collections associated with its legislative proposals), a figure higher than the eight percent realized from FY 2005 to its current estimate for FY 2006. We agree with the Majority's efforts in this regard, and hope that we can work together this session to obtain a clearer picture of the VA's efforts in this area.

• Increase to cover the estimate of collections attributable to the Administration's legislative proposals, used once to decrease its recommended appropriation for Medical Services, then used again to augment its collection estimates—$544 million

Priority 8 veterans

We recommend funding to do away with the Administration's ban on enrollment of Priority 8 veterans, instituted in January 2003. This increase is calculated to care for the number of veterans the VA has stated have been turned away from the door, offset by the increased amount of collections they will bring into the VA.

The VA claims that 241,876 veterans have been affected by its decision to deny enrollment to new Priority 8 veterans. Our cost estimate assumes that all of these veterans will seek health care in FY 2007. The cost of these veterans are then offset by the estimated amount of collections they will bring with them to the VA. We believe the net cost to the VA is $341 million for this initiative.

We note that the authority of the Administration to deny enrollment to an entire class of veterans was never meant to extend ad infinitum, but was provided to the VA as a management tool in order for it to address unexpected shortfalls that might arise during the course of the year.

Finally, we note that these veterans are not necessarily "high income" veterans, as they are often described by some. These veterans, who may be combat-decorated, can make as little as $27,000 per year and be categorized as Priority 8 veterans and therefore shut out of the system.

• Increase to lift the Administration's enrollment ban on new Priority 8 veterans—$341 million

Other issues of concern

Nurse staffing levels

We agree with the Majority that VA needs to take steps to improve its nurse staffing levels. Before VA embarks on the Magnet Status program, however, we believe that the VA should first comply with P.L. 107–135 and establish a nationwide Veterans Health Administration staffing plan to ensure the provision of high-quality care and services. The VA Office of Inspector General found that VHA has failed to mandate the use of a national nurse staffing methodology. Given that the Magnet program does not have any minimum staffing standards to hold hospital administrators accountable or to ensure high-quality care, we recommend that VHA first comply with the 2002 law and establish a national nurse staffing methodology before budgeting funds to seek Magnet recognition.

State veterans homes per diems

Last year VA proposed a different standard for eligibility for per diem for State veterans homes which would have essentially destroyed the State Home program. We continue to support the current eligibility standards for per diem payments to State Veterans Homes.

MEDICAL ADMINISTRATION

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
2,858,442,000	3,177,000,000	2,939,403,000	3,216,635,000	+39,635,000

The Medical Administration appropriation provides funds for the expenses of management and administration of the VA health care system. Included under this

heading are provisions for costs associated with operation of VA medical centers, other facilities, and VHA headquarters, plus the costs of VISN offices and facility director offices, chief of staff operations, quality of care oversight, all information technology hardware and software, legal services, billing and coding activities, and procurement.

We are recommending two increases above the Administration's request:

- Restore $38 million in claimed FY 2007 management efficiencies
- Increase of $0.6 million to add FTEE for the National Center for PTSD to increase education and training efforts on PTSD, and an increase of $0.6 million to support VA Central Office staff to implement and monitor the Mental Health Comprehensive Strategic Plan—$1.2 million

MEDICAL FACILITIES

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
3,297,669,000	3,569,000,000	3,461,348,000	3,716,793,000	+148,000,000

The Medical Facilities appropriation provides funds for the operation and maintenance of the VA health care system's vast capital infrastructure. Included under this heading are provisions for costs associated with utilities, engineering, capital planning, leases, laundry and food services, groundskeeping, garbage, housekeeping, facility repair, and property disposition and acquisition.

We recommend a $148 million increase above the Administration's request. This recommendation allows for increases attributable to three items: providing resources for the Administration's claimed "efficiencies" in this account, additional resources to better enable the VA to address increased energy costs in FY 2007, and an increase for non-recurring maintenance. We note that the Majority plans to recommend an increase in this account above the Administration's request, and is also concerned that the non-recurring maintenance account needs additional resources.

- Restore assumed management efficiencies—$21 million
- Provide additional resources to better ensure against energy cost inflation—$24 million
- Provide a 20 percent increase for Non-Recurring Maintenance obligations—$103 million

MEDICAL AND PROSTHETIC RESEARCH

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
412,000,000	399,000,000	460,000,000	450,464,000	+51,464,000

This account includes medical, rehabilitative and health services research. Medical research is an important aspect of the Department's programs, providing complete medical and hospital services for veterans. The prosthetic research program is also essential in the development and testing of prosthetic, orthopedic and sensory aids for the purpose of improving the care and rehabilitation of eligible disabled veterans, including amputees, paraplegics and the blind. The health service research program provides unique opportunities to improve the effectiveness and efficiency of the health care delivery system. In addition, budgetary resources from a number of areas including appropriations from the medical care accounts; reimbursements from the Department of Defense; and grants from the National Institutes of Health, private proprietary sources, and voluntary agencies provide support for the Department's researchers.

Last year we recommended $460 million for this account, which also matched the amount requested by the Independent Budget and the Friends of VA Medical Care and Health Research (FOVA). Both the Independent Budget and FOVA are recommending $460 million again this year. We are recommending a $38 million increase above the enacted level for FY 2006, and $51 million in additional funding above the Administration's FY 2007 request of $399 million.

Our recommendation for an increase to medical research, unlike the Administration's request, relies upon the inflation adjustment of the Biomedical Research and Development Price Index, which was developed by the Department of Commerce's Bureau of Economic Analysis for use by the National Institutes for Health (NIH). We believe this inflation adjustment is more appropriate and necessary to preserve

the value of VA research and development dollars. By restoring funds cut from the FY 2006 level and by more accurately projecting the impact of inflation on VA's research dollars we signal a strong commitment to VA's research program and achieve stability for ongoing projects.

We note that the VA's expectation of receiving additional federal dollars outside of monies appropriated in this account may not be realized with the Administration's proposed flat FY 2007 budget for NIH. This makes increased appropriated dollars in the Medical and Prosthetic Research account even more vital to this important program.

The work of VA's Centers for Excellence is essential to VA's ability to maintain its world-class quality of care. In the brief time since their inception, VA's six Parkinson's Disease Research Education and Clinical Centers have made significant contributions to the care and research of Parkinson's disease, and training. The VA Multiple Sclerosis (MS) Centers of Excellence provide state-of-the-art multidisciplinary health services for veterans with MS and serve as a prototype for provision of excellent clinical care throughout the VA health care system.

In the past, a successful effort was made to double the NIH's budget. We would like to see a similar effort to double the VA's research budget. Although this may not be possible, we believe we should strive to provide annual increases in order to further the work of VA research and signal our commitment and backing for this program.

