OPPORTUNITIES FOR IMPROVING VETERANS SERVICES IN METROPOLITAN CHICAGO

HEARING

BEFORE THE

SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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CONTENTS

Page

OPENING STATEMENTS

Chairman Evans 1
Prepared statement of Chairman Evans 83
Hon. Luis V. Gutierrez 3
Prepared statement of Congressman Gutierrez 84

WITNESSES

Balcer, Jim, Director of Veterans Affairs, Office of the Mayor, City of Chicago 6
Prepared statement of Mr. Balcer 94
Cummings, Dr. Joan, Chairperson, Veterans Health Administration Chicago Network, and Director, Hines VA Medical Center, accompanied by Joseph Moore, Director, Lakeside VA Medical Center; Alfred Pate, Director, North Chicago VA Medical Center; and John DeNardo, Director, Westside VA Medical Center 65
Prepared statement of Dr. Cummings 159
Di Grazia, Carl, Department of Illinois Service Officer, Veterans of Foreign Wars of the U.S. 10
Prepared statement of Mr. Di Grazia 101
Elliott, Michael, Chief, Architectural and Engineering Division Central Office, National Cemetery System, Department of Veterans Affairs 55
Prepared statement of Mr. Elliott 154
Fitzgerald, Tom, representing AMVETS National Headquarters 27
Prepared statement of Mr. Fitzgerald 128
Galvan, Alfred, Illinois State Chairman, American GI Forum 25
Prepared statement of Mr. Galvan 124
Granath, Randy L., Illinois State Council President, Vietnam Veterans of America 12
Prepared statement of Mr. Granath 106
Guido, Joseph F., National Service Officer, Disabled American Veterans 8
Prepared statement of Mr. Guido 96
Holmes, Samuel, Director, Chicago Regional Office, Veterans Benefits Administration, Department of Veterans Affairs accompanied by Richard Mazzulla, Assistant Adjudication Officer; Ronald Rogala, Loan Guaranty Officer; and Richard Handzel, Veterans Services Officer 53
Prepared statement of Mr. Holmes 149
Knox, Lane E., President, Women Veterans of the United States Armed Services 36
Prepared statement of Ms. Knox 134
Lynch, Al, Veterans Advisory Committee, Illinois 4th Congressional District .. 14
Prepared statement of Mr. Lynch 113
Martinez, Jose Luis, Readjustment Counseling Technician, Veterans Resource Center 45
Prepared statement of Mr. Martinez 147
Meyer, Philip, Team Leader, Chicago Heights Vet Center, Department of Veterans Affairs 68
Prepared statement of Mr. Meyer 165

Page

Parks, Samuel, Illinois State Director of Veterans' Employment and Training Service, U.S. Department of Labor 77
Prepared statement of U.S. Department of Labor, with attachments 184
Patterson, Ronald E., Executive Director, Lawndale Veterans Resource Center 43
Prepared statement of Mr. Patterson 143
Petrosky, Joseph C., Assistant Department Service Officer, The American Legion, appearing on behalf of Thomas Vazquez 29
Prepared statement of the American Legion 131
Webb, James, Regional Veterans Affairs Officer, Region V, Small Business Administration, Chicago, Illinois 75
Prepared statement of Mr. Webb, with attachments 167
White, Robert H., President, Vaughan Chapter of the Paralyzed Veterans of America 23
Prepared statement of Mr. White 119
Williams, Joann, Executive Director, Chicago Vietnam Veteran Family Assistance Program 40
Prepared statement of Ms. Williams 138

MATERIAL SUBMITTED FOR THE RECORD

Resolution Analysis:
H.J. Res. 15, prepared by Ralph Egan, March 29, 1993 87
Statements:
Hon. George E. Sangmeister 91
Hon. Philip M. Crane, a Representative in Congress from the State of Illinois 92
Hon. Thomas W. Ewing, a Representative in Congress from the State of Illinois 93
Rick A Baier, President, Village of Cissna Park, Cissna Park, Illinois 193
Ralph Walder, Commander of Cissna Park American Legion Post 527 199
James L. Tungate, Attorney for the Village of Cissna Park 202
Written committee questions and their responses:
Chairman Evans to Disabled American Veterans 206
Chairman Evans to Veterans of Foreign Wars of the U.S. 211
Chairman Evans to Vietnam Veterans of America 213
Chairman Evans to Mr. Al Lynch 215
Chairman Evans to Paralyzed Veterans of America 219
Chairman Evans to AMVETS 222
Chairman Evans to Samuel Holmes, Director, Chicago Regional Office, Veterans Benefits Administration, Department of Veterans Affairs 227
Chairman Evans to Dr. Joan Cummings, Chairperson, Veterans Health Administration Chicago Network, Department of Veterans Affairs 228
Chairman Evans to Small Business Administration 236
Chairman Evans to Department of Labor 239

OPPORTUNITIES FOR IMPROVING VETERANS SERVICES IN METROPOLITAN CHICAGO

SATURDAY, NOVEMBER 6, 1993

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:19 a.m., in the Benito Juarez High School, Chicago, Illinois, Hon. Lane Evans (chairman of the subcommittee), presiding.

Present: Representatives Evans and Gutierrez.

OPENING STATEMENT OF CHAIRMAN EVANS

Mr. EVANS. If everyone would pleased be seated we would like to begin at this time. We anticipate a rather lengthy hearing this morning.

Good morning, I'm Congressman Lane Evans from Rock Island, Illinois and I'm very pleased to be with you. We are here today at the request of Congressman Luis Gutierrez. The Subcommittee on Oversight and Investigation is——

PARTICIPANT. What about the Pledge of Allegiance to the Flag?

Mr. EVANS. Can't hear me?

PARTICIPANT. What about Pledge of Allegiance to the Flag?

Mr. EVANS. Good suggestion. We'll begin with the Pledge of Allegiance. You are invited to lead us.

Mr. GUTIERREZ. Could you step up to lead.

PARTICIPANT. I can't walk.

Mr. GUTIERREZ. He can't walk.

Mr. EVANS. Please lead us from where you are.

Mr. GUTIERREZ. Begin, sir. (Pledge.)

Mr. EVANS. We are here today at the request of your Congressman to look into a variety of different issues affecting veterans in the Chicagoland area.

I am very pleased that Luis has joined the Veterans' Affairs Committee. In many cases, new Members of Congress take the notion that they should be seen and not heard, but Luis has been seen and he's been heard. He's had a real impact on the way that the Veterans Committee conducts its business and where we are going in the future. We're very pleased to have him here today dealing with issues of Chicago veterans. He is regularly a strong participant in this subcommittee and the full committee as well, and we very much appreciate his assistance and his staff's assistance. They have devoted a lot of work to preparing for this hearing.

We've had excellent cooperation with them and we want to give the staff a round of applause for their hard work. (Applause.)

We also want to recognize the staff of the high school and the Hines VA Medical Center for their outstanding assistance in preparation for the hearing today.

We have over 20 witnesses scheduled to testify today. I've read all the testimony that was submitted in advance. It's very good testimony. It covers an array of different problems. Because of the number of witnesses who will testify and because at the end we want to hear from people who aren't scheduled to present a formal statement, we are asking every witness to try to summarize their comments to about five minutes so that everyone who is scheduled, as well as those not scheduled, will have an opportunity to participate.

As you know, next week we celebrate Veterans' Day. That's a very important holiday. The public recognition our veterans receive on that day is very important, but the most important thing we can do for veterans is make sure they have the benefits and the help they need because of their wartime experiences and the programs that we promised to them when they went into the Armed Forces.

In an era of military downsizing we must make sure that programs exist for the benefit of those who served us so well recently in the Persian Gulf War and the military who serve us today in Somalia and other places throughout the world.

I am very concerned right now about the situation affecting Persian Gulf veterans. I don't think we're getting a clear picture from the Department of Defense of what may have happened to the soldiers, sailors, marines, and airmen over there. We are going to get to the bottom of it. I'm very pleased to be joined by Luis Gutierrez in that effort.

