



**STATEMENT OF
MATTHEW J. SHUMAN, DIRECTOR
NATIONAL LEGISLATIVE DIVISION
THE AMERICAN LEGION**

BEFORE THE

**SUBCOMMITTEES ON ECONOMIC OPPORTUNITY
AND DISABILITY AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES**

ON

**"THE FISCAL YEAR 2019 BUDGET SUBMISSION OF THE DEPARTMENT OF
VETERANS AFFAIRS"**

MARCH 15, 2018

**STATEMENT OF
MATTHEW J. SHUMAN, DIRECTOR
NATIONAL LEGISLATIVE DIVISION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY AND THE SUBCOMMITTEE ON
DISABILITY AND MEMORIAL AFFAIRS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
"THE FISCAL YEAR 2019 BUDGET SUBMISSION OF THE DEPARTMENT OF
VETERANS AFFAIRS"**

MARCH 15, 2018

Chairman Arrington, Chairman Bost, Ranking Members O'Rourke and Esty, and distinguished members of both Subcommittees, on behalf of Denise H. Rohan, National Commander of The American Legion; the country's largest patriotic wartime service organization for veterans and our 2 million members; we thank you for inviting The American Legion to present our position on President Trump's proposed FY19 budget¹ for the Department of Veterans Affairs before you today.

The American Legion is a resolution-based organization; we are directed and driven by the millions of active Legionnaires who have dedicated their money, time, and resources to the continued service of veterans and their families. Our positions are guided by nearly 100 years of advocacy and resolutions that originate at the grassroots level of the organization –local American Legion posts and veterans in every congressional district of America.

The American Legion appreciates President Trump following through with the promises he made on the campaign trail. At a time when most federal agencies are experiencing a decrease in their respective budgets, the Department of Veterans Affairs (VA) will hopefully, with assistance from these critical committees, receive a much-needed increase.

VETERANS BENEFITS ADMINISTRATION & BOARD OF VETERANS APPEALS

"Streamlines Delivery of Veteran Benefits. VA provides veterans and eligible dependents with benefits including disability compensation, pension, GI Bill, educational assistance, vocational rehabilitation, and home loan guaranties among others. The Budget invests \$2.9 billion, a 1-percent increase from the 2017 enacted level for these programs. These benefits directly support the economic security of veterans and their families, and reflect a greater commitment to a better future."²

-An American Budget, Trump Administration's Proposed FY 19 Budget

¹ An American Budget: <https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf>

² An American Budget: <https://www.whitehouse.gov/wp-content/uploads/2018/02/budget-fy2019.pdf>

One of the priorities of The American Legion is to ensure the men and women who have selflessly served our Nation receive the benefits they earned while wearing the uniform of the U.S. Armed Forces. There is no question that 2017 was a successful year for legislation dealing with and improving the quality of life for veterans. From passing the accountability and whistleblower legislation that arms the Secretary of the VA with the ability to terminate defunct employees, reforming the VA appeals process allowing for disability claim decisions to be rendered in a more realistic time frame, and passing the Harry W. Colmery Veterans Educational Assistance Act of 2017, which was named after an original author of the G.I. Bill and past national commander of The American Legion; 2017 was indeed a great and productive year. It is vital that we keep the momentum moving in a direction that benefits those who have raised their right hand, taking an oath to defend our great Nation.

In order to ensure veterans receive the benefits they earned, we must guarantee that proper funding allocated, setting up VA for success. The president's proposed budget calls for:

Benefits Claims Processing:

- *Provide \$2.9 billion to Veterans Benefits Administration (VBA) to process 1.5 million veterans rating claims and 4.5 million education claims*
- *Hire an additional 225 fiduciary employees to protect VA's most vulnerable veterans who are unable to manage their VA benefits*

Appeals Reform:

- *Implement a new appeals process that is clear, understandable, and provides veterans with choices that best meet their needs.*
- *Provide the Board of Veterans Appeals (BVA) with \$175 million, to support 1,025 full time employees (FTE) to implement reform and address legacy appeals.*
- *Provide VBA with \$74 million to hire 605 FTE to address appeals*

By resolution, The American Legion advocated for the modernization of the antiquated appeals system, also referred to as "legacy appeals." The passage and signing of this law, aimed at modernizing the broken process that had claims in the system for more than a decade, and in some cases even longer. A new reform bill will provide three different routes that a veteran can take to receive a judgement, placing the veteran in control of their claim. Allowing the veteran control and creating numerous ways for them to file their claim will allow the VA to render a decision on the veteran's claim within a year. This was, and remains, a much-needed improvement to an archaic and dilapidated system.

A concern held by many is how the VA prioritizes and processes legacy appeals. The American Legion applauds the president's call to increase funding for this program and establishing the hiring of over 1,000 new FTE that will be able to assist in the processing of the legacy appeals.

Additionally, prior to a claim decision or judgement being appealed, an initial claim processing must take place. The American Legion applauds the president's proposed budget in calling for increased funding for the VBA to process the 1.5 million veterans rating claims along with the 4.5 million education claims. Members of The American Legion understand the need for VBA to process a veteran's claim within a timely manner, treating them with the respect they deserve. Providing increased funding will allow VA to process claims faster and better, to the benefit of

the veteran. Processing claims the correct way will reduce the amount of appeals, essentially reducing the workload on the VA and the negative impact on the veteran.

VOCATIONAL REHABILITATION & EMPLOYMENT

The Vocational Rehabilitation and Employment (VR&E) Program provides comprehensive services and assistance enabling veterans with service-connected disabilities and employment handicaps to achieve maximum independence in daily living, become employable, and maintain suitable employment. After a veteran is found to be entitled to VR&E, a vocational rehabilitation counselor helps the veteran identify a suitable employment goal and determines the appropriate services necessary to achieve their goal.