The Democratic recommendation of $450 million, an increase of $51 million above the Administration's request, is comprised of the following increases:

- Restore the account to the FY 2006 enacted level—$13 million
- Provide a 3.5 percent increase to account for estimates of biomedical research inflation—$14 million
- Restore cuts in VA's Centers of Excellence and provide a modest increase—$2 million
- Provide a five percent increase from FY 2006 enacted levels—$21 million

Provide $1 million to contract with the National Academy of Sciences to review the National Vietnam Veteran Longitudinal Study and determine whether, as designed, it would yield scientifically valid information and conclusions on the long-term course and medical consequences of PTSD—$1 million

GENERAL OPERATING EXPENSES

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
1,435,391,000	1,480,764,000	1,826,745,000	1,553,975,000	+73,211,000

The General Operating Expenses appropriation provides for the administration of non-medical veterans benefits through the Veterans Benefits Administration (VBA) and Departmental management and support.

Veterans Benefits Administration

Compensation and Pension Service

VA provides service-connected compensation to veterans with disabilities incurred or aggravated during military service, dependency and indemnity compensation (DIC) to surviving spouses, children and low-income dependent parents of veterans, pension benefits to elderly and disabled low-income wartime veterans, death pension to the surviving spouses and children of wartime veterans and benefits to certain children of veterans who were disabled by spina bifida or other congenital conditions related to their parent's military service.

For FY 2007, the Administration's budget would cut staffing by 149 FTEE who handle claims for service-connected compensation. This decrease is proposed despite the fact that the Administration's budget predicts the backlog of claims at the end of FY 2007 will reach 396,834—far in excess of the 250,000 pending claims which VA has historically considered to be a normal pending workload.

We believe it is unrealistic to assume that claims resulting from specific outreach to six states as required by the Military Quality of Life and Veterans Affairs Appropriations Act, 2006, P.L. 109–114, (which has not yet been initiated) will be completed in 2006. We are also concerned that as additional disabled servicemembers leave military service, resources will not be adequate to provide timely and accurate service.

Consistent with the Majority, we are recommending the following increase for the Compensation and Pension Service:

• Increase of additional 200 FTEE for direct compensation work to retain the 2006 levels and to reduce the pending claims to a more acceptable level than the expected 396,834 level, as well as an additional six FTEE for management direction and support staff, as well as increased obligations to support the FTEE increase—$17.6 million

• In addition, in light of the recommendation for increased staffing, we are recommending an increase of $37.1 million to restore non-payroll accounts which the Administration has proposed to cut from the estimated 2006 levels. These include obligations in the Equipment and Other Services accounts—$37.1 million

Education Service

VA provides education assistance to servicemembers, veterans, and certain eligible survivors and dependents in exchange for military service. VA education assistance, popularly known as the Montgomery GI Bill, is used by the Armed Forces as a recruiting and retention tool, as well as a readjustment benefit for servicemembers seeking to achieve educational and vocational goals in the civilian workforce.

Consistent with the Majority, we support the Administration's request of $90.1 million in discretionary funding to support 930 FTEE for the Education Service—an increase of 46 FTEE (34 direct FTEE; two IT FTEE; 10 management and support FTEE) over the FY 2006 level. Education claims rose between FY 2000 and FY 2004 by nearly 328,000 claims—a 35 percent increase; direct FTEE rose 14 percent for this same period. Additional FTEE are necessary to meet the increase in education claims, especially in light of VA's implementation of the new Guard and Reserve Education Program (chapter 1607 of Title 10, U.S.C.)

• We support an additional increase of $11 million for Information Technology-related services (attributable to TEES system)—$11 million

Housing (Loan Guaranty Service)

VA assists veterans and servicemembers to purchase and retain homes in recognition of their service to the Nation.

We cautiously accept the Administration's funding request of $127 million to support 971 FTEE—a decrease of 17 FTEE within the Loan Guaranty Service. The Committee recognizes that the Loan Guaranty Service has, for the most part, successfully implemented a host of efficiency and consolidation efforts to provide quality services while maintaining low overhead costs, thereby saving federal resources.

Specifically, the Loan Guaranty Service has leveraged technological advances to provide enhanced services with fewer resources and has benefited from low foreclosure rates. We are concerned that if the housing market deteriorates during or before 2007, VA will need to provide additional resources to address the increase in foreclosure workload that would accordingly follow. Total loans guaranteed in FY 2005 were 150,895 and are estimated to increase to 230,000 in FY 2006. VA also expects an increase in defaults and foreclosures since historic lows in FY 2005. VA estimates similar workload levels for FY 2007. The Committee continues to be interested in VA providing proper oversight over property management contractors and accordingly recommends that sufficient FTEE be provided to carry out this inherently governmental activity.

Vocational Rehabilitation and Employment (VR&E)

VR&E provides employment services and assistance to enable veterans with service-connected disabilities to obtain suitable employment and, to the maximum extent possible, achieve independence in daily living.

Consistent with the Majority, we support the Administration's budget request of $149 million to support 1,255 FTEE, an increase of 130 FTEE (107 Direct; two IT; and 21 management and support FTEE) over the FY 2006 level. The increase in staffing is necessary to implement the 2003 VR&E Task Force recommendations, which requires additional staff in VA regional offices, as well as Central Office staff, to improve services, oversight and outreach efforts. VR&E workload is projected to increase to 102,601, approximately a 2.5 percent increase over FY 2006 workload of 100,098.

Insurance

We accept the Administration's recommended appropriation of $4.4 million, an increase of $71,000 above the FY 2006 current estimate. This will maintain the current FTEE of 503.

General Administration

The General Administration component of the General Operating Expenses account is comprised of a number of sub-accounts: Office of the Secretary, Board of Contract Appeals, Board of Veterans' Appeals, Office of the General Counsel, Assist-

ant Secretary for Management, Assistant Secretary for Information and Technology, Assistant Secretary of Human Resources and Administration, Assistant Secretary for Policy and Planning, Assistant Secretary for Public and Intergovernmental Affairs, and Assistant Secretary for Congressional and Legislative Affairs. With the exception of the Board of Veterans' Appeals, we accept the Administration's request for General Administration.

Board of Veterans' Appeals

The Board of Veterans' Appeals (the Board) decides appeals of claims filed by veterans and other beneficiaries who are dissatisfied with compensation and pension benefits decisions made by VA regional offices and a much smaller number of decisions for VA Education, Vocational Rehabilitation, Insurance, Home Loan Guaranty Programs, and medical benefits. During the past few years, both the number and percentage of appeals filed has almost doubled. In addition, claims appealed to the United States Court of Appeals for Veterans Claims (the Court) in 2005 markedly increased from a historical average between 2200 and 2400 to 3466. This trend has continued into 2006. The Board is responsible for assembling the record filed with the Court when claims are appealed and for addressing the more than 70 percent of merit decisions remanded to the Board by the Court. Consistent with what we understand to be the recommendation of the Majority, we support an additional $6.4 million above the Administration's request to support an additional 56 FTEE to bring the Board's FTEE staffing to 500.

