

**STATEMENT OF
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NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION
TO THE
COMMITTEE ON BUDGET
UNITED STATES SENATE
ON THE
FY 2005 VIEWS AND ESTIMATES**

FEBRUARY 25, 2004

Chairman Nickles and Members of the Committee:

As you and your colleagues begin deliberations on the FY 2005 Budget Resolution, The American Legion is submitting its views and estimates on behalf of 2.8 million Legionnaires -- all wartime veterans from World War I to the present.

The American Legion is deeply concerned that the President's budget request for FY 2005 is inadequate funded for programs and services critical to not only the veterans' community, but the nation as well. The American Legion's active involvement at the local community, state, and national programs provide first-hand experience in many areas directly impacted by the annual Federal budget. Any budgetary shortfalls in the Federal budget are normally passed on to the local and state communities to absorb. Frequently, it is community-based organizations, like The American Legion, that address these challenges through volunteer services or direct financial contributions.

The 1974 Congressional Budget Act requires that the annual budget resolution set forth budget-spending levels for each functional category of the budget. The budget resolution does not allocate funds among specific programs or accounts, but the major program assumptions underlying the functional amounts are often discussed in the reports accompanying each resolution. Clearly, there are numerous areas of concern important to The American Legion.

In the course of developing the budget resolution, the Budget Committees hold hearings, receive views and estimates from other committees, and obtain information from the Congressional Budget Office (CBO). Although not a congressional committee or a Federal entity, The American Legion -- the largest and fastest growing, Federally-chartered veterans' service organization -- is submitting its views and estimates in the following subject areas that affect the military, veterans and the public at-large:

- Americanism
- Children and Youth
- Economics
- National Security
- Veterans Affairs and Rehabilitation

AMERICANISM

IMMIGRATION AND NATURALIZATION

The American Legion considers immigration as an issue critical to this country's national security. The safety and welfare of citizens and this country's institutions should be the Federal government's top priority. Based on this premise, The American Legion stands adamantly opposed to illegal immigration and the awarding of any type of amnesty that would grant legal status to individuals working and/or living in this country illegally.

The American Legion has supported efforts to establish and enforce effective immigration laws and policy in this country since the Legion was founded in 1919. As a national veterans' organization, we oppose any great influx of immigrants into this country and believe that immigration should be in moderate numbers and adequately regulated so that the immigrants can be readily absorbed into the general population.

The American Legion's positions on immigration include those that will reduce or eliminate social, economic and population problems caused by ineffective immigration laws and/or the failure or the inability to enforce laws pertaining to illegal immigration. Mass illegal immigration has harmed the interests of millions of Americans by undercutting wages and working conditions, overburdening local schools, public health care facilities and other vital social institutions.

The American Legion encourages federal agencies, tasked with the enforcement of immigration laws and border security, to work with state and local law enforcement agencies to apprehend immigration violators. The American Legion also calls for immediate deportation proceedings at major points of embarkation for those arriving in this country without a valid passport or visa.

Current immigration laws must ensure that those desiring to live in the United States and adopt a better way of life are given that opportunity while preventing entry to those who have terrorist intentions. Full enforcement of current laws and adequate funding of the agencies must be a top priority of this government.

To resolve the many problems associated with both legal and illegal immigration in this country, The American Legion encourages Congress and the President to include adequate funding of agencies tasked with the administration and enforcement of immigration laws and policies.

The American Legion also believes that the standards for naturalization must be upheld and maintained. Applicants for U.S. citizenship should possess a reasonable degree of proficiency in and understanding of the English language, and the history and government of the United States. To accomplish this, The American Legion urges the Congress to provide adequate funds to agencies of the Department of Homeland Security to coordinate a program of instruction on the subjects mentioned above for candidates for United States citizenship.

TROOPS TO TEACHERS

The American Legion supports the Department of Education program *Troops to Teachers* that was established on January 19, 1994 by the National Defense Authorization Act of FY 1993. The American Legion believes many veterans possess the leadership skills, education and experience that would be a valuable resource to the nation's schools.

The American Legion also supports the concept of offering incentives and assistance to former U.S. service men and women who seek to obtain certification and employment as teachers. The hiring of veterans through the Troops to Teachers program addresses the critical shortages of teachers in some areas of this country.

The American Legion recommends no less than \$30 million be allocated for the educational stipends/assistance. This does not include the additional funding required to administer the Troops to Teachers program by the Defense Activity for Non-Traditional Education Support (DANTES).

CHILDREN AND YOUTH

The American Legion recognizes the future rests in the hearts and minds of children. Each child represents a building block for the next generation of Americans.

In 1925, The American Legion adopted the "Whole Child" plan. This plan provides that "every child should have a home, health, education, character and opportunity." Its foundation is based on three principles:

1. To strengthen the family unit.
2. To extend support to sound organizations that provides services to children and youth.
3. To maintain a well-rounded program that meets the needs of today's young people.

The American Legion believes that all young people should be afforded every opportunity to develop and to realize their full potential. Toward this end, we would call your attention to the following areas:

NATIONAL SCHOOL LUNCH PROGRAM

Since 1941, The American Legion has supported programs of nutrition for children, including the National School Lunch Program. This federally-assisted meal program operates in more than 99,000 public and non-profit private schools and residential child care institutions, providing nutritionally balanced, low-cost or free lunches to more than 25 million children each school day.

The importance of this nutrition assistance program is underscored by these facts: A poor diet is a significant factor in 4 of the 10 leading causes of death in the United States - coronary heart disease, cancer, hypertension, stroke and diabetes.

- Poor nutrition and lack of physical activity account for 300,000 deaths per year.
- The economic cost of poor nutrition accounts for at least \$200 billion per year in medical costs and lost productivity.
- Participation in school feeding programs leads to improved educational outcomes.

There continues to be expressions of concern by health authorities and various national organizations with an interest in the status of proper nutrition among young people. A USDA analysis of the 1994-96 Continuing Survey of Food Intakes for Individuals (CSFII) noted these alarming trends in children's eating patterns:

- Only 2 percent of school-aged children meet the Food Guide Pyramid serving recommendations for all five major food groups.
- Girls, ages 14 to 18, have especially low intakes of fruits and dairy products.
- More than two-thirds of females, ages 14 to 18, exceed the recommendations for intake of total fat and saturated fat, but even greater percentages of children exceed these recommendations among the other age/gender groups.
- Children's diets are high in added sugars. For all children, added sugars - including sugars used as ingredients in processed foods or added to foods as they are consumed - contribute an average of 20 percent of total food energy.
- Children are heavy consumers of regular or diet soda. Overall, 56 to 85 percent of children (depending on age and gender) consume soda on any given day. Teenage males are especially heavy consumers of soda, with over a third consuming more than three servings a day.

All of the age/gender groups experienced a shift from milk products to soda and fruit drinks. The decrease in milk consumption tended to be larger for females than for males.