The American Legion is pleased the appeals claims process is being modernized, and that the president's proposed budget calls for \$135.5 million to be allocated for the Board of Veterans Appeals and related IT initiatives to reduce the pending appeals inventory. Additionally, we are thankful that \$74 million is requested in the president's budget to hire an additional 605 full-time VBA employees to assist in decreasing and processing veterans claims.

Once a veteran's claim has been adjudicated, the next step is approval and access to utilize the VR&E program. However, if the processing rate of adjudicating claims is increased and no investment into the VR&E program is made, The American Legion fears the unintended consequence of increasing the applicant pool for VR&E without increasing support staff will cause concern.

Between FY11 and FY 16, VR&E applicants rose from 65,239 to 112,115, creating increasing workloads for VR&E counselors tasked with developing employment goals and services for beneficiaries. The American Legion recognized the escalating problems associated with VR&E, and at our 2016 National Convention enacted Resolution No. 345: Support for Vocational Rehabilitation and Employment Program Hiring More Counselors and Employment Coordinators³.

The combination of the increasing output of claims and appeals while not increasing the number of program counselors in the Vocational Rehabilitation and Employment program has the potential to accelerate the challenge into a full-blown crisis for veterans enrolled in the program.

The American Legion is thankful and proud to have worked closely with this committee and others in Congress to modernize the appeals process and is appreciative that the president's budget requests the funding necessary to complete the modernization. We also encourage this committee to consider and take into account the impending need to increase funding for the VR&E program, so we can assist veterans in finding quality employment.

³ American Legion Resolution No. 345:
<https://archive.legion.org/bitstream/handle/123456789/5663/2016N345.pdf?sequence=1&isAllowed=y>

ENHANCE & EXPAND ACCESS TO POST-9/11 G.I. BILL EDUCATION BENEFITS

The passage of the Harry W. Colmery Veterans Educational Assistance Act of 2017 mandates the largest improvements to the Post-9/11 GI Bill since its enactment in 2010. Included in this legislation was a requirement for VA to make changes and improvements to the VBA IT program ensuring that original and supplemental claims for educational assistance under Chapter 33 are adjudicated electronically and that rules-based processing is used to make decisions on claims "with little human intervention." The legislation also provided VBA with \$30 million in funding to implement the Colmery G.I. Bill.

The American Legion applauds the effort to include \$30 million within the legislation as an IT investment for VBA to better implement the G.I. Bill reform, but we remain skeptical as to how far \$30 million can be stretched to cover the sweeping improvements of the Colmery G.I. Bill. Several of the new provisions and implied tasks require work or oversight that is not currently supported by existing VBA IT systems, making manual intervention and processing necessary. This could range from broad requirements to scale the Vet Tech Pilot to sending out automated letters of eligibility to new G.I. Bill beneficiaries.

The president's proposed budget states, "*the Budget complements and supports continued implementation of the Harry W. Colmery Veterans Educational Assistance Act of 2017 (the "Forever GI Bill") which represents one of the most sweeping changes to the Post-9/11 GI Bill since its inception, expanding access to veterans and eligible dependents. In addition to the benefit payments, requested funding would also fund IT investments to effectively implement all provisions of the new law.*" The American Legion is pleased that the Trump Administration shared the same concern of the possibility that \$30 million would not be sufficient to fully and effectively implement the Colmery G.I. Bill and requests additional funding for IT at VBA.

Cap Post-9/11 G.I. Bill Flight Training Programs at Public Schools

We are pleased to see a recommendation from the Trump Administration to cap costly flight training programs at public universities or other Institutions of Higher Learning (IHL.) The American Legion supports measures to improve cost control for flight programs offered by IHL's across the nation.

In 2015, The Los Angeles Times exposed that some IHL's had instituted extreme costs for flight fees as there were no caps in place for public schools.⁴ Since that time, increased oversight from the Department of Veterans Affairs and State Approving Agencies (SAAs) has resulted in lowered overall expenditures for flight training from a height of \$79.8 million in 2014 to \$48.4 million in 2016.

Among the external factors responsible for this reduction was a 100% compliance survey conducted by SAAs in 2015 that resulted in 12 suspensions and withdrawals due to violations of the 85-15 rule. The mandate to micromanage flight programs is unsustainable, even as

⁴ U.S. taxpayers stuck with the tab as helicopter flight schools exploit GI Bill loophole – March 15, 2015
<http://www.latimes.com/nation/la-me-adv-gibill-20150315-story.html#page=1>

institutions learn to adjust to the requirements while hedging veteran enrollment. The American Legion believes that a solution is still necessary to ensure that the Post-9/11 G.I. Bill and the Colmery G.I. Bill remain an honorable investment of taxpayer funds.

The president's proposed budget would place a cap on the amount the G.I. Bill would pay for a veteran to receive flight training. The American Legion supports this action, with one modification: any cost-savings from capping the G.I. Bill for services rendered from an IHL, would be utilized for the benefit of veteran's education, employment, or transition services.

CLOSING

Chairman Arrington, Chairman Bost, Ranking Member's O'Rourke and Esty, and other members of these critical committees, The American Legion thanks you for the opportunity to elucidate the position of the 2 million veteran members of this organization on President Trump's proposed FY19 budget as it relates to the Department of Veterans Affairs. For additional information regarding this testimony, please contact Mr. Matthew Shuman, Director of The American Legion Legislative Division at mshuman@legion.org, or (202) 861-2700.