In addition, we note that many of the non-personnel accounts at the Board, including obligations for training, travel board hearings, supplies and equipment are proposed to be cut from the current FY 2006 levels. In light of our recommendation for increased staffing levels, we are recommending, at the very least, an additional $1.1 million to restore these obligations to their FY 2006 current estimate level.

- Increase attributable to increased FTEE—$6.4 million
- Increase to restore obligations proposed to be decreased to FY 2006 current estimate levels—$1.1 million

INFORMATION TECHNOLOGY SYSTEMS

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
1,213,820,000	1,257,000,000	1,252,119,000	1,248,558,000	−8,442,000

The Information Technology Systems account was first instituted in the FY 2006 appropriations bill for the VA (P.L. 109–114). Congress has provided two-year funding for this account. Many aspects of this new account need to be refined and worked out.

We are recommending a decrease in this account below the Administration's request, comprising a decrease in the Financial and Logistics Integrated Technology Enterprise (FLITE) program and an increase for enterprise cyber security.

Two information technology programs warrant special attention, the FLITE program and the VA Enterprise Cyber Security Program. Additionally, many information technology systems at VA require re-hosting in FY 2007; previously, we have advocated the need for centralized control of these assets and continue to recognize that the need for accountability exists during the re-hosting period.

The FLITE program will integrate and standardize financial/logistical data and key processes across all VA offices to provide timely and accurate financial, logistics, budget, asset and related information on VA-wide operations and will establish an advanced technology environment which provides the greatest capability and an extended life cycle. This program will fill the need for an integrated financial management system at VA that was originally to be filled by the failed CoreFLS system. VA must thoroughly articulate its business processes for accounts payable and related processes before embarking on other aspects of the system design and deployment process. VA requests $34.4 million in FY 2007, but has not yet corrected the planning problems that eventually led to failure of the CoreFLS system. We believe $6 million should be provided in FY 2007 for FLITE planning and business model determination. This results in a reduction of $28 million below the Administration's request.

The Enterprise Cyber Security Program within the VA's Office of Information and Technology should receive $20 million in additional funding, to bring the appropriated level to $77 million.

- Decrease attributable to recommendations regarding FLITE program—($28 million)

- Increase for enterprise security—$20 million

NATIONAL CEMETERY ADMINISTRATION

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
156,447,000	160,733,000	213,982,000	174,733,000	+14,000,000

The National Cemetery Administration was established in accordance with the National Cemeteries Act of 1973. It has a fourfold mission: to provide for the interment in any national cemetery with available grave space the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and to permanently maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program. This appropriation provides for the operation and maintenance of 158 cemeterial installations in 39 states, the District of Columbia, and Puerto Rico.

The Administration's requested level for FY 2007 of $161 million represents a 2.7 percent increase over the FY 2006 level of $156 million.

We concur with what we understand to be the Majority's recommendation and we support an additional $14 million for this account. This additional funding is needed to make adequate progress on the National Shrine Commitment, as recommended by the VA study, National Shrine Commitment, the final of three reports mandated by the Veterans Millennium Health Care and Benefits Act (P.L. 106–117) released in October, 2002.

- Recommended increase for National Cemetery Administration—$14 million

OFFICE OF INSPECTOR GENERAL

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
70,174,000	69,499,000	72,778,000	77,492,000	+7,993,000

The Office of Inspector General was established by the Inspector General Act of 1978 and is responsible for the audit, investigation and inspection of all Department of Veterans Affairs programs and operations. The overall operational objective is to focus available resources on areas which would help improve services to veterans and their beneficiaries, assist managers of Department programs to operate economically in accomplishing program goals, and prevent and deter recurring and potential fraud, waste and inefficiencies.

The FY 2007 budget request for the VA Office of Inspector General (OIG) includes a $2.8 million decrease in total obligations from the FY 2006 enacted level and would cause a reduction in staffing of greater than five percent from the FY 2006 estimate. The OIG reports generating revenues for VA, historically yielding a return on every dollar invested of 20–30 times the investment. Currently, the OIG is staffed at a level relative to the workforce of the parent agency that is among the lowest among the statutory Inspectors General. A more robust OIG will help VA create and document best practices while having a positive impact upon the organization by limiting fraud, waste, abuse and mismanagement of resources. We are recommending the following increase:

- Increase attributable to restoring decreased obligations—$2.8 million
- Increase of five percent over FY 2006 enacted level—$3.5 million

CONSTRUCTION, MAJOR PROJECTS

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
974,600,000	399,000,000	1,447,000,000	924,900,000	+525,900,000

The construction, major projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the VA, including planning, architectural and engineering services, Capital Asset

Realignment Enhanced Services (CARES) activities, assessments and site acquisition where the estimated cost of a project is $7 million or more. Emphasis is placed on correction of life/safety code deficiencies in existing Department medical facilities.

We note the Administration's proposed appropriations language omits amounts attributable to CARES, although the VA budget justification volume for this account states "the medical care construction request includes $457 million for VA's nationwide infrastructure initiative (CARES) to ensure that the VA can put facilities and services where veterans live."

We believe the Administration should provide funding to build the top ten projects prioritized for FY 2007 in the VA's Five-Year Capital Plan. We note that the VA has included a few of these projects in its request: a Spinal Cord Injury Center in Milwaukee, Wisconsin; seismic corrections in American Lake, Washington; medical facility improvements in St. Louis, Missouri; and, seismic correction in Long Beach, California. We further note that the Long Beach project funded is different from the project accorded priority number six, but both make seismic corrections to the Long Beach facility, hence we have delayed requesting additional funding for this project.

Our recommended increase would fund the following projects:

Bay Pines, FL—Inpatient/Outpatient Renovation and Construction
Dallas, TX—Clinical Expansion and Renovation
Butler, PA—Outpatient Clinic and Demolition
East Bay, CA—New Outpatient Clinic
Seattle, WA—Mental Health and Research Building
Loma Linda, CA—Outpatient Clinical Building

- Increase to fund priority CARES projects—$526 million

We note that the VA has promised this Committee that it will request the additional funding it needs to complete the Las Vegas replacement medical facility in its FY 2008 request.

CONSTRUCTION, MINOR PROJECTS

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
200,737,000	198,000,000	505,000,000	314,000,000	+116,000,000

The construction, minor projects appropriation provides for constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department, including planning, CARES activities, assessment of needs, architectural and engineering services, and site acquisition, where the estimated cost of a project is less than $7 million.

We recommend a total increase above the Administration's request of $116 million. Consistent with the Majority, we support a $16 million increase in Construction, Minor Projects for cemeteries. This additional funding is needed to make adequate progress on the National Shrine Commitment as recommended by the Study on Improvements to Veterans Cemeteries (October 2001).

