

STATEMENT FOR THE RECORD

Air Force Sergeants Association

on

U.S. Department of Veterans Affairs Budget Request for Fiscal Year 2022

FOR THE

The United States House Committee on Veterans Affairs

JUNE 8, 2021

Chairman Takano, Ranking Member Bost, and distinguished members of the House Committee on Veterans Affairs, on behalf of the Air Force Sergeants Association (AFSA) and our 75,000+ members, thank you for the opportunity to submit the following testimony for the Committee's hearing on the "U.S. Department of Veterans Affairs Budget Request for Fiscal Year 2022."

The AFSA is a federally chartered Veterans' Service Organization (VSO) representing the personal and professional interests of our members, Total Forces, and their families. The content of this statement is an accurate reflection of the views held by our members on the issues encompassed within the scope of the AFSA's legislative platform and quality of life mission.

The AFSA commends the committee for its thoughtful consideration of the 2022 Budget and 2023 Advance Appropriations (AA) requests for the Department of Veterans Affairs (VA) and is looking forward to collaboratively engaging with its members on areas of mutual interest.

On Thursday, March 18, 2021, in an Executive Statement submitted to this Committee, outlined were ten of the AFSA's legislative priorities for the first session of the 117th Congress. The first, of which, is to "Adequately Fund the Department of Veterans Affairs (VA) and its Many Programs, Services, and Benefits."

When the Executive Statement was authored, as is commonplace in the inaugural year of a presidency following a presidential transition, the new Administration did not yet present its proposed Budget of the United States government. Rather, on April 9, 2021, the Office of Management and Budget (OMB) submitted to Congress the President's discretionary funding request for Fiscal Year (FY) 2022. On May 28, 2021, OMB submitted to Congress the President's Budget for FY 2022.

The AFSA explicated its concurrence with the budgetary funding levels as recommended in the *Independent Budget: Fiscal Years 2022 and 2023 for the Department of Veterans Affairs* (hereafter referred to as the Independent Budget), published by the Independent Budget veterans service organizations (IBVSOs) on February 1, 2021.

In analyzing each of the recommendations put forth by the IBVSOs in the Independent Budget and the FY 2022 Budget and FY 2023 AA requests for the VA, the AFSA employed the following guiding principles in our actuarial formulary:

1. Decisions on veterans' funding should be based on merit.

With over twenty trillion dollars in federal debt held by the public, the AFSA is understanding of our nation's current fiscal situation and the impact it can have on the congressional appropriations process. However, the AFSA is unwavering in our belief that health care and benefits for our nation's Veterans and their survivors is a cost of war. As such, the AFSA views funding for Veterans' programs as a national obligation – a “must pay” reality.

2. The VA must openly and willingly assume the responsibility for treating the maladies of war.

From the AFSA's perspective, the VA's focus on health care conditions caused by battle should be on presumption and correction, not on initial refutation, delay, and denial. It is important that the decision to send troops into harm's way also involves an absolute commitment to care for any healthcare condition that may have resulted from their service.

3. COVID-19 had a significant impact on access to and utilization of VA health care.

COVID-19 had a significant impact on Veterans' ability to access VA health care services during 2020 and will likely impact the amount of care provided over the next several years. Stay-at-home orders and social distancing mandates also had a significant impact on the United States' economy, which, in turn, are likely to lead to an increase in Veterans applying for VA benefits and health care. It is expected that deferred care and pent-up demand will increase utilization and/or reliance on VA health care, further increasing future costs. Moreover, COVID-19 reinforced the value telemedicine has in enhancing VA health care safety and accessibility – especially for the more than three million enrolled Veterans living in rural and highly rural areas.

4. Changes to VA and its scope of operations are not occurring in a vacuum.

According to the VA, this request will “provide the necessary resources to meet VA's obligation to provide timely, quality health care, services, and benefits to Veterans” and “fully funds operation of the largest integrated health care system in the United States, with over 9.2 million enrolled Veterans, provides disability compensation benefits to nearly 6.0 million Veterans and their survivors and administers pension benefits for over 357,000 Veterans and their survivors.”

