

S. 1982: VA Omnibus

S. 1982 promises to expand many veterans' health care and education services and benefits provided by the VA, creating at least 15 new programs and expanding many more. Yet, the bill does not provide adequate support to meet the demands of *existing* programs and ignores ongoing failings of the current VA structure.

Before we promise new benefits, we need to make sure the promises we made are being kept—especially as over 392,000 veterans are stuck in the VA's disability claims backlog, and as a result are suffering delays in receiving treatment.

We are unable to fulfill our *current* promises to the brave men and women who fought for the freedoms each of us have today. It is shameful for Congress to claim credit for providing new benefits while old promises are forgotten and as a result literally resulting in the deaths of our heroes.

COST

This legislation costs tens of billions of dollars, fails to address the growing backlog of veterans waiting for health care treatment, and makes a better press release than a plan to aid those deserving of our help.

The bill is not paid for and relies on budgetary gimmicks designed to disguise its true cost.

CBO estimates the legislation will cost at least \$20 billion over the next ten years, due to expanded services, new programs, and millions of new veterans eligible for VA care. Further, the legislation proposes a new 2018-2021 cap on Overseas Contingency funds to "save" \$20.52 billion, to offset \$4.341 billion in direct spending and \$15.712 billion in discretionary authorizations, and the additional \$4.3 billion in mandatory costs. However, these savings, which are not real savings, but in fact spending in future years, will not be realized by taxpayers. Currently, the only spending caps required by the Budget Control Act are for defense and nondefense, and OCO funding exists outside of those caps.

By placing a cap on these funds, "savings" are achieved, however only on paper. CBO explains in its score the true nature of this budget gimmick "The proposed limits on appropriations are \$20 billion below the \$409 billion projected for such operations over the 2018-2021 period in CBO's baseline. That \$409 billion figure, however, is just a projection; such funding has not yet been provided, and there are no funds in the Treasury set aside for that purpose. As a result, reductions relative to the baseline might simply reflect policy decisions that have already been made and that would be realized even without such funding constraints. Moreover, if future policymakers believed that national security required appropriations above the capped amounts, they would almost certainly provide emergency appropriations that would not, under current law, be counted against the caps."

The VA has received approximately a 58% increase in budget since Fiscal Year 2009, our country cannot afford to continue to spend taxpayer dollars at VA without real assurances to veterans that additional funding will improve already failing VA services.

There are numerous areas for savings within the VA budget. For example, the President's FY 2014 budget proposes several VA changes, including eliminating a duplicative Veterans Workforce Investment Program at the Department of Labor, which would save \$15 million in one year and adjusting TRICARE Fees to better reflect costs.

Former Joint Chiefs Chairmen Admiral Mike Mullen has declared several times, "the single biggest threat to our national security" is the national debt. We must honor the sacrifice of the millions of military veterans by keeping our promise to reduce the national debt in hopes of a more secure and safe future. By refusing to pay for this bill, the Senate is undermining our military, our country, and our future.

Even more, by ignoring the outrageous delays in medical care and the tragic deaths of veterans as a result of mismanagement at these VA facilities, this is to both veterans and taxpayers, both who deserve far better from their government. We must first address the real needs of veterans and ensure they receive the benefits we have already been promised, and we should do so by being good stewards of taxpayer dollars.

Bill Summary

New programs & Fails to Eliminate Duplication. The bill establishes at least 15 new programs, including 2 new veterans' jobs programs, duplicating existing programs at VA and throughout the federal government providing job support to veterans.

For example, the bill reauthorizes the **Veterans Retraining Assistance Program (VRAP)**, created by the VOW to Hire Heroes Act of 2011, for an additional two years, costing \$1.1 billion over 10 years. The bill also creates a new three year internship program that pairs veterans ages 18-30 with private sector employers to gain civilian work experience. The legislation does nothing to consolidate or eliminate any of these programs, but simply continues the existing overlapping programs.

According to a 2011 GAO report, there are at least six job training programs that target veterans, five of which provide seven similar types of employment and training services. According to the VA, these six programs spent more than \$1.1 billion on employment and training services in FY 2009 and served roughly 823,000 participants in the most recent year in which data were available. Even more, the VA applies no metrics for measuring the success of these programs, including:

- Disabled Veterans Outreach Program
- Homeless Veterans' Reintegration Project
- Local Veterans' Employment Representative Program
- Transition Assistance Program
- Veterans' Workforce Investment Program
- Vocational Rehabilitation for Disabled Veterans

Following up on a GAO recommendation from their 2013 duplication report, the bill establishes a task force to assess the retention and training of VA and other federal claims processors and adjudicators, and requires the task force to develop a government-wide strategic and operational plan for promoting employment of veterans in claims processing positions across the federal government.

Adds Millions of New Covered Veterans, But Unable to Care for Existing Vets. Section 302 would enable any veteran, regardless of whether they are disabled or not, to enroll in the VA health care system. Currently, to receive healthcare thru the VA a veteran must be disabled, have served in a designated combat theater of operations, or have an annual income under set threshold levels. This would expand VA healthcare to *every veteran* eligible to purchase healthcare through the Obamacare exchanges. It is unclear the budgetary effects of this shift, both in light of Obamacare and the increased VA coverage.