As I said, after the end of this hearing for about a half hour or so, we would like to hear from people who weren't scheduled to testify. Congressman Gutierrez's staff and my staff have some caseworkers here and if you don't want to bring your particular problem up before the entire group, we can direct you to one of the caseworkers so that they can take the information in privacy.

There are two Members of Congress who can't join us today who are submitting written statements. First, Congressman George Sangmeister who commends Congressman Gutierrez for requesting this hearing and for his strong concerns for the conditions of veterans in our society. He states, "I commend Mr. Evans, Chairman of the Subcommittee, for holding this hearing to determine issues of significance to local veterans and to examine the cooperation of veterans' programs locally. My thanks to all members of the subcommittee for an opportunity for furnishing this statement regarding veterans' benefits and programs for veterans."

Congressman Rush from the First District of Illinois has a brief statement that I'll read. "Mr. Chairman, I would like to take this opportunity to first thank you for convening this field hearing of the Veterans' Affairs Subcommittee on Oversight and Investigations in the City of Chicago. I believe the findings of this hearing will play a critical role in the government restructuring proposals put forward by this administration."

"Today we will be discussing, among other things, ways to improve the claims adjudication process in the Veterans Administration. Since I am a veteran and have many veterans residing in my district, I am well aware of the shortcomings of the VA claims process. It is my hope that the hearing today will help find solutions to these problems.

"Furthermore, now that the Congress has been presented with a national health care plan we can really begin the process of providing quality care to all segments of our society, especially to our veterans who have served our country with great distinction. The VA hospital system has for years come forth under fire for its inability to provide essential medical services. Under the President's plan, the VA will remain independent from the implemented national health care system. All veterans will be eligible for a comprehensive health care package if they so chose and those veterans with service-connected disabilities and those who are low income will be eligible for comprehensive hospital and outpatient care. These benefits, I am pleased to say, will not have any copayments or deductibility requirements. I support the President's proposal and I'm very pleased that the VA hospital system has been embraced as a key component in bringing quality health care to millions of Americans."

The rest of his statement we will enter into the record.

I am very pleased that Congressman Luis Gutierrez has joined the Veterans' Committee, but he just doesn't want to vote right, he wants to bring the tangible benefits of the programs back for the benefit of veterans here in Chicago and that's why we're here today.

We're going to hear many suggestions about how the VA can do its job better. We're going to hear about the proposed networking of the resources of the VA health care system here and good ideas from the veterans community and people who work for the Veterans Administration. Some ideas I will probably take home and try to implement in my district, Luis, because of the innovation that we see here. So we are here to learn as well as to hear from you and we're very pleased to see this large crowd on this cold, miserable Saturday morning when I know all of you could still be at home having a late cup of coffee and enjoying your day off.

Thank you all very much for being here and at this time let me introduce to you, your Congressman, Luis Gutierrez.

OPENING STATEMENT OF HON. LUIS V. GUTIERREZ

Mr. GUTIERREZ. Thank you very much. Thank you, Mr. Chairman.

On behalf of the veterans of the Fourth Congressional District thank you very much for conducting today's hearing. We gladly welcome you here.

The question that we ask today is a crucial one to me and veterans who I am proud to represent: How can we improve the quality of benefits, health care, and economic opportunity for veterans in the Chicago area? To answer that question, I have requested today's hearing and I am grateful to you for providing this opportunity.

Mr. Chairman, I would like to thank all of the veterans who have joined us here this morning. Ladies and gentlemen, it is certainly not the first time that your presence has been appreciated. Whether it was overseas or close to home, in times of war or peace, the presence of service men and women from Chicago has made it possible for us to come here today in security and freedom.

And so, because so many of you left Chicago to serve on behalf of our country, it is fitting that we, as Members of Congress, come to Chicago to see how your government can better serve you.

That is why we have come here today to ask questions and find answers. From my standpoint the questions that we raise today will be the most important ones that I have had the opportunity to ask. That's because they deal specifically and exclusively with veterans here in the Chicago area.

In the area of health care, for example, I am always curious to know how the VA works for veterans nationwide, but I am certainly much more interested in how it works for those veterans who depend on the health care at Hines, Lakeside, Westside, or North Chicago. These are the types of answers I need because these are the answers veterans need.

Mr. Chairman, I hope you also will not mind if I say a few words about you. You need no introduction to the veterans' community; your work speaks for itself. For instance, you have bravely led the fight for veterans who not only suffer from Agent Orange exposure, and who had to struggle to get their condition recognized by the government. Thanks to you, progress is now being made. But, you are not stopping there, I realize. You are continuing to fight on behalf of those veterans in the hope that full, complete, and fair action can be taken for our Vietnam veterans, specifically those afflicted with Agent Orange, and I thank you once again.

Your dedication to addressing problems that affect veterans of all eras—including homelessness, health care, and other issues—is an example that all Members of Congress, and indeed all Americans who honor our veterans should follow. For me, that is a standard I will aim very high to match.

Therefore, Mr. Chairman, I am glad to work with you on behalf of the veterans of our most recent war, the Persian Gulf War, who also have had to fight for recognition from the system that is supposed to treat them.

The hearing that you conducted on the issue enabled us to introduce legislation to grant priority health care to veterans of the Gulf War. After all, those veterans turned away a tyrant in the desert, they shouldn't be turned away from the health care system that is supposed to treat them.

I am sure you will continue to lead the fight on these and other fronts and I will be with you every step of the way for the sake of the veterans in the Fourth Congressional District.

Mr. Chairman, I would also like to take a moment to tell you a bit about the Fourth Congressional District. It is a community where people are proud of their cultures and proud of their country. It is a district where virtually every block—with its schools, it's shops, it's playgrounds, and churches—reflects in the past and a hope for the future. And yet, those distinct communities thrive together in harmony.

In short, it reminds of what is best about this nation: a place where people united with their neighbors and also strive to reach their individual potential.

And that condition would not be possible—would not be imaginable—if it were not for the efforts of veterans like those who have come here today.

But is that ideal scenario working today for veterans, the very people who have made it possible? Are veterans in the Chicago area being given the chance to reach their full potential?

Because, I know that no American can easily succeed if some of their most fundamental needs are not being met. If they are having trouble accessing basic health care or job skills or even shelter, too much of their energy and enthusiasm is left untapped.

And that is a waste. Because veterans of the U.S. Armed Forces have so much to contribute. They have proven that time and time again.

Chicago veterans made a commitment to us and to their country and that is why we have made a commitment to them today. But that is not a debt that we can simply fulfill with just a few words of thanks. We owe them our energy and our effort to address the challenges that they face today.

There is simply no limit to the number of topics that we could justifiably address today. That is because no two veterans are exactly alike, each has a particular need, his or her own story to tell.

But there are some pressing issues to touch on. For instance, how are veterans of the Persian Gulf War being treated by the Department of Veteran Affairs? Will new information being provided by the Department of Defense and VA change the manner in which they are treated?

Are all Chicago-area veterans assured of a place of permanent honor with a cemetery that befits their lifetimes of service?

How will veterans in Chicago be affected by change in the structure of the VA health system as we look at health care reform?

Today's hearing, Mr Chairman, is a major step in helping serve those men and women who have served us with dignity, honor, and pride.

This week, on Veterans' Day, we will honor many of those people who have worn the uniform. We should lay wreaths, and say prayers, and give thanks to them. But let us also honor them with what we can do best here today: action. Let us vow to act on their concerns to make progress.

Let us remember: American's heroes are not only found on Iwo Jima or Arlington Cemetery. They are found here in our own home town.

It is one reason why I am not only proud to represent the people of this district in Congress, but why I am proud to be their neighbor.

Thank you very much, Mr. Chairman.

[The prepared statement of Congressman Gutierrez appears on p. 84.]

Mr. EVANS. Thank you. (Applause.)

A number of veterans from my 17th Congressional District Veterans Advisory Committee joined us today. If they could all stand for

acknowledgement, we would like to give them a round of applause, too. (Applause.)