These trends have contributed to some serious diet-related health concerns:

- The prevalence of overweight among youth ages 5 - 17 years in the U.S. has more than doubled in the past 30 years; most of the increase has occurred since the late 1970's.
- Current evidence suggests that childhood overweight and obesity continue into adulthood.
- One of the most serious aspects of overweight and obesity in children is Type II diabetes. Type II diabetes accounted for 2 to 4 percent of all childhood diabetes before 1992, but skyrocketed to 16 percent by 1994. Overweight adolescents are more likely to become overweight adults, with increased risk for developing heart disease and stroke, gallbladder disease, arthritis, and endometrial, breast, prostate and colon cancers.
- Failure to meet calcium requirements in childhood can hinder the achievement of maximal skeletal growth and bone mineralization. Getting enough calcium in the diet during childhood, adolescence, and young adulthood, to reduce the risk for osteoporosis later in life is particularly important for females.

Nutrition clearly has a major impact on children - on their health, their ability to learn and on their potential for becoming healthy and productive adults. School meals make an important contribution to the nutrition of school-aged children. The School Nutrition Dietary Assessment Study-II indicates that reimbursable meals selected by students exceeds the Recommended

Dietary Allowances (RDA) standards for key nutrients. According to the USDA analysis of the 1994-96 CSFII data:

- National School Lunch Program (NSLP) participation is associated with higher average intakes of many nutrients, both at lunch and over 24 hours.
- NSLP participants have substantially lower intakes of added sugars than do non-participants.
- NSLP participants are more likely than non-participants to consume vegetables, milk and milk products, and meat and other protein-rich foods, both at lunch and over 24 hours; they also consume less soda and fruit drinks.

Federal nutrition assistance programs have a critical role to play in promoting health and preventing diet-related health problems by ensuring access to nutritious food to those who need it, and by promoting better diets and physical activity through nutrition education and promotion to program participants.

The American Legion urges Congress to appropriate \$10.6 billion for school nutrition programs to reflect the increased cost of food and to provide for needed facilities and trained personnel for the purpose of conducting an adequate school lunch program.

DRUG TRAFFICKING

Recent statistics about drug abuse in America are encouraging. Results from the annual *Monitoring the Future Survey*, released December 16, 2002, indicate that the proportion of 8th and 10th graders reporting the use of any illicit drug in the prior 12 months declined significantly from 2001 to 2002. According to John P. Walters, director of the White House Office of National Drug Control Policy, "Teen drug use is once again headed in the right direction - down. This survey confirms that our drug prevention efforts are working and that when we work together and push back, the drug problem gets smaller."

However, though drug use among the nation's 8th, 10th and 12th graders has decreased, it nevertheless is at levels that are close to record highs. More than 50 percent of high school seniors experimented with illegal drugs at least once prior to graduation. And, during the month prior to the survey, 25 percent of seniors used illegal drugs, and 48 percent reported being drunk at least once. Drug use among young people has hovered at unacceptably high levels for most of the past decade.

The American Legion has been involved with the war on drugs since its 1924 National Convention, when it observed "the growing evil and great menace of the illegal use of narcotics among the people of our nation, including many children of high school age," and urged "all agencies in the nation to spend every effort to correct the great evil of narcotic peddling and smuggling." In 1938, The American Legion promoted a program to educate the public as to the dangers youth face from the use of marijuana and to amend the Uniform State Narcotic Act in accordance with the Federal Act in regard to this drug.

In June 1950, then National Commander Erle Cocke Jr., appointed a Special Narcotics Committee, which held a three-day clinic in New York and received expert advice from many of

the nation's leading authorities in the field of narcotics. As a result, a 14-point program was drawn up and duly adopted at The American Legion's 33rd National Convention in 1951. Some of the recommendations included are as follows:

- The Economic and Social Council of the United States arrange as soon as possible an international conference to approve the protocol to limit the production of opium to medical and scientific needs.
- The prevention of smuggling is made a mandatory function.
- State legislatures enact similar legislation patterned after the laws adopted in Tennessee, West Virginia, New Jersey and Maryland. The American Legion further recommended that mandatory minimum sentence provisions be made a uniform amendment to the Uniform Narcotics Act now in effect in 42 states, and that such uniform amendment also emphasize the fact that illegal possession should itself be a crime.
- Congress improve hospital accommodations for the U.S. Public Health Service.
- States and cities provide hospital facilities for the cure as well as treatment of drug addicts.
- States increase the force of narcotic enforcement agents and that city police departments establish adequate narcotic squads (municipal squads should be patterned after the effective unit in Los Angeles).
- Provide for dissemination of information relative to dangers of illicit drug use.

The American Legion has always believed that cooperative volunteer efforts in the war on drugs at the community level have a greater chance for effectiveness and survival. For over 50 years, The American Legion has promoted and distributed educational and prevention literature concerning the national issue of drug abuse through our Posts, to the schools and other community-based youth organizations. During the years of 1970 to 2003, for example, over 4,084,704 pieces of drug abuse information was distributed. The American Legion's primary approach has always stressed prevention through education. The American Legion believes that to make any real advances, the nation must curtail the demand. While interdicting the supply is important, it is obvious; we will never catch the majority of substances that cross the nation's borders. The supply will only decrease when the demand declines.

The problems with drugs and drug abuse have surpassed epidemic proportions and have become increasingly complex, affecting all facets of life within America. Youth of this nation are pressured on many fronts to experiment with or possibly become a regular user of various drugs. Drug use among today's teenagers threatens to reverberate for years to come in areas as disparate as crime rates, the success of the nation's colleges, the productivity of the industrial base, and cohesiveness of families.

That the individual consequences of drug use can be deadly is now well accepted. But the consequences for society are no less serious. Democracies can flourish only when their citizens value freedom and embrace personal responsibility. Drug use erodes the individual's capacity to pursue both ideals. In the words of President Bush, "We must reduce drug use for one great moral reason: Over time, drugs rob men, women, and children of their dignity and of their character. Illegal drugs are the enemies of ambition and hope. When we fight against drugs, we fight for the souls of fellow Americans."

According to the National Drug Control Strategy (2002): "Reduced to its barest essentials, drug control policy has just two elements: modifying individual behavior to discourage and reduce drug use and addiction, and disrupting the market for illegal drugs. Those two elements are mutually reinforcing."

The American Legion issued a General Drug Abuse Statement that reads: *"The American Legion is urged at all levels to join the battle against drug abuse as it affects our nation's young people. That to the extent possible, we will work with the Congress, state legislators and state and federal agencies when, as an organization, The American Legion believes changes or additions to our laws or government policies is desirable. That accessible programs be designed to avoid scare tactics, emotionalism, and over-simplification of a most complex national problem. And lastly, that drugs and drug abuse must be attacked as a whole, which includes international relations, law enforcement, education, judicial reform, research, treatment and rehabilitation."*

Drug abuse is not a problem that government or civic and youth organizations can cure on their own. They are all-important pieces of the process, but the message is useless if young children at the elementary and junior high school levels do not receive it. This is the battleground that will ultimately determine success or failure. Literature, media messages and alternative activities must all be instrumental if we are to succeed.

These alternative avenues to the family cell are necessary because family is no longer the deterrent it has been in the past. The family is becoming an endangered species with single parent homes becoming commonplace in all communities. The American Legion sincerely encourages Congress and all government drug agencies, to include the Office of National Drug Control Policy, to seek out and be receptive to suggested ideas that can assist state, local and organizational efforts to get positive alternatives in communities that will target young people.