While the AFSA agrees that each of the VA's actuarial models (utilized to support the formulation of most of the VA health care Budget) have been extremely validated, the AFSA also acknowledges that the VA continues to implement major transformations critical to the future of the veterans' health care system synchronous to the delivery of its current portfolio of benefits. Each of these changes have and will continue to have budgetary consequences for the Veterans Health Administration (VHA). The AFSA's Budget recommendations reflect not only the funds deemed necessary to ensure the best outcomes for Veterans cared for by the VA within the current mode of operations, but also several new policy initiatives that cannot be deferred or ignored.

VA's Budget Request

The total 2022 request for VA is \$269.9 billion (with medical collections), a ten percent increase above 2021. This includes a discretionary Budget request of \$117.2 billion (with medical collections), a nine percent increase above 2021.

The 2022 mandatory funding request is \$152.7 billion, an increase of \$14.9 billion or ten percent above 2021. This funding is in addition to the \$17.8 billion provided to VA in the *American Rescue Plan Act of 2021* (P.L. 117-2).

The 2023 Medical Care Advance Appropriations request includes a discretionary funding request of \$115.5 billion (with medical care collections). The 2023 mandatory AA request is \$156.6 billion for Veterans benefits programs (Compensation and Pensions, Readjustment Benefits, and Veterans Insurance and Indemnities).

While the AFSA generally agrees that the total 2022 and 2023 AA requests for the VA, in conjunction with additional appropriations from the *President's American Rescue Plan Act of 2021* (P.L. 117-2), Transformational Fund resources and medical collections, and to-be obligated funds from the *CARES Act* (P.L. 116-136) will enable the VA to execute its mission, the AFSA respectfully requests the members of this Committee be prepared to adjust funding levels accordingly in alignment with the Independent Budget. Specifically, as it pertains to:

- \$102.2 billion in total medical care
- \$3.0 billion in electronic health record modernization
- An additional \$1.4 billion to onboard approximately 10,750 full-time employees (FTE's)
- An additional \$335 million to expand VA's long-term services and supports (LTSS) programs
- An additional \$200 million for VBA operations
- \$5.0 million to reinstate the VA's recently rescinded pre-decisional review policy

However, in considering the responses and feedback provided to the AFSA, it is prudent to highlight the following issues of grave concern to our members within the context of the FY 2022 Budget request for VA:

Prevent Veteran Suicide

On November 12, 2020, the VA released the 2020 National Veteran Suicide Prevention Annual Report. Tragically, the average number of Veteran suicides per day rose from 17.5 to 17.6. Despite the aggregate decrease in the size of our nation's Veteran population, the annual total number of Veteran suicide deaths increased from 2017 to 2018 (6,399 to 6,435). To make matters worse, disruptive changes in people's daily lives due to COVID-19 have taken a significant toll on mental and physical health.

As accurately highlighted in the President's FY 2022 Budget Request, more Americans reported experiencing symptoms of anxiety, depression, and other underlying psychiatric disorders that can

be linked to suicidal ideation and suicide. This is likely a large contributing factor to the severe utilization increase of the Veterans Crisis Line (VCL). According to the VA, in the last year alone, demand for VCL chat and text services has increased by over 59 percent.

With that being said, we commend the VA and members of this Committee for working feverously towards ending this national tragedy by making suicide prevention a leading policy priority in recent time.

In the words of President Biden, a Budget is “a statement of values that define our Nation at its best.”

The VA’s FY 2022 Budget request, which calls for \$598 million in funding for suicide prevention outreach and related activities, an increase of over ninety percent from the previous fiscal year, is certainly a statement of this Administration’s commitment to fully fund existing programs at programmatically sufficient levels (such as the VCL) and “kick-start” future ones as well (such as fully funding the Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program).

The AFSA respectfully requests the members of this Committee support the VA’s proposed funding for suicide prevention outreach and related activities. Moreover, the AFSA urges the members of this Committee to support the VA’s proposed \$20 million increase in funding to advance current levels of understanding the impact of traumatic brain injury (TBI) may have on neurobehavioral conditions that negatively impact Veterans’ quality of life.