Before calling our first witness, the Chair would like to recognize Colonel Robert Poshard, Director of the Illinois State Department of Veterans Affairs. He is observing today's hearings on behalf of the Governor and the Illinois Department of Veterans Affairs. We welcome you, Mr. Director, and appreciate your ongoing concern for veterans in our state and we would like to welcome you with a round of applause. (Applause.)

We're very pleased to welcome our very first witness, Jim Balcer, Director of Veterans Affairs, Office of the Mayor of the City of Chicago. As Director of Veterans Affairs for the city we particularly welcome Jim's participation today and look forward to his testimony on behalf of the Mayor and the City. Jim, you may start when your ready.

We're going to ask every witness, for the record, to state their name before they begin to speak.

STATEMENT OF JIM BALCER, DIRECTOR OF VETERANS AFFAIRS, OFFICE OF THE MAYOR, CITY OF CHICAGO

Mr. BALCER. Thank you, Mr. Chairman. My name is James A. Balcer, Director of Veterans Affairs for the City of Chicago. I am a former Marine and Vietnam veteran.

Mr. Chairman and subcommittee members, let me thank you on behalf of Mayor Daley and the Veterans Advisory Council, City of Chicago, for having the House of Representatives Veterans' Affairs Subcommittee on Oversight and Investigations meet here in the heart of Chicago.

I know Congressman Evans has been a strong advocate for veterans' issues over the years. As evident today, you are continuing your commitment to veterans. Congressman Gutierrez has represented the veteran community in his district above and beyond the call of duty since his election to Congress. I thank you both for your unyielding support of veterans.

In 1862, Abraham Lincoln signed a law authorizing the establishment of national cemeteries "for the soldiers who shall die in the service of the country." Fourteen national cemeteries were established under the law. After the Civil War, search and recovery teams visited hundreds of battlefields, isolated churchyards, plantations, and other locations where hasty post-combat interments of servicemen had been necessary. Nearly 300,000 bodies of these Civil War veterans were reinterred in national cemeteries.

The veterans community of Illinois is in need of a national veterans cemetery. There has been much debate over the establishment of a veterans' national cemetery at Ft. Sheridan. I will not belabor this issue. Let me say that Ft. Sheridan must continue to be one of the sites for a national cemetery. Why should Ft. Sheridan still be considered?

(1) The VA's 1987 study of the National Cemetery System identified ten areas of the country in which veterans were most in need of a national cemetery. Chicago ranked number one on this list.

(2) The National Cemetery System estimates that a cemetery of approximately 162 acres is needed to serve nearly 800,000 veterans in the Chicago area. The land is available at Ft. Sheridan.

(3) Ft. Sheridan is much closer to the highest concentration of veteran population than the other two sites.

These are but a few of the reasons why Ft. Sheridan must still be considered.

The Joliet Arsenal must also be considered. The Joliet site is a approximately 1,000-acre land parcel within the Joliet Army Ammunition Plant, approximately 52 miles southwest of the Chicago Loop. It is about eight miles south of the center of Joliet, Illinois and has extensive frontage along State Route 53 on the east and Hoff Road on the north. The northern half of the proposed site is composed of approximately 50 percent deciduous hardwood forest and 50 percent open grassland that currently is used for hay production and grazing. The southern half is predominantly grassland with some woods in the northwestern corner.

I will not go on about Joliet, Mr. Chairman.

Mr. Chairman, what I would like to propose is the following compromise for a veterans' cemetery in this region. That land from both Ft. Sheridan and Joliet be acquired for a veteran cemetery. There will be others following me who will address how this can be done.

In closing, at Ft. Sheridan we have history. At Joliet, we make history. Thank you for your time and consideration.

[The prepared statement of Mr. Balcer appears on p. 94.]

Mr. EVANS. Thank you, Jim. (Applause.)

I yield to the gentleman.

Mr. GUTIERREZ. Jim, I want to thank you for being here and to tell you I know the big commitment that Mayor Daley has to veterans' issues. That's why he has you working, and I know that's why you're in attendance here today, and there's evidence of that.

You mentioned that it's a real urgent problem and that we desperately need burial space to properly honor our veterans. You also said—and I read your prepared statement—that both Joliet and Ft. Sheridan should be acquired for new cemeteries. Could you tell me, in terms of the urgency, is there another metropolitan area anywhere in the U.S. that's facing the large crisis that the Chicago area is facing?

Mr. BALCER. Again, Congressman, I'll just quote the Cemetery System identified ten areas in the country in which veterans were most in need of a national cemetery. Chicago ranked number one. That clearly puts us at the top of the list. Illinois is in desperate need of a veterans' cemetery and I believe a compromise—the 1,000 acres that are available in the Joliet Arsenal and the acreage at Ft. Sheridan can be acquired. From what I understand the Joliet area can be given gratis and money can be used to make a cemetery adjacent to the existing cemetery at Ft. Sheridan which would service veterans in that area from the north and veterans from the Joliet—from that region could be serviced. We really have a golden opportunity here.

Mr. GUTIERREZ. Thank you, Mr. Balcer.

Mr. BALCER. Thank you. (Applause.)

Mr. EVANS. The members of our second panel represent veterans service organizations. Representing the Disabled American Veterans is Joseph Guido, National Service Officer. If he would come forward. Carl Di Grazia is the Department of Illinois Service Officer,

Veterans of Foreign Wars of the United States. Please come forward. Randy Granath is the Illinois State Council President, Vietnam Veterans of America. Al Lynch is a veterans advocate and is testifying this morning on behalf of Congressman Gutierrez's Fourth Congressional District Veterans Advisory Committee.

Each of your written statements, in their entirety, will be made part of the hearing record, without objection. Before each of you speak, please state your first and last name for the record.

Joe, we'll start with you.

STATEMENTS OF JOSEPH F. GUIDO, NATIONAL SERVICE OFFICER, DISABLED AMERICAN VETERANS; CARL DI GRAZIA, DEPARTMENT OF ILLINOIS SERVICE OFFICER, VETERANS OF FOREIGN WARS OF THE U.S.; RANDY L GRANATH, ILLINOIS STATE COUNCIL PRESIDENT, VIETNAM VETERANS OF AMERICA; AL LYNCH, VETERANS ADVISORY COMMITTEE, ILLINOIS 4TH CONGRESSIONAL DISTRICT

STATEMENT OF JOSEPH F. GUIDO

Mr. GUIDO. Thank you.

I am pleased to present the views of the Disabled American Veterans regarding——

Mr. EVANS. Joe, will you please be sure to speak directly into the microphone?

Mr. GUIDO. I am pleased to present the views of the Disabled American Veterans regarding the issues of timeliness of the adjudication of claims in the Chicago Regional Office and VA health care in the Chicago metropolitan area.

Although my prepared statement recommends a number of ways to reduce the processing time for adjudication of claims and identifies areas of concern regarding VA health care, due to time limitations I would limit my testimony to my greatest concern. And that is, Board of Veterans' Appeals remand decisions.

In general, when an appeal arrives at the Board of Veterans' Appeals they are either allowed, denied, or remanded. In a remanded case the Board of Veterans' Appeals finds that there are deficiencies in the development in the case or failure to properly address or fully resolve issues. The case is directed back to the regional office with instructions to correct those deficiencies, the Board of Veterans' Appeals remand rate, originally increased very dramatically a few years ago due to the Court of Veterans Appeals.

However, maintaining that high rate of remand decisions is a problem within all regional offices. The Chicago Regional Office is typical of this problem. The early Court of Veterans Appeals decisions such as Manio, Jolley, Murphy, Gilbert, and Harris are decisions that were rendered in 1990 and in early 1991. These pertain to fundamental doctrines, such as new and material evidence, duty to assist, obtaining all VA records, private medical records, conclusory statements, issues inextricably intertwined. Yet, the current remands occur basically for these same reasons, they were being remanded two and three years ago after these issues were resolved by COVA.

Over the last 12 months, the DAV office in Chicago we have represented 264 BVA decisions. Of these, 135 decisions were re-

manded, 47 decisions were partially or totally allowed. Now, this means, in only 32 percent of the decisions did the BVA totally uphold the regional office decision to deny benefits. In a similar study regarding an additional 264 cases, going back one more year, this study met with almost the exact same findings. The reasons for the remands in these two consecutive studies are virtually the same. Thus, there has been no progress at all in reducing the remand rate. We can find no justifiable reason for this high rate to continue.