In addition to these viable alternatives for America's youth, the government needs to continue in its efforts to improve the effectiveness of law enforcement to stop the flow of drugs into the United States, to include the continued use of active military, reserve and National Guard forces.

The American Legion believes the illegal trafficking of drugs into the United States is one of the greatest threats to the welfare and safety of American citizens, particularly its youth. Enemies of this nation and its way of life can destroy the U.S. from within by debilitating our most precious resources for the future, its children.

The American Legion urges Congress to appropriate \$1.84 billion for the Drug Enforcement Administration; \$885 million for the Department of Defense; and \$950 million for the Foreign Operations and Export Financing to be used to continue to concentrate on drug trafficking and interdiction efforts. Additionally, The American Legion urges both the President and Congress to fully support all border, state, Federal and military drug prevention programs through which children and youth might secure a more stable and healthy future.

OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

According to the Justice Bulletin *Juvenile Arrests 1999*, "the juvenile arrest rate for violent crime in 1999 was 26 percent below its peak in 1994. From 1993 to 1999, the juvenile arrest rate for murder decreased a remarkable 68 percent - to the lowest level since the 1970s. The number of juvenile arrests has declined in every violent crime category, despite an 8-percent growth in the juvenile population from 1993 to 1999."

While these statistics are encouraging, the Nation must not become complacent about the continuing need to combat delinquency and violent juvenile crime. The country's juvenile justice system now faces a host of new challenges - drug dependency, underage drinking, child maltreatment, online sexual exploitation of children, youth gangs, increasing numbers of female juvenile offenders and mental health problems. Consider the following:

- Females accounted for 23 percent of juvenile arrests for aggravated assault and 31 percent of juvenile arrests for other assaults (i.e., simple assaults and intimidation) in 2000.
- Females were involved in 59 percent of all arrests for running away from home and 31 percent of arrests for curfew and loitering violations.
- Between 1991 and 2000, there were major increases in juvenile arrests for drug abuse violations (145 percent) and curfew and loitering violations (81 percent).
- Youth under the age of 15 accounted for 65 percent of all juvenile arrests for arson in 2000.
- Juveniles were involved in 16 percent of all Violent Crime Index arrests and 32 percent of all Property Crime Index arrests in 2000.
- One-quarter (25 percent) of all persons arrested for robbery in 2000 was under the age of 18, substantially above the juvenile proportion of arrests in other violent offenses: forcible rape (16 percent), aggravated assault (14 percent), and murder (9 percent).

Since the early 1920's, The American Legion has been vitally concerned with the issue of juvenile delinquency. In 1932, The American Legion urged "that every effort is made to attain adequate standards for the States in the prevention and treatment of juvenile delinquency, including Juvenile Court Administration, juvenile detention homes and juvenile correctional care."

For over two decades, The American Legion has actively voiced support for the Office of Juvenile Justice and Delinquency Prevention and openly opposes any and all efforts to eliminate this Office and its programs. The American Legion views the Office of Juvenile Justice and Delinquency Prevention and its programs as the only national defense against the escalation of juvenile crime in America.

Congress created the Office of Juvenile Justice and Delinquency Prevention (OJJDP) in 1974, to help communities and States prevent and control delinquency and improve their juvenile justice systems. A component of the U.S. Department of Justice, OJJDP is the primary agency responsible for addressing the issues of juvenile crime and delinquency and the problems of abused, neglected, missing and exploited children and for coordinating Federal agency efforts in these areas. The Office of Juvenile Justice and Delinquency Prevention are organized:

- To develop and encourage the implementation of national standards for the administration of juvenile justice;
- To assist State and local governments in removing juveniles from jails and lockups for adults;
- To develop and implement effective methods of preventing and reducing juvenile delinquency, including methods with a specific focus on maintaining and strengthening the family unit so that juveniles may be retained in their homes;
- To develop effective programs to prevent delinquency, to divert juveniles from the traditional juvenile justice system and to provide critically needed alternatives to institutionalization; and
- To coordinate all Federal juvenile delinquency programs and all Federal programs related to missing and exploited children.

The Juvenile Justice Delinquency Prevention program now promoted by the OJJDP has proven very effective, as evidenced by the following statistics:

- The juvenile arrest rate for all offenses has declined by 23 percent since 1996
- Between 1996 and 2000, juvenile arrests for murder fell 55 percent
- Between 1991 and 2000, there were substantial declines in juvenile arrests for murder (65 percent), motor vehicle theft (51 percent), and burglary (38 percent)
- The juvenile Violent Crime Index arrest rate in 2000 was at its lowest level since 1985
- The juvenile arrest rate for Property Crime Index offenses in 2000 was at its lowest level since at least 1980
- In 1996 nearly 3 million children were the subjects in 2 million reports of child maltreatment - an increase of 161 percent since 1980. Greater public awareness both of child maltreatment as a social problem and the resources available to respond to it are factors that contribute to increased reporting.

This year, OJJDP is in a particularly unusual situation for obligating/expending funds due to the passage of H.R. 2215, 21st Century Department of Justice Appropriations Authorization Act, Public Law 107-273. This reauthorization act includes the new Juvenile Justice and Delinquency Prevention Act of 2002. The act consolidates five previously independent juvenile justice programs into a single prevention block grant.

The American Legion urges Congress to appropriate \$300 million to support the Office of Juvenile Justice and Delinquency Prevention and its programs. By working together on behalf of America's children and their families, The American Legion and the Office of Juvenile Justice and Delinquency Prevention can ensure that the progress of the recent past shall be but a prologue to a brighter future in this new millennium.

COMPREHENSIVE HEALTH CARE FOR CHILDREN AND YOUTH

Historically, it has been The American Legion's position that all children should have adequate health services to assure their physical, mental and emotional well-being.

There is currently a successful comprehensive health care system for children and youth that are being successfully operated across our nation in low-income areas. The Maternal and Child

Health Services Title V Block Grant to States program has operated as a Federal-State partnership for 65 years. When the Social Security Act was passed in 1935, the Federal Government, through Title V, pledged its support of State efforts to extend and improve health and welfare services for mothers and children. These services must be consistent with applicable health status goals and national health objectives established by the Secretary of the Department of U.S. Health and Human Services.

Title V has been amended many times over the years to reflect the expansion of the national interest in maternal and child health. It was converted to a block grant as part of the Omnibus Budget Reconciliation Act of 1981. In the Omnibus Budget Reconciliation Act of 1989, Congress sought to balance the flexibility of the block grant with greater accountability, by requiring State Title V programs to report on progress made on key maternal and child health indicators and to provide other program information.

States and jurisdictions use Title V funds to design and implement a wide range of maternal and child health programs that meet national and State needs. Although specific initiatives may vary among the 50 States and jurisdictions utilizing Title V funds, all programs work to do the following:

- Reduce infant mortality and incidence of handicapping conditions among children.
- Increase the number of children appropriately immunized against disease.
- Increase the number of children in low-income households who receive assessments and follow-up diagnostic and treatment services.
- Provide and ensure access to comprehensive prenatal care for women; preventative and child care services; comprehensive care, including long-term care services, for children with special health care needs; and rehabilitation services for blind and disabled children under 16 years of age who are eligible for Supplemental Security Income.
- Facilitate the development of comprehensive, family-centered, community-based, culturally competent, coordinated systems of care for children with special health care needs.