We are also recommending a general increase for this account of $100 million, in order for the VA to begin to address its minor construction responsibilities to expand veterans' access, including rural veterans access, to VA health care.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
85,000,000	85,000,000	150,000,000	150,000,000	+65,000,000

This program provides grants to assist States to construct State home facilities, for furnishing domiciliary or nursing home care to veterans, and to expand, remodel or alter existing buildings for furnishing domiciliary, nursing home or hospital care to veterans in State homes. A grant may not exceed 65 percent of the total cost of the project.

We recommend funding at the level recommended by the Independent Budget.

- Increase for Construction of State Extended Care Facilities—$65 million

GRANTS FOR CONSTRUCTION OF STATE VETERANS CEMETERIES

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
32,000,000	32,000,000	37,000,000	37,000,000	+5,000,000

This program provides grants to states 100 percent of the cost for the establishment, expansion or improvement of state cemeteries. The states are responsible for on-going maintenance. State cemeteries provide a last resting place for veterans who live in areas not reasonably served by a national cemetery. Consistent with the recommendation of the Independent Budget, we recommend $37 million for this account, $5 million above the Administration's request.

- Increase for Construction of State Veterans Cemeteries—$5 million

DEPARTMENT OF LABOR

VETERANS EMPLOYMENT AND TRAINING

DEPARTMENT OF LABOR—VETERANS EMPLOYMENT AND TRAINING SERVICE (VETS)

The Assistant Secretary for VETS serves as the principal advisor to the Secretary of Labor on all policies and procedures affecting veterans' employment matters. VETS furnishes employment and training services to servicemembers and veterans through a variety of programs, including providing grants to States, public entities and non-profit organizations, including faith-based organizations, to assist veterans seeking employment. Congress also tasked Department of Labor VETS as the primary agency to investigate complaints filed under veterans preference and re-employment laws. Specifically, VETS administers the following programs: DVOP\LVER state grant program; Transition Assistance Program; Veterans' Preference and Uniformed Services Employment and Reemployment Rights Act; Homeless Veterans' Reintegration Program (HVRP); Veterans Workforce Investment Program (VWIP); Federal Contractor Program; and the National Veterans' Training Institute (NVTI). The Administration requests a total of $224.9 million in FY 2007 to support the staffing and grant-making ability of VETS. This is a $2.7 million (or 1.3 percent) increase over FY 2006 appropriations. We recommend an increase of $20 million for VETS to support increased staff to provide management and oversight over employment and training programs, expand HVRP and VWIP grants, as well as provide increased resources for training NVTI training resources.

OTHER AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
51,500,000	40,738,000	N/A	40,738,000	0

Includes appropriation for salaries and expenses, and foreign currency fluctuations.

The American Battle Monuments Commission is responsible for the administration, operation and maintenance of cemetery and war memorials to commemorate the achievements and sacrifices of the American Armed Forces where they have served since April 6, 1917. In performing these functions, the Commission maintains 24 permanent American military cemetery memorials and 31 monuments, memorials, markers and offices in 15 foreign countries, the Commonwealth of the Northern Mariana Islands, and the British dependency of Gibraltar. In addition, six memorials are located in the United States: the East Coast Memorial in New York; the West Coast Memorial, the Presidio in San Francisco; the Honolulu Memorial in the National Memorial Cemetery of the Pacific in Honolulu, Hawaii; and, the American Expeditionary Forces Memorial and the World War II and Korean War Veterans Memorials in Washington, D.C.

The appropriation for the American Battle Monuments Commission is comprised of two separate accounts: salaries and expenses, and foreign currency fluctuations. The Administration's request represents a decrease of $412,000 in salaries and expenses, and a decrease of $10,350,000 in the foreign currency fluctuations account. The agency has a currency fluctuation account that insulates its appropriation's

buying power from changes in exchange rates. The current exchange rate of 0.80 Euros to the U.S. dollar would require $4.9 million for foreign currency fluctuations.

U.S. COURT OF APPEALS FOR VETERANS CLAIMS

FY 2006 Enacted	FY 2007 Request	Independent Budget	FY 2007 Democratic Recommendation	Recommendation vs. Request
18,795,000	19,790,000	N/A	19,790,000	0

The Veterans' Judicial Review Act established the U.S. Court of Appeals for Veterans Claims (the Court). The Court has exclusive jurisdiction to review decisions of the Board of Veterans' Appeals. The Court may affirm, modify or reverse the decision of the Board or remand the case for additional proceedings. More than 70 percent of the Court's decisions on the merits are remanded to the Board each year.

This appropriation includes $1,260,000 for the Pro Bono Representation Program. The Court, an Article I court, states in its budget submission that the Court includes the Program's FY 2007 request as an appendix to its submission, "but offers no comment as to its substance other than to note that the Program has been highly successful in reducing the percentage of unrepresented appellants to the Court. Since 1997, the percentage of veterans who are unrepresented at the disposition of their appeals has dropped from 48 percent to 29 percent or less." We remain supportive of this program, and of the Court's recommended increase of $995,000.

SECTION 2—MANDATORY ACCOUNTS

We are recommending an increase in mandatory, or direct spending, of $2.340 billion above the Administration's estimates.

There are a number of veterans' programs which are not providing the benefit intended. This includes a number of VA programs whose value has eroded over time due to the loss of purchasing power when costs have increased, but the benefit has remained stagnant.

Compensation and pension benefits

Increase monthly Dependency and Indemnity Compensation (DIC) for survivors with dependent children under 18 by $250 per month, indexed for inflation.

In May of 2001, the Program Evaluation of Benefits for Survivors of Veterans with Service-connected Disabilities recommended that surviving spouses with dependent children receive an additional $250 per month for the first five years after the veterans' death. Public Law 108–422 provided an increase, but only for the first two years of eligibility. Currently, 1,944 surviving spouses receive this additional $250 per month which is frozen at the 2005 benefit level. An additional 700 survivors have had their $250 per month benefit terminated, but continue to receive DIC. The families of those children who lost a parent due to their military service should be provided with the minimum amount recommended and that amount should be indexed for inflation, to avoid a devaluation of the benefit.

- Increase for DIC—$24 million

Increase pension and death pension benefits for veterans and surviving spouses and children to 125 percent of the poverty level.

Veterans who have honorably served the Nation during a period of war and who have reached age 65 or who are under age 65 and are totally and permanently disabled as the result of nonservice-connected disabilities are eligible to receive a pension benefit if they meet certain income criteria. Surviving spouses and children of such wartime veterans, including adult disabled children are eligible for a death pension. According to a 2004 evaluation of VA's pension program, the pension program is not meeting Congressional intent because it is not allowing veterans and their survivors to live in dignity without having to turn to welfare. Although the evaluation recommended increasing the pension benefit to 185 percent of the poverty level, we propose to begin the process of improving the benefit by recommending an additional $1.7 billion to provide a benefit equal to 125 percent of the poverty level for pensioners.