Further, and more importantly, it would be a fundamental mistake to differentiate between regional offices' decisions that are remanded by the Board of Veterans' Appeals from those decisions that never get remanded—excuse me—from those decisions that never get appealed. The same failings that can be assumed are also part of the majority of unappealed decisions. These statistics that I have noted in my statement are virtually the same as the Board of Veterans' Appeals' own statistics in their latest report dated October 15, 1992.

There are inherent problems in large offices such as Chicago, if for no other reason than simply the large number of cases. Thus, it is of vital importance that development of cases by the VA begin as early as possible in the claims process and that complete development take place prior to Rating Board actions. In many instances, examinations should be conducted after there has been complete review on the case. The claims folder should be routed to hospitals to accompany the examinations in the majority of cases. Although this may delay an initial decision, we believe it will ensure equitable rating actions rather than the piece-meal development that takes place now resulting in multiple decisions on the very same issue. We also believe this would result in appealed cases being certified to the Board of Veterans' Appeals sooner than they are now with fewer Supplemental Statement of Cases issues.

And lastly, multiple remands to the Board of Veterans' Appeals on cases regarding the same issues are not, unfortunately, uncommon. This means that a case that has gone to Washington on appeal is remanded back to Chicago regional offices, gets sent back to the BVA, remanded again. It happens. The last 14 cases that came into the BVA office—the last 14—not 14 out of 20, not 14 out of 30, the last 14 cases that came into my office were remanded. There wasn't a single decision allowed or denied. Of those 14 cases, three of them were previously remanded from the BVA to the Chicago Regional Office. Most often this is because instruction on the BVA remand decisions have not been followed in the proper chronological order or the required examinations proved to be inadequate, but are not challenged by rating board specialist.

Since the initial appeals arriving at the Board of Veterans' Appeals right now will take 15 months for a decision to be made, appropriate care is required to assure that all issues have been addressed properly; that all evidence that can be obtained is obtained; and that all of the evidence has been properly reviewed in light of all pertinent laws, regulations, and COVA decisions prior to certification to the Board of Veterans' Appeals.

That concludes my remarks. Thank you very much.

Mr. EVANS. Thank you Joe.

[The prepared statement of Mr. Guido appears on p. 96.]

Mr. EVANS. Carl.

STATEMENT OF CARL DI GRAZIA

Mr. DI GRAZIA. Thank you.

Mr. Chairman and members of the subcommittee, on behalf of our 108,000 members in the State of Illinois of the Veterans of Foreign Wars of the United States, I wish to express my appreciation for having been invited to testify here today. We are highly gratified to play a role in today's hearing. The VFW has long embraced the view that to properly contend with the swelling health care workload created by a rapidly aging veteran population, a more effective delivery of outpatient care services by the VA is critically needed.

The subcommittee is already well aware that over 22 million visits were made by veterans in fiscal year 1991 alone to VA's more than 200 ambulatory care facilities. These visits were comprised of almost four million to emergency/screening clinics, five million to general medicine clinics, and about 14 million to specialty clinics. Long waits and denied care has ensured what eventually became the norm. In keeping with modern medical practice and in the face of pending national health care reform emphasizing on the provisions of outpatient medical services, we can expect the number of VA outpatient medical visits to increase many fold during the coming years. It is the assessment of the VFW that the medical care system as provided by the VA today is totally unprepared to meet this challenge.

We feel that our argument is amply borne out by recent General Accounting Office and VA Office of Inspector General reports. Their summations clearly depict what is known to many in the veterans service community that veterans suffer exorbitant waits and delays for outpatient care at VA facilities. Not only is this a disgrace with respect to inconvenience and even outright denial of care it causes veterans, this deplorable situation threatens the very existence of the VA health care system.

Under national health care reform, the VA will soon be forced to compete for patients against other large health care providers. Simply put, if given the option, the veteran health-care-consumer will opt to choose a health care provider where long waits for service are the exception and politeness the rule versus one where excessive waits and lack of courtesy are the norm set by an inflexible bureaucratic mind. This situation must be remedied.

The VFW is in general agreement with the recommendations contained in the GAO report to the Secretary to restructure the ambulatory care program to improve timeliness of services. In part, we feel that the recommendations to be considered by the Under Secretary for Health are as follows:

Establish telephone assistance networks at each facility to expedite veterans' access to medical care;

Allow veterans to schedule appointments to receive care at general medicine or primary care clinics, to the maximum extent possible;

Require all facilities to develop treatment-monitoring systems that ensure all veterans referred to specialty clinics are transferred

to general medicine or primary care clinics soon after their conditions are stabilized; and,

Establish Department-wide performance goals for timely service delivery, and gather system-wide data that will allow facilities' performances to be measured against established goals.

While the VFW concurs with the recommendations and the findings contained in the GAO report, we would like this opportunity to also offer our own commentary on this issue. Our findings are based upon the observation and understanding of our nationwide network of VFW Service Officers as well as our Field Representatives. These VFW members and employees have day-to-day contact with the VA medical system and with the veterans who are receiving VA medical care. Taken as a whole, the feedback gathered from this intimate association does not represent an especially flattering picture of VA outpatient care. In fact, it points to VA care as being dismally amiss with respect to the issue of timeliness.

To begin with, even the basic task of making a clinical appointment for VA outpatient care is a laborious chore. It is usually undertaken by only those who have no alternative or by veterans who tend to be extremely persistent by nature. It is not just a matter of weeks, but actually months to arrange for an appointment. Once a veteran has gained entrance to the system, his or her problems are still far from over. A five-hour to six-hour wait to see a doctor is not uncommon. In those cases where medication is prescribed, the patient is then confronted with long and slow-moving lines in the VA pharmacy.

There are numbers of service-connected disabled veterans who do not avail themselves of VA ambulatory care. I am speaking here of the service-connected veterans who are employed and simply cannot afford to take a day off from work to receive VA health care to which they are entitled. These are the veterans who are clearly entitled to VA outpatient care by the virtue of their personal sacrifice on behalf of our national good. This is a disgrace and woefully wrong.

A major portion of the blame for the long waits and excessive lines associated with VA ambulatory care should be identified to many years of inadequate budgeting. In the words of one disgruntled veteran, "the Office of Management and Budget is killing the VA." While it may be an oversimplification to say that the whole problem is attributable to OMB budget cutters, there is a strong element of truth toward this point of view.

A drastic shortage of nurse practitioners, physician assistants, and other support personnel presently exists in the VA system. Adequate medical personnel could help to greatly reduce the burden of VA doctors and speed up the overall outpatient process. The VFW surveys of VA facilities indicate that excessively long waits for ambulatory care can be attributed to a lack of sufficient staffing and inadequate space caused by underbudget. There is already a problem with the fiscal year 1995 VA budget. To say the least, the VFW is greatly concerned with the staffing levels as provided in this particular budget. It is obviously clear that what is especially needed in the most critical area of outpatient care is an expansion of staff—not a reduction.

Along with inadequate staffing as a cause for the slow processing of outpatient care, another problem is the inefficient use of available medical personnel. This has to do with inadequate space for VA physicians who provide ambulatory care. For one reason or another, doctors at VA facilities providing outpatient care are only allocated one single examining room. This situation is completely at odds with common practice as used in the private sector. The number of patients the VA doctors can see in a day is severely and artificially limited. When a patient enters a waiting room the doctor must wait for his or her records to be brought in, for the patient to undress, and for certain basic tests to be performed. Only then can the doctor attend to the patient's needs. Once the visit is concluded, the doctor must once again wait for the patient to get dressed and exit the examining room. This drawn out cycle then repeats itself over again.

Contrast this scenario with medical care in the private sector. This doctor will commonly have three or four and possibly five examining rooms so that he does not have to sit idly by waiting for the records or minor tests to be conducted—he is free to devote himself to the specific needs of the patient. The VFW surmises that if each VA physician was provided with two examining rooms, his patient workload could be increased by 30 percent; three examining rooms would promote at least a 50 percent improvement. This veteran health care system should pursue a common sense approach—a sense of common sense.