Title V supported programs provide gap-filling prenatal services to more than 2 million women and primary and preventive health care to more than 17 million children, including almost 1 million children with special needs.

Title V remains the only Federal program that focuses solely on improving the health of all mothers and children. Its partnership with State Maternal and Child Health (MCH) and Children with Special Health Care Needs (CSHCN) programs, reaches across economic lines to support such core public health functions as resource development, capacity and systems building, population-based functions such as public information and education, knowledge development, outreach and program linkage, technical assistance to communities, and provider training.

Title V makes a special effort to build community capacity to deliver such enabling services as care coordination, transportation, home visiting, and nutrition counseling, which complement and help ensure the success of State Medicaid and SCHIP medical assistance programs.

Title V funds support programs for children with special health needs to facilitate the development of family-centered, community-based, coordinated systems of care.

These programs are dependent upon yearly reconsideration and the appropriation of funds by the Congress of the United States.

The American Legion supports and endorses the program as outlined by the Maternal and Child Health Services Block Grant contained under Title V of the Social Security Act.

The American Legion continues to advocate on behalf of the issues that impact our nation's young people. We have been so tasked from our inception, and we remain unwavering in our commitment to ensure a safe and healthy future for our nation's greatest natural resource -- America's children and youth.

The American Legion urges Congress to continue its support by appropriating \$800 million to fund these programs, including the Comprehensive Health Care for Children and Youth programs.

DEPARTMENT OF LABOR VETERANS' EMPLOYMENT AND TRAINING SERVICES (VETS)

The mission of VETS is to promote the economic security of America's veterans. This stated mission is executed by assisting veterans in finding meaningful employment. The American Legion views the VETS program as one of the best-kept secrets in the Federal government. It is comprised of many dedicated individuals who struggle to maintain a quality program without substantial funding and staffing increases.

Annually, DoD discharges approximately 250,000 service members. These recently separated service personnel are actively seeking immediate employment or preparing to continue their formal or vocational education. The VETS program:

- Continues to improve by expanding its outreach efforts with creative initiatives designed to improve employment and training services for veterans.
- Provides employers with a labor pool of quality applicants with marketable and transferable job skills.
- Provides information on identifying military occupations that require licenses, certificates or other credentials at the local, state, or national levels.
- Eliminates barriers to recently separated service personnel and assists in the transition from military service to the civilian labor market.

The American Legion believes staffing levels for Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVERs) should once again, be Federally mandated based to assure veterans receive their earned employment assistance benefits. Adequate funding will allow the programs to increase staffing to adequately provide comprehensive case management job assistance to disabled and other eligible veterans. 38 USC § 4103A requires that all DVOP specialists shall be qualified veterans and that preference be given to qualified disabled veterans in appointment to DVOP specialist positions. 38 USC further states: "[I]n the appointment of local veterans' employment representatives on or after July 1, 1988, preference shall be given to qualified eligible veterans or eligible persons. Preference shall

be accorded first to qualified service-connected disabled veterans; then, if no such disabled veteran is available, to qualified eligible veterans; and, if no such eligible veteran is available, then to qualified eligible persons.” The American Legion believes that the military experience is essential to understanding the unique needs of the veteran and that all LVERs, as well as all DVOPs, should be veterans.

The American Legion recommends a funding level of \$336 million for the Veterans’ Employment and Training Service in fiscal year 2005.

Additionally, The American Legion recommends adequate funding for the National Veterans Training Institute (NVTI) budget. The NVTI provides standardized training for all veterans employment advocates in an array of employment and training functions.

GI BILL EDUCATIONAL BENEFITS

The American Legion commends the 108th Congress for its actions to improve the current Montgomery GI Bill (MGIB). A stronger MGIB is necessary to provide the nation with the caliber of individuals needed in today’s Armed Forces. The American Legion appreciates the efforts that this Congress has made to address the overall recruitment needs of the Armed Forces and to focus on the current and future educational requirements of the All-Volunteer Force.

Over 96 percent of recruits currently sign up for the MGIB and pay \$1,200 out of their first year’s pay to guarantee eligibility. However, only one-half of these military personnel use any of the current Montgomery GI Bill benefits. This we believe is directly related to the fact that current GI Bill benefits have not kept pace with the increasing cost of education. Costs for attending the average four-year public institution, as a commuter student during the 1999-2000 academic years was nearly \$9,000. PL 106-419 raised the basic monthly rate of reimbursement under MGIB to \$900 per month for a successful four-year enlistment and \$732 for an individual whose initial active duty obligation was less than three years. The current educational assistance allowance for persons training full-time under the MGIB – Selected Reserve is \$276 per month.

The Servicemen’s Readjustment Act of 1944, the original GI Bill, provided millions of members of the Armed Forces an opportunity to seek higher education. Many of these individuals may not have been afforded this opportunity without the generous provisions of that act. Consequently, these servicemen and servicewomen made a substantial contribution not only to their own careers, but also to the economic well being of the country. Of the 15.6 million veterans eligible, 7.8 million took advantage of the educational and training provisions of the original GI Bill. Between 1944 and 1956, when the original GI Bill ended, the total educational cost of the World War II bill was \$14.5 billion. The Department of Labor estimates that the government actually made a profit because veterans who had graduated from college generally earned higher salaries and therefore paid more taxes. Today, a similar concept applies. The educational benefits provided to members of the Armed Forces must be sufficiently generous to have an impact. The individuals who use MGIB educational benefits are not only improving their career potential, but also, making a greater contribution to their community, state, and nation.

The American Legion recommends the following improvements to the current MGIB:

- The dollar amount of the entitlement should be indexed to the average cost of a college education including tuition, fees, textbooks, and other supplies for a commuter student at an accredited university, college, or trade school for which they qualify
- The educational cost index should be reviewed and adjusted annually,
- A monthly tax-free subsistence allowance indexed for inflation must be part of the educational assistance package,
- Enrollment in the MGIB shall be automatic upon enlistment; however, benefits will not be awarded unless eligibility criteria have been met,
- The current military payroll deduction (\$1,200) requirement for enrollment in MGIB must be terminated,
- If a veteran enrolled in the MGIB acquired educational loans prior to enlisting in the Armed Forces, MGIB benefits may be used to repay those loans,
- If a veteran enrolled in MGIB becomes eligible for training and rehabilitation under Chapter 31, of Title 38, United States Code, the veteran shall not receive less educational benefits than otherwise eligible to receive under MGIB,
- A veteran may request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for MGIB financial payments, with the payment provided directly to the educational institution.
- Separating service members and veterans seeking a license, credential, or to start their own business must be able to use MGIB educational benefits to pay for the cost of taking any written or practical test or other measuring device,
- Eligible veterans shall have 10 years after discharge to utilize MGIB educational benefits,
- Eligible members of the Select Reserves, who qualify for MGIB educational benefits, shall receive not more than half of the tuition assistance and subsistence allowance payable under the MGIB and have up to 5 years from their date of separation to use MGIB educational benefits.