End Veterans Homelessness

On March 18, 2021, the U.S. Department of Housing and Urban Development (HUD) released its 2020 Annual Assessment Report to Congress (hereafter referred to as the Report). Since 2010, over 850,000 Veterans and their family members have been permanently housed or prevented from becoming homeless – this is a reduction in the number of Veterans experiencing homelessness in the United States by nearly fifty percent.

While tremendous strides have been made in reducing Veteran homelessness over the past decade, 2020 was the first year (since 2010) that Veteran homelessness among family households did not decrease.

Despite an apparent declination in the number of Veterans as a share of the U.S. population (from 26.4 million to 18.0 million), between 2019 and 2020, the number of veterans in the U.S. experiencing homelessness on a single night in January increased from 37,085 to 37,252. While the share of adults experiencing homelessness (who were Veterans) has declined by approximately twelve percent since 2013, the percentage of homeless persons in the U.S. who can claim Veteran status still exceeds the percentage of Veterans as a share of the U.S. population. On this matter, the AFSA unequivocally agrees with VA Secretary Denis McDonough that “Even a slight pre-pandemic uptick in Veteran homelessness after significant declines since 2010 is extremely concerning.”

To build on the progress made in working to eliminate Veteran homelessness, the AFSA urges the members of this Committee support the VA's request of funding for \$2.2 billion for Veteran homelessness programs, an increase of 8.4 percent from the previous fiscal year.

These funds would support several programs aimed at assisting Veterans and their families in obtaining and maintaining housing stability while promoting maximum recovery and independence in their respective communities; including, but not limited to the U.S. Department of Housing and Urban Development-VA Supportive Housing (HUD-VASH) program, Rapid Resolution Initiative, and Supportive Services for Veteran Families (SSVF) program.

Additionally, the AFSA respectfully requests the members of this Committee support VA's proposed legislation as put forth in the VA's FY 2022 Budget Submission: Supplemental Information & Appendices Volume 1 of 4, *Additional Services for Veterans with Severe Mental Illness* and *Services for Seriously Mentally Ill Veterans, Including Homeless Veterans*.

Additional Services for Veterans with Severe Mental Illness

38 U.S.C. § 2033, subject to the availability of appropriations, requires the VA Secretary to operate a program to expand and improve the provision of benefits and services to homeless Veterans. The program operated by the Secretary includes the establishment of Community Resource and Referral Centers (CRRC). CRRC's are strategically placed facilities that offer a "one-stop" environment for Veterans who are homeless or are at risk of homelessness.

According to the VA, over 27,000 Veterans were served nationally from the time the first CRRC was opened in 2012 through FY 2014. Today, there is a total of 29 CRRCs nationwide. However, under current law, the program is set to terminate on September 30, 2022.

If VA's authority to operate this program expires, the VA would have to immediately cease providing support services to the tens of thousands of Veterans who are utilize CRRC's nationwide. The AFSA agrees with the VA's recommendation that this authority be made permanent or extended for a period of no less than five years after the date of programmatic termination.

Additionally, the AFSA also urges the members of this Committee to continue supporting the CRRC program with adequate funds to ensure its services can be rendered to all who currently benefit and may benefit in the future.

Services for Seriously Mentally Ill Veterans, Including Homeless Veterans

38 U.S.C. § 2031 (a) allows the Health Care for Homeless Veterans (HCHV) program to provide outreach services, care, treatment, rehabilitative services, therapeutic transitional housing assistance, and/or outpatient care to seriously mental ill and homeless Veterans. The HCHV program was originally developed from the original Homeless Chronically Mentally Ill Program, a six-month pilot project established by P. L. 110-6. In FY 2019 alone, the HCHV program

provided outreach to 139,600 total Veterans living in precarious situations and provided case management services to nearly 11,000 Veterans. However, under current law, the authority of the VA Secretary to carry out the HCHV program terminates on September 30, 2022.