It is simply human nature to prefer to deal with those who treat you politely and with concern. We must all keep in mind that even if the VA medical system provides the very best health care in the world and the alternative in the private sector is mediocre at best, veterans will still select the health care provider in the private sector over the VA if he is more humanely treated. It is certainly a fact that while most veterans cannot truly gauge the quality of care they receive, they do sense and remember how well they have been greeted at the door.

Mr. Chairman, on behalf of the Illinois membership of the Veterans of Foreign Wars, I wish to thank you for including us in today's most important hearing.

[The prepared statement of Mr. Di Grazia appears on p. 101.]

Mr. EVANS. Thank you, Carl, we appreciate your testimony. We'll be asking you some questions in a moment after all the members of this panel deliver their statements.

Randy, you may proceed and please speak directly into the microphone.

STATEMENT OF RANDY GRANATH

Mr. GRANATH. Thank you.

Mr. Chairman and members of the subcommittee, Vietnam Veterans of America is pleased to have the opportunity to present testimony regarding a full range of issues concerning Chicago area veterans. My name is Randy Granath and I am currently the Illinois State Council President.

For the record, I would like to thank Chairman Lane Evans and Representative Gutierrez for the support they have given our national organization on Agent Orange and Women's health care

needs in this session. The primary agenda of the Illinois State Council is the need for adequate veterans burial plots within the State of Illinois.

As you know, the only benefits many veterans claim is their right to burial with dignity in a national cemetery near their home. Unfortunately, in the northeastern portion of Illinois, a cemetery is no longer available. The closest cemetery is located in Woods, Wisconsin, which is rapidly reaching its capacity. The projected closing date for this cemetery is in 1994.

It would be unfair to indicate that only these areas have a problem, for this holds true to other cemeteries within and near our state. For example: Rock Island, Danville, Quincy, Camp Butler in Springfield, Jefferson Barracks in Missouri, and Mound City.

We see this as a dishonor and disgrace, since in a random sampling from October 15th through October 29, 1993 the obituary section of *The Chicago Tribune*, the presence of an American flag next to the name indicated 235 veterans eligible for burial in a national cemetery, if they so choose. Unfortunately, they could not be buried in a national cemetery because there is no space available in the immediate area. We need support in this matter.

This is especially disturbing since there is land available to the Department of Veterans Affairs that could be used immediately. There is already a military cemetery located at Fort Sheridan. An alternate site in Joliet has been proposed. This is a harsh reality faced by veterans and their families who will unfortunately soon be in need of burial plots that will not be available for years.

We need to expand the cemetery system across this state. We have been promised a national cemetery at Fort Sheridan since December of 1990, when the former Secretary of Veterans Affairs made a speech at an AMVETS hall in Wheeling, Illinois. As recent as a *Sun Times* poll on June 7th of this year, 94 percent of the people who responded to the question, "Should Fort Sheridan be a national cemetery?", responded with "Yes." In the September 13, 1993 Senate Congressional Record there were several amendments proposed to Senate Bill 1298, to trade land in Virginia, 7.5 acres, for Ft. Sheridan property. We feel this is an outrage since the need is so immediate for the establishment of a national cemetery in the northern Illinois area.

The need has only multiplied due to the fact that the Budget Reduction Act of 1990 caused the elimination of the burial plot allowance of $450.00 for veterans who are not service-connected disabled. Many widows were forced to turn to the national cemetery system to provide proper burial for their veteran husbands.

In a letter the Illinois State Council sent to all Illinois national legislators, we sought support in providing sufficient burial plots within the State of Illinois for our 1.15 million eligible veterans. We need your assistance in sponsoring and supporting of this legislation that would allow the Department of Veterans Affairs National Cemetery System to move forward in establishing and expanding national cemeteries throughout the State of Illinois as follows:

Fort Sheridan, Illinois—a full 162 acres.

The establishment of a 200-acre site in Joliet.

Acquisition of additional acreage at Camp Butler in Springfield, Illinois.

Acquisition of additional acreage at Quincy National Cemetery in Quincy, Illinois.

As the closing dates of each cemetery draw near, the other cemeteries in the Midwest will rapidly reach their capacity as well. We should take the time now to look into all the cemeteries in the Midwest and see what can be done to add additional acreage. After placing calls to each of the National Cemeteries in the Midwest, I learned that the total grave sites available in the tri-state area is under 90,000. We hope to clarify our position on these issues and to respond to questions of this subcommittee.

Finally, we commend you for holding this hearing, which is the first step made to address the Illinois State Council's position on this important, timely, and sensitive topic.

Mr. Chairman, this concludes my testimony.

Mr. EVANS. Thank you, Randy, very much.

[The prepared statement of Mr. Granath appears on p. 106.]

Mr. EVANS. Al, whenever you are ready, please begin.

STATEMENT OF AL LYNCH

Mr. LYNCH. I started my career in veterans' affairs as a Veterans Benefits Counselor in 1970. Much of my time in that position was at VA Medical Center in North Chicago, about 12 years. In 1980 I became the Chief of Ambulatory Care at the North Chicago Hospital. A position I held for two years before leaving the VA in 1982 to become the Director of the Illinois Vietnam Veterans Leadership Program. In 1985, I was appointed as Chief of Veterans Advocacy for then-Attorney General Hartigan. I am currently serving Attorney General Burris in that same position. I also serve on Congressman Luis Gutierrez's Veterans Advisory Council. My professional background for the most part has been DVA Medical Care.

Over the last ten years there has been a steady decline in the quality of care given veterans by the Department of Veterans Affairs. I became acutely aware of this when veterans started to complain of long waits for admissions and prescriptions, patient care areas and wards being dirty, and what has become a steady deterioration in the attitude of staff.

Over the years complaints to our office have tripled. As complaints became more numerous, our Attorney General's Veterans Advisory Council drafted a program called "Operation Watchover." Under "Watchover," trained volunteers would conduct surveys in what became known as the three "Cs": comfort of patients, cleanliness of wards and treatment areas, and the caring attitude of staff.

This program would have helped hospital directors spot trouble in these areas. Members of our Council presented this program to two hospital directors. Both refused to implement the program.

Finally, Former Attorney General Hartigan presented it to then-Secretary Derwinski, but the plan died. The plan died, but not the complaints from veterans. For years now, I have spent much of my time trying to assist veterans who have a problem with their treatment at the hands of the Department of Veterans Affairs.

It is customary when presenting testimony to talk of the need for more money, to present statistics and to ask for new equipment.

But that is not what I am going to do today. You have heard that before. Today I want to address the problems of VA health care in human terms. I want to help define the solutions that won't cost millions of dollars.

While I am not going to name names or hospitals, each case that I will cite in a minute was documented, and most are on-going. The tragedy is that in each of these cases, it would not have happened had proper care been given and if the treating physician, nurse, nursing assistant, or other support staff had had the best interest of the veteran as a top priority.

In each case that I will describe, the medical center failed the veteran. The solutions I will give at the end of my presentation are the culmination of input from those who suffered, the Attorney General's Veterans Advisory Council, and Congressman Gutierrez's Veterans Advisory Council.

In 1987, a veteran who suffered a gunshot wound to his arm while serving in Vietnam was in extreme pain from that wound and went to a local VA hospital for treatment. When he got there, his wife explained his pain to the Admission Supervisor who put the veteran in a treatment room so he wouldn't disturb the other patients.

The veteran was made to wait from 12 p.m. to 5 p.m. before he would see a physician. The physician, however, didn't treat the veteran. He accused him of just wanting pain medication. He told the veteran that he would have to learn to live with this pain.

The president of the veterans' organization had to call the director of the hospital just to get the veteran admitted. Upon admission it was found that he had developed an abscess in his arm. This pain was very real.

In 1974, this veteran was run over by a tank in a training accident. For over ten year the care he received at the hands of the VA was excellent. Then in 1987 his physicians changed. His new physician didn't want to listen to him. They didn't have the same concern as his former physician had.