HOMELESS VETERANS REINTEGRATION PROGRAM (HVRP)

The American Legion applauds the efforts of the 108th Congress in improving the lives of homeless veterans. The HVRP program is an employment initiative with strong ties to local communities. Providers operate veteran-specific programs that reach veterans with histories of intertwined posttraumatic stress disorder (PTSD) and substance abuse. HVRP grantees have placed hundreds of veterans in good jobs, with twice the record of job retention expected. HVRP has the potential for eliminating chronic homelessness among the nation's veterans. It covers myriad initiatives that address prevention, housing, counseling, treatment and employment for veterans transitioning out of homelessness.

Homelessness in America is a travesty, and veterans' homelessness is disgraceful. Left unattended and forgotten, these men and women who once proudly wore the uniforms of this nation's armed forces and defended her shores are now wandering her streets in desperate need of medical and psychiatric attention and financial support. While there have been great strides in ending homelessness among America's veterans, there is much more that needs to be done. We must not forget them.

The American Legion recommends continued increased funding for HVRP.

NATIONAL SECURITY

The deep-rooted interest of The American Legion in the security of the nation was born in the hearts and minds of its founders and those who piloted it through the treacherous waters of its early years. The bitter experiences of seeing comrades wounded and killed through lack of proper training crystallized the determination of these veterans to fight for an adequate defense establishment capable of protecting the sovereignty of the United States.

The tragic events of World War I, largely precipitated by unpreparedness, were still vivid in the minds of combat veterans when the Committee on Military Policy met at the 1919 National Convention in Minneapolis. The charter convention approved 10 committee resolutions embodying the important principles of universal military training, retention of a small Regular Army establishment and creation of a citizens' army composed of an Organized Reserve and National Guard units.

In the years since the birth of The American Legion, the United States has engaged in another World War and fought in Korea, Vietnam, Lebanon, Grenada, Panama, the Persian Gulf, Somalia, Mogadishu, Bosnia, Kosovo, Afghanistan and Iraq to oppose further aggression by totalitarian regimes. Perhaps these conflicts would not have occurred had this nation followed The American Legion's repeated call of recommendations on national security matters. During the 22 years separating the birth of The American Legion and the attack on Pearl Harbor, The American Legion remained a loud and persistent voice for maintaining a strong national defense.

The American Legion would like to thank the committee for their hard work on previous budgets to improve the quality of life for America's total force military, retirees, and their families.

This statement will contain issues on the following subject areas:

- Manpower and Weapons Systems
- Force Structure
- Quality of Life

MANPOWER AND WEAPONS SYSTEMS

The President's fiscal year 2005 Defense budget request will increase defense spending to sustain the Global War on Terrorism and Homeland Security while modernizing the war fighting capabilities of the armed forces. For nearly a decade, the increased OPTEMPO and budgetary shortfalls has had a devastating impact on military readiness, modernization, and personnel. The FY 2002 Defense Appropriations Act had made significant fiscal improvements to the previous defense budget. The FY 2003 Defense Appropriations Act, the first War on Terror/Homeland Security budget, represented 3.3 percent of Gross Domestic Product (GDP), and the fiscal year 2004 was at 3.4 percent of GDP.

The American Legion urges Congress to increase defense spending to levels that represent at least 3.5 percent of GDP.

Defense budgets, military manpower and force structure are currently one-third of their 1986 levels. Military capabilities are at significantly lower levels than the Persian Gulf War in 1991. With only ten active Army divisions in the inventory, it is little wonder that thousands of Reservists and Guardsmen have been called to active duty to bolster homeland security and in preparation for war with Iraq. The armed forces must never return to the dark days of the “hollow forces.” The American Legion recommends:

- Active-duty manpower levels should not be less than 1.6 million.
- The Army should maintain 12 fully manned, equipped, and trained combat divisions.
- The Navy should maintain 12 aircraft carrier battle groups and a viable strategic sealift capability. The Navy is retiring ships faster than they are being built.
- The Air Force should maintain at least 15 fighter wings, a strategic bombing capability, an Intercontinental Ballistic Missile capability and global strategic air transport capability.
- Funding the continued development and deployment of a national missile defense system.

FORCE STRUCTURE

The current active-duty personnel level is approximately 1.4 million. Military leaders are making up the difference by increasing the operations tempo and by over-utilizing the Reserve Components. American military personnel are deployed to about 130 countries worldwide. Overseas deployments have increased over 300 percent in the past eight years. Many of these personnel are from the Reserve components. Both of these solutions are core elements of the likely recruitment and retention problems, which will confront the Pentagon.

Congress in the FY 2004 National Defense Authorization Act provided the Secretary of Defense with additional authority but no funding to increase Army active end strength by only 2,400 spaces. The Secretary, however, has resisted Congressional efforts to increase active end strengths even during time of war.

Past cuts in force structure cannot be rapidly reconstituted without the costly expenditures of time, money and human lives. Modernization of weapon systems is vital to properly equip the armed forces, but are totally ineffective without adequate personnel to effectively operate state-of-the-art weaponry. Even as the Secretary of Defense recently authorized a temporary 30,000 increase in the Army’s end strength, recruiting and retention are likely to be problematic especially in the Reserve Components. No military personnel should go into battle with obsolescent weapons, aircraft or ships that are approaching or exceeding their service lives. America stands to lose its service members on the battlefield and during training exercises due to aging equipment and in their likely exodus from the military. The current practice of trading off force structures and active-duty personnel levels to recoup or bolster modernization or transformation resources must be discontinued.

The American Legion recommends restoring former military force structures and increasing active duty end strengths so as to provide an adequate homeland security while pursuing the global war on terrorism. Ensuring readiness also requires retaining the peacetime Selective Service System to register young men for possible military service in case of a national

emergency. Military history repeatedly demonstrates that it is far better to err on the side of preserving robust forces to protect America's interest than to suffer the consequences of maintaining inadequate force structures or military non-readiness.

Although the DoD has dropped the two-war scenario, the rise of North Korea as a nuclear threat coupled with war in Iraq and Afghanistan may necessitate the return of the two-war strategy. It really has a "win-hold" strategy at best. America needs a more realistic strategy with an appropriate force structure, weaponry, equipment, and appropriately resourced and increased active-duty and reserve components personnel levels to achieve its national security objectives.

The American Legion recommends discretionary funding to support increased end strength.

QUALITY-OF-LIFE

Another major concern is the enhancement of quality-of-life issues for service members, Reservists, military retirees, and their families. If we are to win the war on terror, and prepare for the wars of tomorrow – in this decade and beyond – we must take care of the Department's greatest assets, namely, its men and women in uniform. They have done us proud in Iraq and Afghanistan and around the world – but in our view, they are undermanned and spread thin. The American Legion believes a permanent increase in military end strengths is overdue.