The AFSA agrees with the VA's recommendation that this authority be made permanent or extended for a period of no less than five years after the date of programmatic termination. Additionally, the AFSA also urges the members of this Committee to continue supporting the HCHV program with adequate funds to ensure its services can be rendered to all who currently benefit and may benefit in the future.

Bridge Inequities in Care Accessibility and Quality for Rural Veterans

The AFSA urges the members of this Committee to support the Administration's Budget request of \$307 million for rural health projects, an increase of more than three percent from the previous fiscal year.

Almost a quarter of all Veterans in the United States return from active military careers to reside in rural communities. According to the VA, Veterans living in rural and highly rural areas make up approximately 33 percent of all Veteran enrollees. Unfortunately, while Veterans may choose rural communities for a variety of reasons that may benefit their quality of life, just like any rural resident, it may be difficult for rural Veterans and their caregivers to access health care and other services due to accessibility and delivery challenges.

VA health facilities have worked to address rural health care access challenges for Veterans in a multitude of ways – many of which are funded through the VHA Office of Rural Health (ORH). Funding for these programs is vital to ensure Veterans are not cursed by geography and have equitable access to the health benefits available they are entitled to reserve under law.

In addition to ensuring rural health projects are adequately funded by supporting the aforementioned Budget request, the AFSA respectfully requests the members of this Committee support VA's proposed legislation as put forth in the VA's FY 2022 Budget Submission: Supplemental Information & Appendices Volume 1 of 4, *Grants for Transpiration of Highly Rural Veterans* and *Transportation of Individuals to and From Department of Veterans Affairs Facilities*.

Grants for Transportation of Highly Rural Veterans

The Highly Rural Transportation Grants (HRTG) is a grant-based program that assists Veterans in highly rural areas (counties with fewer than seven people per square mile) travel to VA or VA-authorized health care facilities. These grants are provided to certain VSOs and State Veteran Service Agencies. Under current law, the maximum amount per grant is capped at \$50,000.

With the codification of the VA's proposed legislation, the maximum amount per grant would increase from \$50,000 to \$60,000 and would make available an additional \$80,000 for a grantee that is required to purchase a vehicle to comply with the requirements of the Americans with

Disability Act (ADA) and use of an ADA-compliant vehicle is needed to implement or continue their transportation services under the program. By the VA's own cost estimate(s), this proposal represents a minimal cost share of the Budget as a whole (approximately .0074 percent) and would provide eligible entities with the capacity to better serve Veterans who require access to a specially equipped vehicle.

As such, the AFSA agrees with the VA's legislative proposal and urges members of this Committee to support the HRTG program as amended with sufficient funds.

Transportation of Individuals to and From Department of Veterans Affairs Facilities

In January 2013, with the codification Public Law 112-260, the *Dignified Burial and Other Veteran's Benefits Improvement Act of 2012*, the VA Secretary was granted temporary authority to transport any person to or from a VA facility or other place in connection with certain services and treatment. In response, the VA proposed to amend its medical regulations concerning the transportation of Veterans for the purposes of examination, treatment, and care via the Veterans Transportation Service (VTS). VTS is designed to ensure that all qualifying Veterans have access to care through convenient, safe, and reliable transportation. However, the authority to carry out the statutory intent of the *Dignified Burial and Other Veteran's Benefits Improvement Act of 2012* expires on September 30, 2022.

The AFSA agrees with VA that this authority should be made permanent or extended for a period of no less than five years after the date of programmatic termination.

Adequately Fund the Caregiver Support Program

The VA's 2022 Budget estimates the Caregiver Support Program (CSP) will use approximately \$1.4 billion (from all funding sources), a thirty five percent increase from the previous fiscal year, to support the ongoing expansion to the Program of Comprehensive Assistance for Family Caregivers (PCAFC).

While the AFSA believes the VA's projected number of participants in the PCAFC is reflective of shared concerns whereby rapid programmatic expansion is warping the MISSION Act's intention of extending the PCAFC to Veterans of all generations at the expense of the veteran and military caregiver, the AFSA respectfully requests the members of this Committee support the VA's CSP Budget request.