One physician in particular had the attitude of a drill sergeant, not a doctor. These new doctors refused to allow this 100 percent service-connected veteran a new prosthetic device. They told him he would have to remain on a gurney for the rest of his life.

In 1982, as a direct result of our intervention, he now has his prosthetic device, but not before being a virtual prisoner in his own home for five years. You see, unlike you and me, without his prosthetic device, he couldn't leave his house.

Another veteran was being cared for at home. In July, his caregiver noticed a red spot on the veterans buttocks, the start of a decubitus ulcer. The VA was notified and gave instructions to treat the wound. As the ulcer continue to grow, the caregiver at first requested more visits to clean the wound. The VA denied the request.

The caregiver requested that the veteran be seen by a VA doctor. The VA refused. As the ulcer became more severe, the caregiver requested admission for the veteran. The VA refused. Finally, after over two months and over ten calls to the VA, they finally decided to see him. He was subsequently admitted and had to undergo a

painful skin flap operation to close the wound. Currently he is still a patient at the VA

As a direct result of his treatment team's negligence, the veteran is not able to sit in a wheelchair as long as he used to. This severely limits his options in life. All this because the medical staff failed to follow simple medical procedures.

The next case involves a veteran who, upon being admitted to a long-term spinal cord injury ward noticed that during the orientation that veterans on the ward had rubber mattresses. He told the head nurse that his skin was sensitive to that type of mattress because of an operation that caused a decubitus ulcer several years before.

The head nurse replied that the equipment on the ward was "state-of-the-art and that a rubber mattress would do just fine." Over the next several weeks the veteran continued to ask for a cloth mattress. Each time he was denied. At one point his physician told him if he wanted a cloth mattress so bad, he should buy one.

Within weeks of his admission, the veteran developed a decubitus ulcer just like he said he would. He is now confined to a gurney for the rest of his life. The ironic part of this tragedy is that there are hundreds of cloth mattresses in the medical center. All the physician and nurse would have had to do was get one. They didn't care enough, so this 100 percent service-connected veteran must now suffer for their lack of common concern and decency.

These four cases are just a very few of the cases that I have handled over the last two years. There are hundreds of such cases system-wide, and probably thousands that go undiscovered, because as one patient put it, "If I complain, I will have trouble being readmitted."

Another patient told me that he would like to complain about a nurse, but was afraid to complain because of fear of even worse treatment. I want to clarify here that the majority of DVA medical staff are quality professionals. However, when you consider that one physician or nurse may treat hundreds of patients over the course of a year, one bad apple can cause a whole lot of misery.

The common thread in each case was that the treatment team didn't listen to what the veteran or caregiver was saying, nor did they seem to care about the outcome of their mistreatment or lack of treatment. As one of the above veterans put it, "When they told me I'd have to be on a gurney the rest of my life, they didn't even have the guts to apologize."

On several occasions I and several service officers have complained to hospital directors about problems that we see on the wards. Although they try to solve the immediate problem, they miss the systemic cause.

As an example, there seems to be a void in the direct supervision of housekeeping. I have observed housekeepers sitting in day rooms for long periods of time. On one occasion I was interviewing a patient in a day room and observed a housekeeper talking on a ward phone for the entire period of the interview. Not once during the 45 minutes that I interviewed the veteran did the supervisor even appear on the scene, much less question what he was doing.

At another hospital, I was visiting a veteran and went to the canteen with him for a cup of coffee. When we passed the boiler room several housekeepers were sitting around talking. When we returned over an hour later, they were still sitting there and talking. I and others can complain daily about dirty wards and treatment areas, but until proper supervision is applied, the problem will continue.

Recently I was approached by a staff member at a hospital. The staff member informed me that several of the physicians on staff were also on staff at other hospitals. Some spent less than four hours a day at that VA hospital. This person told me that these physicians were supposed to be full-time.

We can complain about the wait for admission and treatment, but until physicians spend time treating veterans not teaching or staffing other hospitals, the problem will go on and on. We can complain about the negative attitude of certain staff members and their lack of caring, but until the complaints are acted upon aggressively, the problem will continue. We can complain about negative attitudes, but until positive attitudes are rewarded, and negative attitudes punished, the problem will continue.

We recommend that the veteran consumers should have routine direct input into the quality of care they receive, especially in the areas of comfort of patients, cleanliness of wards and treatment areas, and the caring attitude of staff. This can be accomplished through ward feedback groups who would meet with the hospital director or patient affairs person on a weekly or monthly basis.

Currently hospital directors meet with veteran service officers, but all too often these service officers are not direct consumers of the system. Only by allowing veteran consumers to meet with those who can directly correct the problems can those systemic problems be solved.

Recommendation Two. There is a need for a patient advocate as opposed to a patient affairs officer. This patient advocate should not be an employee of the hospital. The position to be effective should report to someone higher up the chain of command. I would recommend that patient advocates report directly to an assistant secretary or the VA I.G.

We recommend that the House Veterans' Affairs Committee accomplish a study to determine the number of hours physicians actually spend treating patients.

We recommend that the House Veterans' Affairs Committee investigate the number of Federal tort claims filed and won by veteran patients. This report should be done at Illinois and other DVA medical centers. The report should determine the number per hospital and the medical staff named in the claim so that proper action can be taken to purge the system of those physicians who are constantly being named in such malpractice claims.

On behalf of the veterans we serve I wish to thank the subcommittee for coming to Chicago and hearing our concerns. I also wish to restate that though this is a negative report and tough problems have been identified, the vast majority of the professional staff at DVA medical centers are caring and highly professional people. But these problems must be addressed, and those people

within the system who chronically disregard patient rights must be dealt with.

Thank you. (Applause.)

[The prepared statement of Mr. Lynch appears on p. 113.]

Mr. EVANS. Thank you all very much for your testimony.

I have one general question. In the next year, your Congressman and I will both be voting on some reform of the health care system as compared to the way it is structured now. The idea, at least in general terms, is that the VA will be a competitive player in that process. I think as we look at these issues, we will be looking specifically at the way local Veterans Administration facilities will be able to compete.

What will it take to bring the VA in the Chicagoland area up to speed to be competitive in a very short process? I would like each member of the panel to answer that question. We will start with Al, and work our way down.

Mr. LYNCH. I think it is a two-fold problem. One, you have a terrible lack of effective leadership. That starts at the top right in the Central Office and works down through the hospital directors. You have hospital directors that have basically set up little fiefdoms. They don't see patients. They are very seldom seen out on the ward.

You cannot manage a VA hospital or any facility from behind a desk, just like you can't lead an army in battle sitting behind in a tactical operational center miles behind the lines. You have to be out there meeting the veterans, talking to them, seeing what is going on.

The second thing is effective management of resources. A lot of the VA's problem is they have resources. They don't manage them effectively. They don't utilize their equipment, their staff, and so on. Their primary function is to serve veterans as patients, not perform staff functions.

Mr. EVANS. Thank you. Carl.

Mr. DI GRAZIA. Yes, sir. I feel that the present system that we now have is inadequate to handle this national health care system that is being laid out in Washington. I think primarily we have to date back to under-funding veterans hospitals for years.

For years, these hospitals had to use money that was designated for veterans' care and use it in other fields such as updating their equipment and repair work. I think the overall system needs proper funding. That is the basis. When we receive that, and if we are willing to do that, I think the hospital will be able to compete.

Mr. EVANS. Carl, I might mention to you that regarding underfunding, over the last 12 years, Congress has authorized and appropriated $7 billion more than the amount the respective administrations during that time period recommended—not that even that has been enough. It hasn't been enough.

That is why I am very concerned about certain suggestions that OMB, the Office of Management and Budget, has raised in the context of budget rescissions that would cut a huge amount of money out of both the VA and the military health care system, which in addition to the VA is also under-funded.

We are looking at this issue and appreciate your testimony.

Mr. DI GRAZIA. Congressman Evans, the money that Congress had initially put back, this $7 billion, over these years is very well appreciated. But that does not cover the under-funding that has been going on for years. Unfortunately, we are just compounding the fracture. We are not really taking care of it.