- Increase for pension and death pension benefits—$1.7 billion

Allow World War II Filipino veterans to qualify for a nonservice-connected pension based upon age or disability.

World War II Filipino veterans who served alongside United States Forces in World War II have not received comparable benefits as the result of a decision rescinding promised benefits. In order to restore these benefits, we recommend that

an additional $106 million be included in the budget resolution to permit these veterans to receive a nonservice-connected pension benefit, We are alert to the possibility that this proposal might generate a slight increase in associated health care costs to the VA which we would expect the Department to assume.

- Increase for Filipino veterans—$106 million

Burial benefits

Increase burial plot allowance to $745.

Certain veterans who are buried in a private or state cemetery are eligible for a plot allowance of $300. A 2001 Independent Study of Burial Benefits recommended increasing the plot allowance to $563. The current amount is less than half of the cost of providing the plot. The amount should be raised to at least $745 to recognize the costs which have increased since the recommendation was made. The benefit should also be indexed for inflation.

- Increase for burial plot allowance—$30 million

Increase burial benefits for veterans who die of a service-connected disability to $4,100.

The families of veterans who die of a service-connected disability currently receive burial benefits of $2,000. Even with the proposed increase, only about 70 percent of the average funeral cost would be covered for veterans who die of a service-connected disability. The Secretary of Defense pays the cost of burial, or a sum based upon that normally incurred by the Secretary for servicemembers who die on active duty.

- Increase for burial benefits for service-connected disability—$30 million

Increase burial benefits for veterans who die of a nonservice-connected disability to $1,270.

The families of veterans eligible for burial benefits for deaths due to a nonservice-connected death currently receive $300. This amount has not been increased since 1978, This amount should be increased to $1,270 in order to provide adequate funds for burial expenses.

- Increase for burial benefits for nonservice-connected disability—$80 million

Insurance

Base premiums for Service-disabled Veterans Life Insurance (SDVI) on current actuarial tables.

The SDVI program provides life insurance to veterans with service-connected disabilities who apply within two years of being service-connected and who would be insurable but for their service-connected disabilities. At the time the SDVI program began, premium rates were based on the then current (1941) actuarial tables used by commercial life insurance companies. Although commercial life insurance tables have been updated several times since 1941 (most recently in 2001), service-connected disabled veterans, including those injured in Afghanistan and Iraq are subjected to premiums approximately three times higher than the original program intended because the actuarial tables are more than 60 years out of date.

In May of 2001, the Program Evaluation of Benefits for Survivors of Veterans with Service-connected Disabilities recommended that veterans' premiums should be based on current mortality rates.

- Increase for SDVI—$21 million

Increase SDVI maximum insurance to $50,000.

In May of 2001, the Program Evaluation of Benefits for Survivors of Veterans with Service-connected Disabilities recommended that SDVI coverage limits should be increased to $50,000 to cover at least two years worth of income following the veteran's death. The basic amount of SDVI available has not been increased from $10,000 since 1951. Adjusted for inflation, $10,000 in 1951 dollars would require an increase to $76,751. The estimated cost includes costs associated with updating the actuarial tables, and would be lower if the outdated tables were maintained.

- Increase for SDVI maximum insurance to $50,000—$225 million

Increase coverage for Veterans Mortgage Life Insurance (VMLI) to $200,000.

VMLI is a type of mortgage life insurance available only to those veterans disabled enough by a service-connected disability to qualify for a specially adapted housing grant. In May of 2001, the Program Evaluation of Benefits for Survivors of Veterans with Service-connected Disabilities recommended that the amount of VMLI insurance should be increased to between $150,000 and $200,000. This amount has not been increased since 1992. VMLI covers only about 55 percent of the mortgages of these veterans. Raising the coverage to $200,000 would allow the survivors to pay off the mortgage on approximately 96 percent of their homes.

- Increase for VMLI—$2 million

Readjustment Benefits

Specially Adapted Housing Grants

Proposed legislation would increase the amount of assistance available to severely disabled veterans for specially adapted housing from its current limit of $50,000 to $60,000 and from $10,000 to $12,000 for less severely disabled veterans. In addition, legislation would establish a price index that reflects a uniform, national average annual increase in the costs of residential home construction, so that future veterans eligible for this grant would continue to maintain their purchasing power.

- Increase for Specially Adapted Housing Grants—$10 million

Total Force GI Bill

Last year marked the 20th anniversary of the implementation of the Montgomery GI Bill (MGIB), a landmark piece of legislation that provided education and training benefits to many veterans. The time has come to update, modernize, and provide greater flexibility within the VA's educational assistance programs. For GI Bill education benefits to remain a relevant recruitment, retention, as well as readjustment benefit, we must ensure that VA's education and training programs reflect the manner in which individuals earn and learn in the 21st Century. Congress, other than providing benefit increases, has not significantly modified administrative or process provisions of the GI Bill since 1985. Due to advances in technology, recognition of the lifetime learning concept, dynamic workforce changes, and ever-increasing demands on military recruiting efforts, Congress should review the current veterans' education system and make necessary changes to provide servicemembers, veterans and their families relevant education and training benefits that meet their educational and vocational goals for success. The Committee plans on a bipartisan basis to explore a number of options to improve and modernize the GI Bill. The VA's Advisory Committee on Education and the Partnership for Veterans Education—a group made up of traditional veterans and military service organizations, as well as higher education advocates all have endorsed a proposal termed the "Total Force GI Bill." The proposal has three features; one, a clearer alignment of education benefit rates according to service rendered; two, establishment of a readjustment element to reservists' MGIB benefits earned during activation for a contingency operation (presently, activated reservists eligible for the new 'Chapter 1607' MGIB can only retain unused entitlement by remaining in the Selected Reserve—there is no portability of benefits after completion of a Selected-Reserve service contract; three, to achieve the first and second objectives and to ensure future correlation of active duty, veterans, and National Guard and Reserve benefits in an equitable and proportional manner, Chapters 1606 and 1607 in Title 10 and Chapter 30 in Title 38 need to be reorganized together under Title 38. CBO has not provided an official cost estimate with respect to the proposal, however, informal cost estimates have been stated between approximately $100 to $200 million. The VA has estimated first-year costs of actual benefit outlays of $112 million.