The marked decline in quality-of-life issues for military personnel and their families, coupled with heightened operational tempos and a sluggish economy, are adversely impacting on both recruitment and retention of qualified personnel. The fact that the military has experienced recruiting and retention problems comes as no surprise, but additional funding alone will not solve it. The operational tempo and multiple deployments must be reduced. U.S. peacekeeping forces remain in Bosnia, Kosovo, Sinai, and East Timor, and U.S. counter-guerrilla/training efforts continue in the Philippines. So far, over 500 Americans have been killed in action in Iraq and Afghanistan and nearly 3,000 have been wounded in action.

The United States must honor its obligations to all service members (past, present and future) and their families. Such obligations should include competitive compensation, meaningful transitional assistance, quality health care, and equitable retirement benefits for service members on active duty and in the reserve components:

- Reimbursement rates for TRICARE providers need to be increased.
- The Survivors' Benefits Plan (SBP) for Social Security-eligible military survivors needs to be increased to the 55 percent level.
- SBP and Dependency Indemnity Compensation (DIC) offset needs to be eliminated.
- Military pay raises and allowances should be fully funded and not capped.
- The full concurrent receipt (repeal of disabled veterans' tax) of military retirement pay and veteran's disability compensation for all disabled military retirees needs to be fully funded.
- TRICARE healthcare for the Reserve Components needs to be made permanent and extended to all Guardsmen and Reservists.

The American Legion's efforts following World War I resulted in the enactment of the National Defense Act of 1920, which gave the nation its first workable plan for a small Regular Army augmented by a large National Guard and Organized Reserve. However, because appropriations for carrying out provisions of this act were repeatedly denied, the military establishment – which at the end of World War I had been as well prepared as that of any country in the world – was steadily reduced.

The American Legion has continued to propose recommendations, which have had a profound effect on the nation's history. Twenty years prior to Pearl Harbor, The American Legion was calling for the equivalent of a two-ocean Navy and firmly supported the development and use of a new weapon system – the airplane.

Throughout those 20 years before World War II, The American Legion remained unrelenting in its struggle for a strengthened national defense. In 1938, The American Legion demanded an Air Force of 8,000 planes; production of 1,500 planes annually, a strengthening of the Pacific defenses, and the discontinuance of shipment of war supplies to Japan. Had it not been for The American Legion's efforts to alert America to the need for continued preparedness, America at the time of Pearl Harbor would have been notably weaker than it was.

VETERANS AFFAIRS AND REHABILITATION

In the FY 2005 VA budget request, there is a continued emphasis on focusing resources for medical treatment of the *core-mission veteran population*. The term *core-mission veteran population* does not appear in Title 38, United States Code. In 1996, Congress passed VA eligibility reform legislation. It was not until 1998 that VA finally established the rules to enforce the statute. Eligibility reform ensured all eligible veterans could seek health care through VA, not simply those designated as the *core-mission veteran population*. Tailoring the veteran population to meet the budget was not the intent of Congress when it reformed access eligibility. The American Legion believes VA must be funded at a level that will ensure all eligible veterans have access to the VA health care system. The VA budget must reflect the true demand for care.

Once again, the Administration attempts to place the burden of financing VA health care on the backs of veterans. The FY 2005 budget request contains provisions that would increase prescription co-payments and create an annual enrollment fee. These legislative initiatives target those Priority Group 7 and 8 veterans who are currently enrolled in the system. At the same time, VA continues to deny enrollment of any future Priority Group 8 veterans who could help shoulder this burden. These are the very veterans required to pay VA's co-payments and make third-party reimbursements for their health care. Rationing health care to America's veterans is not the solution to VA's accessibility crisis. The American Legion supports repealing the suspension of enrollment of Priority Group 8 veterans.

We applaud the Administration efforts to alleviate co-payments for veterans receiving hospice care and former prisoners of war. The American Legion supports provisions within the budget request that would increase the income threshold from the Pensions level of \$9,894 to the aid and

attendance level of \$16,509 for certain Priority Group 2-5 veterans. This would help reduce the pharmacy co-payment for those veterans struggling to meet the skyrocketing cost of health care.

In addition, The American Legion supports provisions to allow VA to pay for emergency room care at non-VA facilities for enrolled veterans. This will prevent any delays in treating life threatening injuries or illnesses for enrolled veterans not in close proximity to a VA facility. During visits to VA facilities under The American Legion’s “System Worth Saving” initiative, Past National Commander Ronald Conley discovered many VA facilities operated under a “divert” policy that imperiled veterans by denying them immediate access to health care.

The American Legion is equally concerned with VA’s continued efforts to create the new “VA Advantage” Medicare plan that would offer limited health care services to Priority Group 8 veterans 65 or older with Medicare Part B. Keep in mind that only nonservice-connected veterans who fall above the geographical means test and are Medicare-eligible will be considered under this proposal. Priority Group 8 veterans who are not Medicare-eligible will simply continue to be denied access to VA medical care.

Indian Health Services and TRICARE for Life are classic examples of effective Medicare and Medicaid Federal partners. Since over half of VA’s enrolled patient population is Medicare-eligible veterans, The American Legion strongly believes Congress should consider passing legislation to ensure VA is reimbursed for treatment of Medicare-eligible veterans for allowable, nonservice-connected medical conditions.

The FY 2005 budget request must provide an adequate level of funding to eliminate the backlog of veterans waiting to receive care, to meet the needs of returning service members who must now receive health care from VA, and to once again allow Priority Group 8 veterans to receive timely access to quality VA medical care through the very system created to meet their unique health care needs.

THE AMERICAN LEGION’S SUGGESTED BUDGET REQUEST FOR SELECTED DISCRETIONARY PROGRAMS FOR VA IN FY 2005

The American Legion strongly recommends Congress provide VA with the following specified funding in FY 2005:

Accounts	Budget Request
Medical Care	\$30 billion*
Medical & Prosthetics Research	\$445 million
Construction	
• Major	\$325 million
• Minor	\$255 million
State Grants for Extended Care Facilities	\$120 million

State Grants for Veterans' Cemeteries	\$40 million
National Cemetery Administration	\$160 million
General Administration	\$1.8 billion

* Third-party reimbursements should supplement rather than offset discretionary funding

VETERANS HEALTH ADMINISTRATION

Medical Care

Over the past 20 years, VA has dramatically transformed its medical care delivery system from a struggling collection of hospitals and homes to an integrated health care system of excellence that leads private and other government health care providers in almost every measure. The quality of care that is provided through the VA health care system is exemplary. However, the quality of care is irrelevant when access to that care is impeded.

Today, there are over 25 million veterans. As more veterans choose to use VA as their primary health care provider (over 8 million veterans enrolled or waiting to enroll), the strain on the system continues to grow. The American Legion fully supported the enactment of Public Law 104-262, the Veteran's Health Care Eligibility Reform Act that opened enrollment in the VA health care system. Many veterans who, until this time, were restricted from VA health care in the 1980s were once again able to gain access. Veterans recognize that the Veterans Health Administration provides affordable, quality care that they cannot receive anywhere else.