Mr. EVANS. I think you are correct. Absolutely. Joe.

Mr. GUIDO. Service organizations for many, many years have had volunteers that assist the Veterans Administration and save thousands and thousands and thousands of man hours in doing things that there simply isn't sufficient VA staff to do. The volunteering time, they are not paid for it. They are cheerful in their attitude and in their assistance to veterans.

Sometimes it is hard to determine why or how VA employees that are sometimes very rude, can see the way volunteers attach importance to their job and not feel affected by that. That is a question that I have always had for a long, long time. I still can't resolve it in my mind.

National health care, of course, as we seem to believe, will offer veterans a choice. Predominately VA medical centers treat service-connected veterans and low-income veterans. When you consider that these same veterans may be entitled to national health care—and under that national health care be able to go to local hospitals, the neighborhood doctors—it may be a very difficult decision for these veterans to remain in a VA medical center, to have that treatment that they have been getting for many years and continue to go to VA medical centers. After all, for many of these veterans, the VA has been the only game in town. They have had to go there.

If they have a choice, they may not go there any longer. Part of what Carl said and what Al said is true. Ultimately medical care is the most important thing. But the attitude of the employees, the nurses, and the doctors, are as important, certainly somewhat lesser important than the actual medical care. But it cannot be underestimated, that the veterans feel comfortable in hospitals and knowing that the employees are doing the very best for them. I think the VA employees are going to have to recognize that and do something about that, or the system may dissolve.

Mr. EVANS. Randy.

Mr. GRANATH. Well, as stated before, I think that maybe somebody independent overseeing the system, having the veteran community at their best interest, being on hand to provide the questions and then reporting back to your subcommittee, would provide a means and an avenue for a clearer picture to both the Committee and how to perceive what is going on in the hospital system right now.

I know that veterans sometime feel uneasy in addressing these issues. Maybe they have somebody there acting as a go-between or as a liaison—not part of the hospital system—but as somebody there to benefit the veterans and take their complaints—no matter how large or small they are, and to report back to you—no matter how large or small it is, will clear this picture up a little bit and maybe uncover some of the issues that are important to the veterans of why they have to stay at these facilities.

Thank you.

Mr. EVANS. Thank you, Mr. Gutierrez.

Mr. GUTIERREZ. Thank you.

Let me first say to Al and to Carl that I think it is very important that you bring up the recommendations and that it is not negative. Yes, it is the negative stories about what is going on, but what you are doing this morning is very positive.

Otherwise, I think we are going to lose the health care system altogether for veterans. Veterans will just be pooled into a universe of health care systems because they are not going to go unless we change it, unless we sensitize it. I thank you for the testimony this morning because I know of your work and your commitment.

The other thing, Al, is the recommendations are very good. We will get back to you on those recommendations in terms of how we can procedurally move. I think those things are very important. Unless we change it, we are going to lose it, especially now in Canada, they are losing it in terms of their veterans. A lot of it is their veterans aren't going to go back.

So I just want to thank all of you this morning for coming here. I would like to go to Joe real quickly and see if you could give us some examples maybe that you have had about veterans in the Gulf War. As you know, Congressman Lane Evans has been leading a fight in the Congress around Gulf War veterans.

Have you seen veterans from the Gulf War that are real, real sick, that have some real, real ailments? Could you tell us about some of your experience; are they getting 10, 20 percent disability? Are they getting any disability? Joe?

Mr. GUIDO. There really as of yet aren't any specific disabilities that can be service-connected strictly on the basis of veteran services, the veteran service that we had in Operation Desert Storm in the Persian Gulf area. You are interested in the kind of tropical and systemic diseases that service-connection is allowed for, similar to World War II veterans who served in the Pacific.

But no disability is based strictly on service. The disabilities that we see—gunshot wounds, injuries, because of accidents overseas, tank accidents, or truck accidents, the kind of injuries that you are going to see in any kind of major operation that is undertaken in a military campaign—those type of disabilities aren't any different than they were in Korea or in World War II.

We have not seen very many service-connection allowances for post-traumatic stress disorder. The nature of post-traumatic stress disorder might be part of that itself in that often it takes a long time for symptoms to emerge. In addition, the VA is going to audit the post-traumatic stress disorder since Vietnam so that these symptoms can be noted early on and addressed.

Hopefully the numbers of Desert Storm veterans with post-traumatic stress disorder will be less percentage-wise than those veterans that are service-connected for PTSD from Vietnam because of the lessons learned from the conflict.

Mr. GUTIERREZ. Thank you. Carl, I know that you represent a large sector of veterans prior to the Gulf War. Have you had any experiences with this?

Mr. DI GRAZIA. We represent quite a few Persian Gulf veterans at this time. Without any names, we had one particular incident of a young man who was referred to us from the Hines Hospital to see about some financial assistance.

Just as Mr. Guido has stated, the regulations at this time don't permit service connection for very many disabilities related to Persian Gulf exposure, whether it be to the fuel fires that were caused or whether it was chemical.

It is very difficult to have a rating accomplished if you don't know what you are going to rate. That is the main problem. I think primarily this particular young man when we had first seen him had a large area on his scalp where the hair had completely fallen out. His hair was turning gray. He was very irritable with constant diarrhea. He was treated at the VA facility and then referred to Walter Reed Hospital.

I noticed the young man is sitting back there today. He is much improved. Is he cured? I doubt it very much, but I think that steps are being taken in the right direction. I think there is an urgency about it. There should be an urgency. I know there is in the Congress to try to get some studies accomplished so we can properly evaluate these young men and women.

Mr. GUTIERREZ. Thank you. Al.

Mr. LYNCH. I couldn't agree more. I think, again, it is one of these systemic problems. You have the Department of Defense who allowed these soldiers, sailors, airmen, and marines who went over there—they were very good soldiers and so on—and when they got back, if they complained, a lot of them are on active duty that you are not hearing about—are still suffering all these maladies, but they are afraid to come forward because they know if they do, they are going to be thrown out.

This is especially true in the Guard and Reserve Program where you have people that count on this for their livelihood. So if someone comes forward and says, "I am suffering from this disability. I am suffering from these things." he is going. There goes his livelihood. There goes his retirement, the whole nine yards. So they are suffering through it.

I think the saddest thing of this whole episode is that VA said, "We are going to have these special processing centers for these claims." If you will excuse me, that is the biggest bunch of garbage I have ever heard. Those claims could be processed anywhere. The simple fact is that they are getting the exact same processing in Louisville, Kentucky that they could get at the Chicago Regional Office.

What has to happen is that something has to be done to compensate these individual families now. Give them the benefit of the doubt and give them the compensation based on whatever Congress wants to come up with—Gulf War Syndrome—or whatever. But they are losing their homes. They are losing their jobs. They are losing their livelihood. They are losing their families.

We can study this thing like Agent Orange. You know as well as I do—especially Congressman Evans because you were on the cutting edge of that—ad infinitum, ad nauseam. These guys are going to be long gone and dead before anything is done.

We owe them a hell of a lot more than what we have given them. They need the money now. They need the compensation today. Tomorrow is going to be too late for them.

Mr. GUTIERREZ. It has come to our attention that the Pentagon is beginning to give disability compensation for multiple chemical sensitivity. I hope the VA follows suit.

Randy, I remember you kind of grabbed me out of one of the forums of the Fourth Congressional District back in May, I think. I know it was warm then. It was a warm day. It was a good day. You grabbed me. I am happy to see you back here testifying today. I was real excited that you were coming and representing the Vietnam veterans' organization. You said then that you weren't going to give up on the cemetery. I see you here today talking about it. So I know one thing about you is I have to watch you everywhere I go because you are consistent. You are a good fighter.

Now what you are suggesting is that we split the money and that we buy some out at Fort Sheridan and some out at Joliet. There is enough acreage there that we could get it to supply the needs?

Mr. GRANATH. Our suggestion that our organization has put together is that while Fort Sheridan is an important issue to the veterans of the Northwestern Corridor of Illinois, it is time that in this hearing that we look at all the cemeteries throughout the Midwest.