Care for Women Veterans

Over the past five years, women have accounted for more than thirty percent of the increase in Veterans enrolled in the VA. Since 2001, the number of women Veterans utilizing VA health care services has more than tripled – growing from 159,810 to more than 580,000 in 2021. In today's military, women make up 16.5 percent of Active-Duty forces and 19 percent of the National Guard

and Reserves. Without question, women are now the fastest growing cohort in the Veteran community.

Within the context of COVID-19, a staggering 2.5 million women dropped out of the labor force, the labor force participation rate for women dropped by 3.7 percent, and unemployment rates for female Veterans increased to 6.7 percent.

Based on these demographic trends and market indicators, the expected number of women Veterans to use VA health care is expected to continue to rise rapidly.

In addition, further demands on the VA health care system will continue to manifest as the VA prescribes regulations to fully implement the *Deborah Sampson Act*, AFSA supported legislation included in the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* (P.L. 116-135).

As such, the AFSA urges the members of this Committee to support the Administration's Budget request of \$706 million for gender-specific women Veterans' health care, an increase of twelve percent when compared to the previous fiscal year. Moreover, the AFSA respectfully requests the members of this Committee exercise cautious oversight over the implementation of the *Deborah Sampson Act* and execution of other women specific services to ensure adequate funding allows VA supply to fluidly meet demand.

Oppose VA Proposed Legislation: *Rounding Down of Cost-of-Living Adjustments for Dependency and Indemnity Compensation for Service-Connected Deaths and Rounding Down of Cost-of-Living Adjustments for Compensation for Service-Connected Disability or Death*

By the current conduct of legislative business, the rates of compensation for Veterans with service-connected disabilities and the rates of DIC for the survivors of certain disabled Veterans are adjusted in alignment with the percentage increase, if any, between the average third-quarter Consumer Price Index (CPI) of the current year over the average third-quarter CPI of the prior year.

Referred to as a cost-of-living adjustment (COLA), its purpose is to ensure that the purchasing power of benefits such as VA disability compensation and DIC are not eroded by inflation.

Under federal law, the cost-of-living adjustments to VA's compensation and pension rates are the same rate as benefits payable under title II of the Social Security Act (SSA), which sets the requirements for disability insurance benefits. However, under the VA's proposed legislation, COLA rates for VA disability compensation and DIC would be arbitrarily rounded down for a five-year period.

As stated previously, the AFSA views funding for Veterans' programs as a national obligation – a “must pay” reality. The AFSA strongly opposes all legislative proposals included in the Budget that would reduce the benefits to Veterans and their survivors that were earned through service. The AFSA urges the members of this Committee to oppose these legislative proposals and not

allow the VA Budget to become a vehicle whereby financial savings are sought at the expense of benefits earned by Veterans and their families.

Conclusion

Chairman Takano, Ranking Member Bost, and distinguished members of the Committee, thank you again for the opportunity to express the views of our members on these important matters. The exceptional work of this Committee is a sterling example of how non-political cooperation can yield swift and effective congressional action. As always, we are prepared to present more details and discuss these issues with you and your staff if deemed necessary.

Questions concerning this testimony can be directed to Mr. Matthew Schwartzman, Policy Advisor, Legislative Affairs, at mschwartzman@hqafsa.org or (301) 899-3500 ext. 246.

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Curriculum Vitae

Keith A. Reed is the Executive Director of the Air Force Sergeants Association. He oversees the daily operations, advocacy efforts, outreach, and support on behalf of the Association's 75,000 dues-paying members worldwide. Mr. Reed is a 20-year Air Force Veteran and retired Master Sergeant. He joined the Air Force as an Administrator/Information Manager and spent most of his career in staff support and military protocol and eventually served this Nation as a United States Air Force First Sergeant, culminating his career at Maxwell Air Force Base as the 42nd Mission Support Squadron First Sergeant responsible for overseeing the health and welfare of more than 400 enlisted members. Mr. Reed brings over 20 years of AFSA-experience that positively connects leadership at all levels along with the veteran and military audience to ensure AFSA continues to advocate on behalf of the Total Forces, their families, and survivors.

Disclosure of Federal Grants or Contracts

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