The astronomical growth of Priority Groups 7 and 8 veterans seeking health care at their local VA medical facility resulted in over 300,000 veterans being placed on waiting lists regardless of their assigned Priority Group. As mentioned earlier, FY 2003 saw the suspension of enrollment of new Priority Group 8 veterans due to this growth in enrollees. The American Legion does not agree with the decision to deny health care to veterans simply to ease the backlog. Denying earned benefits to eligible veterans does not solve the problems resulting from an inadequate budget.

The simple fact is VHA does not have the funding needed to treat all veterans seeking care from VA. VHA operates under a constant cloud of fiscal uncertainty. The FY 2004 VA appropriations battle delayed much-needed funds for more than five months into the fiscal year. Future spending projections, staffing levels, equipment purchases, and structural improvements are all stalled if the funding is not a certainty. Delayed funding means delayed services for deserving veterans who rely on VA for their care.

The American Legion recommends \$30 billion in discretionary funding for VA medical care.

MEDICAL AND PROSTHETICS RESEARCH

VA Medical and Prosthetic Research have a history of productivity in advancing medical knowledge and improving health care, not only for veterans, but all Americans. VA research has led to the creation of the cardiac pacemaker, nicotine patch, and the Computerized Axial Tomography (CAT) scan, as well as other medical breakthroughs. Over 3800 VA physicians and scientists conduct more than 9,000 research projects each year involving more than 150,000 research subjects.

The VA Medical and Prosthetic Research budget has not kept pace with inflation during the past 15 years. It is essential that Congress and the Administration support strong medical and prosthetic research programs within VA so that veterans and all citizens continue to benefit from the exceptional research capability of the Department.

The American Legion supports adequate funding for VA biomedical research activities. Congress and the Administration should encourage acceleration in the development and initiation of needed research on conditions that significantly affect veterans - such as prostate cancer, addictive disorders, trauma and wound healing, post-traumatic stress disorder, rehabilitation, and others - jointly with the Department of Defense (DoD), the National Institutes of Health (NIH), other Federal agencies, and academic institutions.

The American Legion recommends \$445 million for Medical and Prosthetics Research in FY 2005.

MEDICAL CONSTRUCTION AND INFRASTRUCTURE SUPPORT

Major Construction

Over the past several years, The American Legion has testified on the inadequacy of funding for VA's major and minor construction programs. Buildings continue to be neglected and the persistent deterioration results in unsafe environments similar to unsanitary conditions discovered at the VAMC in Kansas City, Missouri. Of course, those that pay the price of this neglect are the veterans who are receiving care at these facilities.

A 1998 study recommended that VA fund two to four percent of Plant Replacement Value (PRV) per year to reinvest in new facilities to replace aging facilities. The conclusion of this analysis was that VA's reinvestment rate of .84 percent was significantly lower than the benchmark of two percent. This equates to hundreds of millions of dollars that conceivably could be used for major construction projects. Private consultants have been warning for years that dozens of VA patient buildings were at the highest level of risk for earthquake damage or collapse yet funding continues to be woefully short of what is actually needed to correct this problem.

The American Legion supports legislation that would provide \$1.8 billion over the next three fiscal years to improve, replace, update, renovate or establish facilities within the existing VA infrastructure. These funds would be exempt from 38 USC § 8103 (a) (2) which requires

enabling legislation for construction procurements in excess of \$4 million or leases in excess of \$600,000 per year. This money would be available at the discretion of VA for:

- Seismic protection
- Life safety upgrades
- Utility improvements
- Accommodations for disabled persons

Facilities eligible for improvements include:

- Blind rehabilitation centers
- Inpatient and residential programs for seriously mentally ill veterans and veterans with substance abuse disorders
- Physical medicine and rehabilitation activities
- Long term care including adult day care, nursing facilities and geriatric research and education facilities
- Amputation care facilities including prosthetics and orthotics and sensory aids
- Spinal cord and traumatic brain injury centers
- Women's veterans' health programs
- Hospice and palliative care facilities

The American Legion is concerned that veterans are needlessly being placed in harm's way within existing VA facilities. There are over 60 patient care and other related use buildings in danger of collapse or heavy damage in the event of an earthquake. The sorely needed seismic corrections, along with the necessary ambulatory care and patient safety projects, will require a significant increase in funding to address VHA's current major construction requirements. This legislation will go a long way toward correcting these deficiencies.

The American Legion further supports legislation that would authorize the following major medical construction projects at the amounts specified:

- Construction of two bed towers to consolidate inpatient sites in inner city Chicago at the West Side Division in an amount not to exceed \$98.5 million.
- Construction in Clarke County, Nevada of a multi-specialty outpatient clinic to replace the leased Las Vegas ambulatory care center and a satellite office for the Veterans Benefits Administration in an amount not to exceed \$97.3 million.
- Seismic corrections to strengthen Medical Center Building 1 at VA health Care System at San Diego, California not to exceed \$48.6 million.
- Renovation of all inpatient care wards at the VA West Haven, Connecticut healthcare facility at a cost not to exceed \$50 million.

The American Legion recommends \$325 million for Major Construction in FY 2005.

Minor Construction

Similar to VA's major construction program, VA's minor construction program has likewise suffered significant neglect over the past several years. The requirement to maintain the infrastructure of VA's buildings is no small task. When combined with the added cost of the

CARES program recommendations and the request for minor infrastructure upgrades in several research facilities, it is easy to see that a major increase is crucial.

The American Legion recommends \$255 million for Minor Construction in FY 2005.

STATE EXTENDED CARE FACILITY GRANTS PROGRAM

State Veterans Homes were founded for indigent and disabled Civil War veterans beginning in the late 1800s and have continued to serve subsequent generations of veterans for over one hundred years. Under the provisions of 38 USC, VA is authorized to make payments to states to assist in the construction and maintenance of State Veterans Homes. Today, there are 109 State Veterans Homes facilities in 47 states with over 23,000 beds providing nursing home, hospital, and domiciliary care. The State Veterans Home Program has proven to be a cost-effective provider of quality care to many of the nation's veterans and this program is an important adjunct to VA's own nursing, hospital, and domiciliary programs. The Grants for Construction of State Veterans Home Program provides funding for 65 percent of the total cost of building new veterans homes. VA has not been able to keep pace with the number of grant applications; and currently there is over \$120 million in unfunded new construction projects pending.

Recognizing the growing long-term health care needs of older veterans, it is essential that the State Veterans Home Program be maintained as a viable and important alternative health care provider to the VA system. The American Legion supports increasing the amount of authorized per diem payments (40 percent) for nursing home and domiciliary care provided to veterans in State Veterans Homes. The American Legion also supports the provision of prescription drugs and over-the-counter medications to State Homes Aid & Attendance patients, along with the payment of authorized per diem to State Veterans Homes. Additionally, VA should allow for full reimbursement of nursing home care to 70 percent service-connected disabled veterans or higher, if the veteran resides in a State Veterans Home. The National Association of State Veterans Homes and VA should develop mutual planning efforts, enhanced medical sharing agreements, and enhanced-use construction contracts with qualified providers.

The American Legion recommends \$120 million for the State Extended Care Facility Grants Program in FY 2005.