- Increase for Total Force GI Bill—$112 million

SECTION 3—CHART

Department of Veterans Affairs Discretionary Accounts FY 2007 (on following page)

MINORITY VIEWS AND ESTIMATES

(dollars in thousands)

	FY 2006 Enacted	FY 2007 Request	FY 2007 Independent Budget	FY 2007 Democratic Recommendation	Democratic Recommendation vs. Request
Veterans Benefits Administration					
Veterans housing benefit program fund account (indefinite)					
Administrative expenses	153,575	153,185		153,185	0
Vocational rehabilitation loans program account	53	67		67	0
Administrative expenses	305	305		305	0
Native American Veteran Housing Loan Program Account	580	615		615	0
Total, Veterans Benefits Administration	154,513	154,172	158,747	154,172	0

MINORITY VIEWS AND ESTIMATES—Continued

(dollars in thousands)

	FY 2006 Enacted	FY 2007 Request	FY 2007 Independent Budget	FY 2007 Democratic Recommendation	Democratic Recommendation vs. Request
Veterans Health Administration					
Medical Services	22,547,141	24,716,000	25,990,463	28,155,477	+3,439,477
Medical Administration	2,858,442	3,177,000	2,939,403	3,216,635	+39,635
Medical Facilities	3,297,669	3,569,000	3,461,348	3,716,793	+147,793
Subtotal, Medical Care	28,703,252	31,462,000	32,391,214	35,088,905	+3,626,905
Medical and Prosthetic Research	412,000	399,000	460,000	450,464	+51,464
Total, Veterans Health Administration	29,115,252	31,861,000	32,851,214	35,539,369	+3,678,369
Departmental Administration					
General operating expenses	1,435,391	1,480,764	1,826,745	1,553,975	+73,211
Information technology systems	1,213,820	1,257,000	1,252,119	1,248,558	−8,442
National Cemetery Administration	156,647	160,733	213,982	174,733	+14,000
Office of Inspector General	70,174	69,499	72,778	77,492	+7,993
Construction, major projects	974,600	399,000	1,447,000	924,900	+525,900
Construction, minor projects	200,737	198,000	505,000	314,000	+116,000
Grants for construction of State extended care facilities	85,000	85,000	150,000	150,000	+65,000
Grants for construction of State veterans cemeteries	32,000	32,000	37,000	37,000	+5,000
Total, Departmental Administration	4,168,369	3,681,996	5,504,624	4,480,658	+798,662
Total, VA Discretionary Programs (without collections)	33,438,134	35,697,168	38,514,585	40,174,199	+4,477,031

NOTE: The Independent Budget included costs associated with Priority 8 veterans denied enrollment as part of its total discretionary recommendation, and not part of Medical Services, for a total discretionary recommendation of $39,199,028,000.

MESSAGES FROM THE PRESIDENT AND EXECUTIVE COMMUNICATIONS

PRESIDENTIAL MESSAGES

March 1, 2005:

Communication from the President of the United States, transmitting the Administration's 2005 National Drug Control Strategy, pursuant to 21 U.S.C. 1705.

EXECUTIVE COMMUNICATIONS

February 2, 2005:

Letter from the Chief, Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule Increase in Rates Payable Under the Montgomery GI Bill Active Duty (RIN: 2900–AM08) Received December 15, 2004, pursuant to 5 U.S.C. 801(a)(1)(A).

February 9, 2005:

Letter from the Director, Regulations Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule—Relocation of National Cemetery Administration Regulations (RIN: 2900–AM10) Received January 31, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

February 15, 2005:

Letter from the Chief, Regulation Management, Office of Regulation Policy and Management, VBA, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Implementation of Public Law 107–103 (RIN: 2900–AL23) Received January 27, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

February 17, 2005:

Letter from The American Legion, transmitting the financial statement and independent audit of The American Legion proceedings of the 86th annual National Convention of the American Legion, held in Nashville, Tennessee from August 31, September 1, and 2, 2004 and a report on the Organization's activities for the year preceding the Convention, pursuant to 36 U.S.C. 49.

March 1, 2005:

Letter from the Deputy Secretary, Department of Veterans Affairs, transmitting the Special Medical Advisory Group's Annual Report to Congress for FY 2004, pursuant to 38 U.S.C. 4112(a).

March 8, 2005:

Letter from the Director, Regulations Management, Office of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Payment for Non-VA Physician and Other Health Care Professional Services Associated with Either Outpatient or Inpatient Care Provided at Non-VA Facilities (RIN: 2900–AK94) Received February 2, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

March 8, 2005:

Letter from the Chief, Regulations Management, Office of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Ap-

peals: Appeals Regulations, Rules of Practice; Delegations of Authority (RIN: 2900–AL96) Received February 24, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

April, 2005:

Letter from the Secretary, Department of Labor, transmitting the second annual report of the President's National Hire Veterans Committee, pursuant to 38 U.S.C. 4100 Note.

April 13, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting the biennial report describing the administration of the Montgomery GI Bill education assistance program, covering the program through September 30, 2004, pursuant to 38 U.S.C. 3036.

May 4, 2005:

Letter from the Chief, Regulations Development, Office of Regulations Policy & Management, Department of Veterans Affairs, transmitting the Department's final rule—Exclusions from Income and Net Worth Computations (RIN: 2900–AM14) Received March 28, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

May 23, 2005:

Letter from the Secretary, Department of Labor, transmitting the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) Annual Report to Congress for FY 2004, pursuant to 38 U.S.C. 4322.

May 24, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting a letter reporting the FY 2004 expenditures from the Pershing Hall Revolving Fund for projects, activities, and facilities that support the mission of the Department of Veterans Affairs, pursuant to Public Law 102–86, 403(d)(6)(A).

May 24, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft bill, "To amend title 38 United States Code, to improve veterans' health care benefits and for other purposes."

June 9, 2005:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, VA, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Non-payment of VA Educational Assistance to Fugitive Felons (RIN: 2900–AL79) Received May 17, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

June 16, 2005:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Presumption of Sound Condition: Aggravation of a Disability by Active Service (RIN: 2900–AL90) Received May 4, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

July 14, 2005:

Letter from the Chief, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Presumptions of Service Connection for Disease Associated with Service Involving Detention or Internment as a Prisoner of War (RIN: 2900–AM09) Received June 27, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

July 18, 2005:

Letter from the Secretaries, Departments of Defense and Veterans Affairs, transmitting a report on the implementation of the health resources sharing portion of the Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act for FY 2004, pursuant to 38 U.S.C. 8111(f).

July 19, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft bill, "to amend Title 38, United States Code, to provide authority for the Secretary of Veterans Affairs to release individually-identified medical information to assist in the donation of organs, tissue and eyes for the purposes of transplantation."

July 19, 2005:

Letter from the Secretaries, Departments of Defense and Veterans Affairs, transmitting a report on the implementation of the health resources sharing portion of the Department of Veterans Affairs and Department of Defense Health Resources Sharing and Emergency Operations Act for FY 2004, pursuant to 38 U.S.C. 8111(f).

July 20, 2005:

Letter from the Principal Deputy Under Secretary for Personnel and Readiness, Department of Defense, transmitting the Department's annual report on entitlement transfers of basic educational assistance to eligible dependents under the Montgomery GI Bill (MGIB), pursuant to 38 U.S.C. 3020(1).