This would open VA healthcare services to every service member separating from active service, fundamentally changing the nature of the VA from an agency that provides services to service-connected disabled veterans, to one that provides services to all veterans. Furthermore, such expansion is not currently planned by the VA, which is already sitting on a backlog of hundreds of thousands of veterans waiting to be treated.

According to one estimate, this provision will increase the population of vets served by the VA health care system, from 6.5 million to 22 million. Further, CBO has not provided an estimate for the soaring costs added to the federal budget with the addition of millions of new covered veterans.

Repeals the COLA provisions from the budget deal earlier this year. Repeals Section 403 of the Bipartisan Budget Act of 2013, the changes to COLA increases for working age military retirees under age 62. This provision was relied upon as a partial pay for in exchange for blowing through the BCA spending caps and turning off sequester. Repealing it will add more than \$5.6 billion to the deficit and once again break our commitment to taxpayers.

Requires Colleges to Offer Instate Tuition. The bill also reaches far beyond the appropriate scope of the federal government. S. 1982 would allow VA funding for the Montgomery GI Bill and Post-9/11 GI Bill program to be directed *only* to any institution of higher education that charges in-state tuition to veteran who enroll within three years of separation from service on active duty, regardless of their home state of residence.

While admirable for individual states to consider providing in-state tuition for student veterans, it is inappropriate for the federal government to require educational institutions to do so by threatening to withhold funds. Further, there is little need for federal action, as the states are ahead of the federal government in providing this benefit to many of our veterans. Determining criteria for in-state eligibility and tuition for student veterans is already being considered by the states. In fact, many states have enacted or are currently considering legislation to provide veterans with in-state tuition waivers in support of furthering veterans' education. According to Student Veterans of America, 20 states have laws affording veterans the ability to obtain an in-state residency waiver, while 10 states have legislation pending regarding in-state residency waivers for veteran students. Additionally, eight states which have certain schools or particular school systems which afford veterans in-state residency waivers. States have taken up this issue without the federal government, as veterans across the country continue to advocate at the state level their desire for this benefit.

Currently the federal government shares in some of the cost of covering the cost associated with out of state tuition fees. As such, requiring states to provide in-state tuition will result in a federal savings of \$127 million over ten years. However, many states are also facing budget shortfalls and this provision will shift more costs to states, in an overreaching federal mandate.

27 New Medical Facility Leases

S. 1982 includes the text of HR 3521, a bill that authorizes VA to enter into 27 major medical facility leases in 18 states and Puerto Rico, while changing the accounting method for these types of facilities. As of 2010, there were 783 active Community Based Outpatient Clinics. Simply creating 27 new buildings will not suddenly increase the medical care provided to our nation's veterans.

CBO estimate this provision alone will cost at least \$1.5 billion over the next five years, while likely costing more than \$2.3 billion over the next 20 years. Despite these billions of dollars, CBO explains the legislation is unlikely to actually address an existing shortcoming in the way the VA records the costs of these types of major leases. CBO contends the legislation would not change the VA's current actions or rectify the current situation. As such, it is unclear if this bill fixes the existing problem, and perhaps makes it worse, by authorizing 27 new buildings without these new measures in place.

The passage of this legislation would authorize the VA to start up these new leases, which would initiate new contracts in the next couple years to design and construct these new facilities. These facilities would then be leased to the VA for the next 20 years, and upon the initiation of the new contracts (authorized by the bill), the VA would be locked in to these leases, which are designated for specific locations, such as Oklahoma, Louisiana, New Jersey, South Carolina, Hawaii, Kansas and others.

Requires Duplicative Health Care Coverage. Requires the Department of Veterans Affairs to provide health care and nursing home services to veterans enrolled in the VA health care system. For those veterans also qualifying for Medicare, this program provides duplicative eligibility for coverage of these services.

Expansion of the Caregiver Program. Extends the existing VA's Caregiver Program to all seriously injured veterans incurred or aggravated in the line of duty, regardless of era, at a cost of \$9.5 billion over five years. The VA did not request this expansion and the Wounded Warrior Project opposes the expansion. They provided the Senate VA committee with testimony explaining the VA has failed "to meet in full its obligations under [the current law, and] more than two years after initial implementation, VA still has not answered-let alone-remedied-the problems and concerns" with the existing benefit provided only to those injured after 9/11. This provision expands the coverage to all caregivers, a responsibility the VA is wholly unprepared to handle.

Vocational Rehab Benefits Extension. Authorizes VA's to extend provide veterans benefits provided under the Vocational Rehabilitation & Employment Service (VR&E) program and state-provided unemployment benefits up to 12 additional months of VR&E benefits. According to committee staff, CBO has said this section will benefit 10 veterans. Additionally, the bill duplicates authorities already retained by the VA to grant additional entitlements in specific cases.