NURSING HOME CARE

Except for the occasional congressional initiative to build nursing homes in individual states or congressional districts and some CARES planning initiatives, VA has no plans to expand its own nursing home capacity.

VA has failed to fulfill the promise of its landmark mid-1980's study, *Caring for the Older Veteran*. That study recommended large increases in both inpatient and alternative programs, such as respite, hospice, adult-day and home-based care, so that VA could approach the needs of World War II veterans with meaningful health and end-of-life care programs, on both institutional and non-institutional bases. This has not been achieved.

The Millennium Act required VA to maintain its in-house NHU bed capacity at the 1998 level of 13,391. This capacity has significantly eroded rather than been maintained. In 1999, there were 12,653 VA NHU beds, 11,812 in 2000, 11,672 in 2001 and 11,969 in 2002. VA estimates it will have only 9,900 beds in 2003 and 8,500 in 2004. VA has claimed that it cannot maintain both the mandated bed capacity and implement all the non-institutional programs required by the Millennium Act.

VA should be required to maintain its nursing home capacity as intended by Congress. VA must create incentives and receive appropriate funding to maintain its NHCU beds rather than abandon them to alternative sources. These beds are a vital component of the VA Long Term Care (LTC) continuum, and they are essential in addressing the needs of the aging veteran population.

According to VA's FY 2002 Annual Accountability Report Statistical Appendix, in September 2002, there were 93,071 World War II and Korean War era veterans receiving compensation for service-connected disabilities rated seventy percent or higher.

The American Legion opposes provisions in the FY 2005 budget request that would reduce funding for VA nursing homes by \$270.5 million and reduces staffing by 2,500 full time employees. VA should comply with the intent of Congress to maintain an adequate LTC nursing home capacity for those disabled veterans who are in the most resource-intensive groups; clinically complex, special care, extensive care and special rehabilitation case mix groups. The nation has a special obligation to these veterans. They are entitled to the best care that the VA has to offer.

CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES (CARES)

The CARES process was designed to take a comprehensive look at veterans' health care needs and services. However, because of problems with the model in projecting long-term care, domiciliary, and outpatient mental health care needs into the future, specifically to 2012 and 2022, these critical health care services were omitted from the CARES planning. An extensive look, such as that proposed by the CARES initiative, cannot possibly be accomplished when an assessment of need for those services is missing from the process.

The Draft National Plan contains several proposals to realign campuses and consolidate services. These realignments were introduced in the eleventh hour, with no stakeholder input sought by VA. There are 13 such realignments proposed in the plan. The American Legion does not support the closing of a VA facility just for the sake of saving money while veterans are denied care.

The Draft National CARES Plan expects substantial renovations and expansions as consolidations happen. A great deal of money will have to be allocated up front to ensure the new construction and renovations are completed. The American Legion understands that CARES is an ongoing process and when dealing with vacant space and renovations, incremental changes may have to take place. The price tag for all of the construction and renovations proposed is in the billions of dollars. With the proposed consolidations and transferring of services, it is imperative that veterans not experience delays in the delivery of their care. No

facilities should be closed, disposed of, or downsized until the proposed movement of services is complete and veterans are being treated in the new locations.

Funding should be provided to ensure that any realignment resulting from the CARES initiative does not lead to the suspension of services for veterans seeking care.

NATIONAL CEMETERY ADMINISTRATION (NCA)

VA's NCA is comprised of 120 cemeteries in 39 states and Puerto Rico as well as 33 soldiers' lots and monuments. NCA was established by Congress and approved by President Abraham Lincoln in 1862 to provide for the proper burial and registration of graves of Civil War dead. Since 1973, annual interments in NCA have increased from 36,400 to over 84,800. Annual burials are expected to increase to more than 115,000 in the year 2010 as the veteran population ages. Currently 59 national cemeteries are closed for casket burials. Most of these can accept cremation burials, however, and all of them can inter the spouse or eligible children of a family member already buried. Another 22 national cemeteries are expected to close by the year 2005, but efforts are underway to forestall some of these closures by acquiring adjacent properties.

Maintaining cemeteries as National Shrines is one of NCA's top priorities. This commitment involves raising, realigning and cleaning headstones and markers to renovate gravesites. The work that has been done so far has been outstanding; however, adequate funding is key to maintaining this very important commitment. At the rate that Congress is funding this work, it will take twenty-eight years to complete. The American Legion supports the newly appointed Under Secretary for Memorial Affairs in his goal of completing the NCA's National Shrine Commitment in five years. This Commitment includes the establishment of standards of appearance for national cemeteries that are equal to the standards of the finest cemeteries in the world. Operations, maintenance and renovation funding must be increased to reflect the true requirements of the National Cemetery Administration to fulfill this Commitment.

Congress must provide sufficient major construction appropriations to permit NCA to accomplish its stated goal of ensuring that burial in a national or state cemetery is a realistic option by locating cemeteries within 75 miles of 90% of eligible veterans. P.L. 107-117 required NCA to build six new National Cemeteries. Fort Sill opened in 2001 under the fast-track program, while the remaining five; Atlanta, Detroit, South Florida, Pittsburgh and Sacramento are in various stages of completion. Additional acreage is currently under development in 10 national cemeteries, columbaria are being installed in 4 and additional land for gravesite development has been acquired at national cemeteries in 5 states. 9 national cemeteries are expected to close to new interments between 2005 and 2010.

The average time to complete construction of a national cemetery is 7 years. The report of a study conducted pursuant to the Millennium Bill concluded that additional 31 national cemeteries would be required to meet the burial option demand through 2020. Legislation is currently pending in this session that will authorize the establishment of 10 new national cemeteries in areas of the country facing a shortage of burial space. Together with the 6 national cemeteries under development, this will go a long way toward fulfilling this need. NCA will be

able to keep pace with current demand for burial space if this legislation is enacted and fully funded this year.

The American Legion urges Congress to provide sufficient major construction appropriations to permit NCA to accomplish its mandate of ensuring that burial in a national cemetery is a realistic option for 90 percent of this nation's veterans.

The American Legion recommends \$160 million for NCA in FY 2005.

STATE CEMETERY GRANTS PROGRAM

The National Cemetery Administration (NCA) administers a program of grants to states to assist them in establishing or improving state-operated veterans' cemeteries through VA's State Cemetery Grants Program (SCGP). Established in 1978, the matched-funds program helps to provide additional burial space for veterans in locations where there are no nearby national cemeteries. Through FY 2002, more than \$169 million in grants has been awarded to states and the Territories of Guam and the Northern Marianas, including 5 new state cemeteries and the improvement and/or expansion of 9 existing ones.

Under the Veterans Programs Enhancement Act of 1998, PL 105-261, VA may now provide up to 100 percent of the development cost for an approved project. For establishment of new cemeteries, VA can provide for operating equipment. States are solely responsible for the acquisition of the necessary land.

The American Legion recommends \$40 Million for the State Cemetery Grants Program in FY 2005.

CONCLUSION

The American Legion appreciates the Committee's consideration of these views and estimates as you and your colleagues formulate the FY 2005 Budget Resolution. Do not forget the sacrifices and contributions made by America's veterans as you and your colleagues determine budget priorities for FY 2005.