July 22, 2005:

Letter from the Deputy Secretary Under Secretary for Personnel and Readiness, Department of Veterans Affairs, Department of Defense, transmitting a report for FY 2004 regarding the activities and accomplishments of the Department of Veterans Affairs and the Department of Defense Joint Executive Committee, pursuant to Public Law 108–136 Section 583.

July 25, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting a draft of proposed legislative changes to 38 U.S.C. 8110(a).

July 25, 2005:

Letter from the Assistant Secretary for Health Affairs and Under Secretary for Benefits, Departments of Defense and Veterans Affairs, transmitting an interim report on the Department of Defense and Department of Veterans Affairs' pilot program on separation physicals, pursuant to Public Law 107–107, Section 734.

July 28, 2005:

Letter from the Director, Regulations Management, ORPM, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Hybrid Adjustable Rate Mortgages (RIN: 2900–AL54) Received May 2, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).

September 27, 2005:

Letter from the Assistant Secretary for Health Affairs, Under Secretary for Benefits, Departments of Defense and Veterans Affairs, transmitting the Departments' report entitled, "VA/DOD Sin-

gle Separation Examinations at Benefits Delivery at Discharge Sites," pursuant to Public Law 107–107, Section 734.
October 6, 2005:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Exceptions to Definition of Date of Receipt Based on Natural or Man-made Disruption of Normal Business Practices (RIN: 2900–AL12) Received September 2, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).
October 6, 2005:

Letter from the Director, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Jurisdictions and Addresses of Regional Counsels (RIN: 2900–AM20) Received September 2, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).
October 6, 2005:

Letter from the Chief, Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Audits of States, Local Governments, and Non-Profit Organizations; Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations (RIN: 2900–AJ62) Received August 25, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).
October 24, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting a copy of a draft bill, "To amend title 38, United States Code, to improve veterans' health care benefits and for other purposes."
October 24, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting a copy of a draft bill, "Veterans Programs Improvement Act of 2005."
October 24, 2005:

Letter from the Assistant Secretary for Reserve Affairs, Department of Defense, transmitting the biennial report entitled, "Report on the Montgomery G.I. Bill for Members of the Selected Reserve" for FY 2004, pursuant to 10 U.S.C. 16137 Public Law 106–65, Section 546.
December 14, 2005:

Letter from the Secretary, Department of Veterans Affairs, transmitting a copy of an editorial entitled, "U.S. Veterans Health Care Healed Itself—So Can Our (Canadian) Medicare System."
December 18, 2005:

Letter from the Director, SHRP, Office of Personnel Management, transmitting the Office's final rule—Veterans Recruitment Appointments (RIN: 3206–AJ90) Received December 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A).
January 31, 2006:

Letter from the National Adjutant, the Disabled American Veterans, transmitting 2005 National Convention Proceedings of the Disabled American Veterans, pursuant to 36 U.S.C. 90i and 44 U.S.C. 1332.
January 31, 2006:

Letter from the Office of Regulation Policy and Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting the Department's final rule—Use of Diagnostic Code Numbers: Schedule of Ratings—Neurological Conditions and Con-

vulsive Disorders (RIN: 2900–AM32) Received January 3, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

January 31, 2006:

Letter from the Director, Office of Personnel Management, transmitting the Office's FY 2004 annual report on Veteran's Employment in the Federal Government, pursuant to 38 U.S.C. 4214(e)(1).

March 13, 2006:

Letter from the Assistant Secretary for Veterans' Employment and Training, Department of Labor, transmitting the Department's final rule—Uniformed Service Employment and Reemployment Rights Act of 1994, As amended ⅛ Docket No. VETS–U–04 (RIN: 1293–AA09) Received January 17, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

March 13, 2006:

Letter from the Office of Regulations Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Traumatic Injury Protection Rider to Servicemembers' Group Line Insurance (RIN: 2900–AM36) Received January 3, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

March 13, 2006:

Letter from the Secretary for Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Filipino Veterans' Benefits Improvements (RIN: 2900–AK65) Received February 15, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

March 13, 2006:

Letter from the Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Reservists' Education: Revision of Eligibility Requirements for the Montgomery GI Bill—Selected Reserve (RIN: 2900–AL69) Received January 9, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

March 16, 2006:

Letter from the Office of Regulations Policy and Management, VBA, Department of Veterans Affairs, transmitting the Department's final rule—Dependency and Indemnity Compensation: Surviving Spouse's Rate; Payments Based on Veteran's Entitlement to Compensation for Service-Connected Disability Rated Totally Disabling for Specified Periods Prior to Death (RIN: 2900–AL86) Received February 1, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

March 28, 2006:

Letter from the Acting Assistant to the Secretary for Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Eligibility for Health Care Benefits for Certain Filipino Veterans in the United States (RIN: 2900–AM03) Received February 13, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

April 4, 2006:

Letter from the Under Secretary for Personnel and Readiness, Department of Defense, transmitting the Department's annual report on entitlement transfers of basic educational assistance to eligible dependents under the Montgomery GI Bill (MGIB).

May 24, 2006:

Letter from the Secretary for Regulation Policy and Management, Department of Veterans Affairs, transmitting the Depart-

ment's final rule—Board of Veterans' Appeals: Rules of Practice: Public Availability of Board Decisions (RIN: 2900–AM31) Received April 6, 2006, pursuant to 5 U.S.C. 801(a)(1)(A).

June 21, 2006:

Letter from the Secretary for Regulatory Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Individuals and Groups Considered to Have Performed Active Military, Naval, or Air Service (RIN: 2900–AM39) Received May 18, 2006, 5 U.S.C. 801(a)(1)(A).

June 21, 2006:

Letter from the Office of Regulatory Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Remarriage of a Surviving Spouse (RIN: 2900–AM24) Received May 18, 2006, 5 U.S.C. 801(a)(1)(A).

June 21, 2006:

Letter from the Office of Regulatory Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Amended Delegation of Authority—Property Management Contractor (RIN: 2900–AM38) Received May 24, 2006, 5 U.S.C. §801(a)(1)(A).

July 27, 2006:

Letter from the Chief, Regulations Management, Office of Regulation Policy T Management, Department of Veterans Affairs, transmitting the Department's final rule—Definition of Psychosis for Certain VA Purposes (RIN: 2900–AK21) Received July 27, 2006, 5 U.S.C. §801(a)(1)(A).

September 15, 2006:

Letter from the Regulation Policy and Management, VBA, Department of Veterans Affairs, transmitting the Department's final rule—Schedule for Rating Disabilities; Guidelines for Application of Evaluation Criteria for Certain Respiratory and Cardiovascular Conditions; Evaluation for Hypertension with Heart Disease (RIN: 2900–AL26) Received September 8, 2006, 5 U.S.C. §801(a)(1)(A).