The bill provides this extensive slew of new and expanded health care services for veterans, all the while, the VA is unable to meet the demands of the current covered population. The following examples are just some of these provisions, which should not be implemented until the existing backlog is eradicated.

Dental Care. Directs VA to provide comprehensive dental care services to 30,000 veterans not currently eligible to receive VA dental care services at not fewer than 16 locations, at an annual cost per veteran of at least \$1,000. This will establish the precedent to expand existing VA services to include dental care for all veterans, who currently receive dental care outside the VA system using traditional insurance. The program also creates a new dental health education program for veterans enrolled in VA's health care system.

Fitness Centers for the Obese. Directs VA to subsidize fitness center membership for overweight or obese veterans who reside more than 15 minutes driving distance from a VA fitness facility.

New Health Weight Program. Requires VA to carry out a three-year program to assess the feasibility and advisability of promoting the achievement of a healthy weight in veterans enrolled in VA health care through the designation of VA fitness facilities within VA medical centers and clinics.

Marriage Counseling. Directs VA to include education and training of marriage and family therapists, as well as licensed professional mental health counselors. However, the VA is already failing to provide adequate mental health services to combat veterans. Additionally, extensive counseling services, including marriage counseling, are already made available to service members.

Additional Counseling Benefits. The bill makes permanent a program to provide reintegration and readjustment counseling in retreat settings to newly separated women veterans. Female veterans do not face unique challenges reintegrating and readjusting to civilian life, and VA should limit such services to service members who suffered combat or service-related injuries. Furthermore, there are private organizations that perform this service free of charge for veterans.

Military Sexual Trauma. Expands eligibility for care and services for Military Sexual Trauma (MST) at a VA facility to active duty service members. This section duplicates care *already provided* by DOD, who should maintain responsibility for its service members who are victims of MST.

New, Duplicative Website. Creates a new, online employment portal containing information regarding all federal programs and activities concerning employment, unemployment and training resources for veterans. This new site largely duplicates the VA's Veterans Information Portal, which links to information about both benefits and services. The bill also then requires the Department of Labor (DOL) to compile a list of Internet websites and applications that are beneficial for veterans in pursuit of employment, and requires DOL to report to on the feasibility and advisability of creating a single, unified, employment portal.

Advance Appropriations. Provides advance appropriations for mandatory accounts of the Department of Veterans Affairs. In FY13, VA received \$54.4 billion in advanced appropriations to the medical care accounts.

Advance appropriations hinder the ability of Congress to perform rigorous oversight of programs because agencies are able to hide bad news for longer.

New Grant Program. The bill directs VA to implement a program to competitively award grants to increase veterans' awareness of benefits and services and improve coordination of outreach activities between federal, state and local agencies and nonprofit organizations. Every separating service member currently receives a detailed brief from a VA representative on the services available through the VA during DOD outprocessing.

Veteran ID Card. The bill authorizes VA to issue all veterans ID cards and work with national retail chains to recognize the card when offering reduced prices on pharmaceutical, consumer products, and services to veterans. If private companies want to provide a discount to veterans they will do so—taxpayers do not need to fund a program at VA to negotiate discounts with retailers and administer ID cards to veterans for such purpose.

New Grant Program. The bill requires VA to establish a three-year program for the award of grants to public or private nonprofit entities to assess the feasibility and advisability of using wellness programs to complement the provision of mental health care to veterans and family members eligible for VA counseling services. A member of Dr. Coburn's staff, who suffered extensive burn wounds from his time overseas, took part in a similar VA-private practice partnership program in San Antonio, Texas. While very effective in loosening his scar tissue, improving circulation, and for mental health purposes, this should only be available to certain veterans with service-connected disabilities, not all veterans, and especially not to family members.

Transportation Benefits. Extends the authority for VA to transport individuals to and from VA facilities in connection with vocational rehabilitation, counseling, examination, treatment, or care.

Chiropractic Care. Requires the increased provision of chiropractic care services to veterans at VA medical centers and clinics.

DHS Grants. The bill allows Homeland Security to award grants to state and local law enforcement agencies who hire veterans. Veterans are already highly sought by law enforcement entities—this is a subsidy to state and local law enforcement entities.

Contractor Preferences. The bill makes a contractor's employment of veterans an evaluation factor in federal contract awards. This stands in contrast to offering contracts to those best qualified to perform a contract, not the one who meets the quota for number of veterans employed.

Preferences for Businesses Owned by Spouses. Expands VA contracting goals and preferences to include conditional ownership of small business concerns, which would incentivize agencies to award federal contracts to small business concerns 100 percent owned by a deceased veteran's surviving spouse. The bill also permits the surviving spouse of a veteran owner of a small business, who is less than 100 percent disabled and whose death is not a result of a service-connected disability, to maintain the status of such small business concern for up to three years following the death of such veteran. The current provision allows the spouse to assume that

status for up to ten years, but only if the veteran's condition was 100% disabling or the veteran died from the disability. The bill also permits the surviving spouse of a service member, who owns at least 51 percent of a small business concern and dies in the line of duty, to maintain the status of such small business concern for up to ten years following the death of such service member.