September 15, 2006:

Letter from the Regulation Policy and Management, VBA, Department of Veterans Affairs, transmitting the Department's final rule—Claims Based on Aggravation of a Non Service-Connected Disability (RIN: 2900–AI42) Received September 8, 2006, 5 U.S.C. §801(a)(1)(A).

September 15, 2006:

Letter from the Tracking and Control, Regulation Management, VBA, Department of Veterans Affairs, transmitting the Department's final rule—New and Material Evidence (RIN: 2900–AM15) Received September 8, 2006, 5 U.S.C. §801(a)(1)(A).

September 15, 2006:

Letter from the Secretary for Regulatory Policy and Management, VBA, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Benefits Act of 2003 and Veterans Benefits Improvement Act of 2004 (RIN: 2900–AM27) Received August 4, 2006, 5 U.S.C. §801(a)(1)(A).

September 29, 2006:

Letter from the Director, Regulations Management, Office of Regulation Policy and Management, Department of Veterans Affairs, transmitting the Department's final rule—Board of Veterans' Ap-

peals: Clarification of a Notice of Disagreement (RIN: 2900–AL97) Received September 27, 2006, 5 U.S.C. §801(a)(1)(A).

December 8, 2006:

Letter from the Director of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Phase-In of Full Concurrent Receipt of Military Retired Pay and Veterans Disability Compensation for Certain Military Retirees 164 (RIN: 2900–AM13) Received November 29, 2006, pursuant to 5 U.S.C. §801(a)(1)(A).

December 8, 2006:

Letter from the Director of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Medical: Informed Consent—Extension of Time Period and Modification of Witness Requirement for Signature Consent (RIN: 2900–AM19) Received November 28, 2006, pursuant to 5 U.S.C. §801(a)(1)(A).

STATISTICAL DATA—WAR VETERANS AND DEPENDENTS

Current information on statistical data on War Veterans and Dependents can be found on the web at *http://wwwl.va.gov/opa/fact/amwars.asp*. Listed below is the current information as of November 2006.

AMERICAN REVOLUTION (1775–1783)

Total U.S. Servicemembers	217,000
Battle Deaths	4,435
Non-mortal Woundings	6,188

WAR OF 1812 (1812–1815)

Total U.S. Servicemembers	286,730
Battle Deaths	2,260
Non-mortal Woundings	4,505

INDIAN WARS (approx. 1817–1898)

Total U.S. Servicemembers (VA estimate)	106,000
Battle Deaths (VA estimate)	1,000

MEXICAN WAR (1846–1848)

Total U.S. Servicemembers	78,718
Battle Deaths	1,733
Other Deaths in Service	11,550
Non-mortal Woundings	4,152

CIVIL WAR (1861–1865)

Total U.S. Servicemembers (Union)	2,213,363
Battle Deaths (Union)	140,414
Other Deaths in Service (Union)	224,097
Non-mortal Woundings (Union)	281,881
Total Servicemembers (Cont.)	1,500,000
Battle Deaths (Confederate)	74,524
Other Deaths in Service (Confederate) [1]	59,297
Non-mortal Woundings (Confederate)	Unknown

SPANISH-AMERICAN WAR (1898–1902)

Total U.S. Servicemembers (Worldwide)	306,760
Battle Deaths	385
Other Deaths in Service (Non-Theater)	2,061
Non-mortal Woundings	1,662

WORLD WAR I (1917–1918)

Total U.S. Servicemembers (Worldwide)	4,734,991
Battle Deaths	53,402
Other Deaths in Service (Non-Theater)	63,114
Non-mortal Woundings	204,002
Living Veterans	Less than 25

WORLD WAR II (1941–1945)

Total U.S. Servicemembers (Worldwide)	16,112,566
Battle Deaths	291,557
Other Deaths in Service (Non-Theater)	113,842
Non-mortal Woundings	671,846
Living Veterans	3,242,000

KOREAN WAR (1950–1953)

Total U.S. Servicemembers (Worldwide)	5,720,000
Battle Deaths	33,741
Other Deaths (In Theater)	2,833
Other Deaths in Service (Non-Theater)	17,672
Non-mortal Woundings	103,284
Living Veterans	3,086,400

VIETNAM WAR (1964–1975)

Total U.S. Servicemembers (Worldwide)	8,744,000
Deployed to Southeast Asia	3,403,000
Battle Deaths	47,424
Other Deaths (In Theater)	10,785
Other Deaths in Service (Non-Theater)	32,000
Non-mortal Woundings	153,303
Living Veterans	7,286,500

DESERT SHIELD/DESERT STORM (1990–1991)

Total U.S. Servicemembers (Worldwide)	2,322,000
Deployed to Gulf	694,550
Battle Deaths	147
Other Deaths (In Theater)	235
Other Deaths in Service (Non-Theater)	1,590
Non-mortal Woundings	467
Living Veterans	2,260,000

AMERICA'S WARS TOTAL (1775–1991)

U.S. Military Service during Wartime	43,185,893
Battle Deaths	653,708
Other Deaths (In Theater)	14,560
Other Deaths in Service (Non-Theater)	525,930
Non-mortal Woundings	1,447,281
Living War Veterans	17,835,000
Living Veterans (Periods of War & Peace)	23,976,000

GLOBAL WAR ON TERROR (as of Sept. 30, 2006) [3]

Total U.S. Servicemembers (Worldwide)	1,384,968
Deployed to Iraq & Afghanistan	165,000
Battle Deaths	2,333
Other Deaths (In Theater)	707
Non-mortal Woundings	50,508
Living Veterans [2]	588,923

[1] Does not include 26,000 to 31,000 who died in Union prisons.

[2] VA estimate does not include those still on active duty and may include veterans who served in Iraq and Afghanistan.

[3] For the most current GWOT statistics, visit: http://siadapp.dior.whs.mill personnel CASUALTY/castop.htm

Source: Department of Defense (DoD), except living veterans, which are VA estimates. Estimates are as of September 30, 2006.

U.S. Veterans and Dependents on Benefits Rolls

(As of September 2006)

	VETERANS	CHILDREN	PARENTS	SURVIVING SPOUSES
Civil War	.....	3	.....	.....
Indian Wars	.....	.....	.....	.....
Spanish-American War	.....	113	.....	125
Mexican Border	.....	18	.....	70
World War I	9	3,831	.....	7,596
World War II	429,518	15,636	227	232,745
Korean Conflict	226,467	3,423	419	61,423
Vietnam Era	1,103,561	9,819	3,614	151,507
Gulf War [1]	700,560	12,461	776	12,826
Nonservice-connected	329,856	20,362	2	186,074
Service-connected	2,725,824	28,362	6,418	313,091

[1] For compensation and pension purposes, the Persian Gulf War period has not yet been terminated and includes veterans of Operations Iraqi and Enduring Freedom.

○