When I put the proposal together in my testimony here, I checked the cemeteries in Missouri and Wisconsin and Iowa. I found out that the available plots are about 90,000. That is what they are projecting. That is with the expansion. I know what concerns Mr. Lane Evans is Rock Island.

Well, the expansion of that 100 acres, I think, there is for 5,000 plots for the acres there. But as the other cemeteries close down, the pressure that is put on the cemeteries in those areas will increase. When I talked to Woods, 30 percent of the veterans in Illinois are buried there—30 percent are buried out of state. That should be taken care of in-state. We should provide the service.

I don't disagree with Joliet, but I think we need to expand all the cemeteries, both down in Springfield and in Quicey. There is land available. I have checked into that also.

Mr. GUTIERREZ. Thank you.

Mr. EVANS. Randy, we will continue working with you on the issue.

I want to thank this panel very much for their excellent testimony. We appreciate your continuing to work with us. Thank you all very much.

Members of our third panel also represent veteran service organizations. Robert White is President of the Vaughan Chapter of the Paralyzed Veterans of America. Al Galvan is the Illinois State Chairman, American GI Forum. Tom Fitzgerald is representing AMVETS National Headquarters. Joe Petrosky is the Assistant Department Service Officer of the American Legion. He is presenting the statement of Thomas Vazquez.

If you come forward at this time, we will proceed once you are ready. You may summarize from your prepared statements and your entire statement will be made part of the record.

I will turn the chairmanship over for a moment or two to the gentleman from Illinois.

Mr. GUTIERREZ (presiding). Yes, thank you, Mr. Chairman.

Let me first thank Mr. Tom Dart, State Representative who is with us here this morning. He says he is going to be heading a Task Force on Persian Gulf Veterans. I'm really happy he is here. I would like to recognize him and for everyone to give him a warm round of applause.

Thank you very much to the State Representative for being here today. (Applause.)

Now we'll proceed with Robert White. Welcome. Good seeing you here in Chicago. We were visiting with you in Washington, but it's better to see you here.

STATEMENTS OF ROBERT H. WHITE, PRESIDENT, VAUGHAN CHAPTER OF THE PARALYZED VETERANS OF AMERICA; ALFRED GALVAN, ILLINOIS STATE CHAIRMAN, AMERICAN GI FORUM; TOM FITZGERALD REPRESENTING AMVETS NATIONAL HEADQUARTERS, AND JOSEPH C. PETROSKY, ASSISTANT DEPARTMENT SERVICE OFFICER, THE AMERICAN LEGION, APPEARING ON BEHALF OF THOMAS VAZQUEZ

STATEMENT OF ROBERT H. WHITE

Mr. WHITE. Thank you, Mr. Chairman. Mr. Chairman and members of the subcommittee, the Vaughan Chapter of Paralyzed Veterans of America, appreciates this opportunity to share with you our views and concerns regarding improving veterans' services here in the Chicago metropolitan area.

We thank you, Mr. Chairman, and thank the subcommittee for holding this regional hearing and for addressing the problems that we face in Chicago and that indeed veterans across the country face.

Health care reform is the most pressing issue facing the 103rd Congress. This issue is of vital concern to veterans and to nonveterans alike. What is most important to veterans is the continued existence of a strong medical system that can make this Nation's solemn pledge to our veterans a reality.

The VA medical system must be reformed, even if the Nation's health care turns out to be chimerical. For the VA medical system to exist as a vital component of this Nation's health care system in a reformed environment, the VA must be able to successfully compete with other health care providers and other health care systems.

Individuals are satisfied or dissatisfied with their health care for various reasons. Perhaps the most important component of their satisfaction is how they are treated when they seek care. The Paralyzed Veterans of America applaud the recent VA program putting veterans first, but more needs to be done in this area. It is going to take a commitment from the lowest level of the VA system on up, from local directors and local staff, to put the veteran first and to accord these individuals, male and female, the dignity and respect that is owed them for serving this nation.

The September 30th report from the Office of the Inspector General titled "Audit of Outpatient Waiting Time at the Department of Veterans Affairs Medical Centers" highlights the often inordinate delays that veterans must endure for outpatient care. Many

of the veterans are made to feel like commodities rather than valued customers whose care is of the utmost priority.

For the VA medical system to be a strong and vital component in a reformed environment, veterans in large numbers will have to choose the VA over other private systems. As Chairman Lane Evans stated during a recent Veterans' Committee hearing, the VA has to start selling the VA now. To start selling the VA as a desirable option, the VA must eliminate these unnecessary delays and make the veterans feel like he or she does indeed come first. The perception of quality is often as important as quality itself and we are concerned that the perception of the VA quality might be considered a little lackluster.

The Spinal Cord Injury Unit at the Hines VA Medical Center is a case in point. There is a dearth of physical therapists—in fact, only one. The ratio of patient to staff is inordinately high, 3 to 1 and sometimes as high as 8 to 1. The staff members there are overworked, not only doing their tasks, but in training other individuals from other services who must fill in from time to time for a day or two.

The Residential Care Unit, a 40 bed facility that cares for those most in need of care, is only three-quarters full because of understaffing. The equipment is deplorable. Directives have been sent. No action has been taken. Service organizations do what they can to provide some of the most important equipment, but the VA must do more, especially if they are going to compete with other facilities such as Northwest Memorial.

In the area of SCI the VA has become known as a leader. If such problems exist in this area, how is the VA going to compete in providing care for all veterans within the reformed health care system here in Chicago and across the country?

The area of veterans' benefits and claims adjudication is of vital importance to all veterans. The delivery of benefits and services and the issues of quality and timeliness are at the very core of the relationship between VA and its individual veterans. On one hand, "justice delayed is justice denied." On the other hand, "delay is preferable to error." Mr. Chairman, unfortunately veterans today are getting the worst of both maxims: shoddy quality and unconscionable delays. This is true in Chicago and it is true across much of the country.

The response time to veterans' claims, though often better here than the national average, is still alarming and still unreasonably high. In Chicago it now takes an average of 155.9 days for a decision to be reached on an original compensation claim; 106 days for an original pension claim; and 99.8 days just for a reopened compensation claim. Nationally just a few short years ago it took the VA 120 days to process a complete claim; at present, it takes the VA 441 days to process the same claim.

Mr. Chairman, we just have to improve this. We must do better for our veterans.

During the first quarter of the fiscal year 1993 a total of 56 percent of the Board of Appeals decisions were remanded back to the Chicago Regional Office. This percentage is higher than the Nation's average of 52 percent.

These decisions are being remanded today for many of the same reasons they were being remanded in 1988, including poor claim development within the Department of Veterans Affairs regional offices, inadequate medical examinations conducted by private or VA physicians, overworked adjudicators within both the Department of Veterans Affairs and the Board of Veterans' Appeals, uncertainties regarding the resolution of highly complex claims like post-traumatic stress disorder or radiation exposure.

The Vaughan Chapter of Paralyzed Veterans of America stands ready to assist Congress and the VA in fashioning fair and workable solutions to adjudication problems. Improvements at the regional office level will result in increased efficiency at the Board level. We understand that oftentimes there is no easy solution but this is no reason to shrink from our responsibility to the veterans.

One solution, supported by some of the veterans' service offices would be to amend Title 38 to allow one-person Board of Veterans' Appeals decisions on all cases. We stand unalterably opposed to this. This is a matter that concerns justice and fairness to veterans.

The problem of the homelessness, particularly homeless veterans, is an issue that concerns us greatly. Chicago has the second highest homeless veterans population in the country. Recently reauthorization was not requested or was not given for a program at Hines for homeless veterans. We would like to see this program or some similar program reinstituted and a strong effort made by the VA to assist the reintegration of the homeless veterans into the mainstream society.

Thank you, Mr. Chairman. I will be happy to answer any questions that you or your members on the subcommittee may have. (Applause.)

[The prepared statement of Mr. White appears on p. 119.]

Mr. EVANS (presiding). Thank you very much.

Our next witness is Al Galvan.

STATEMENT OF ALFRED GALVAN

Mr. GALVAN. Good morning. My name is Al Galvan. Honorable Congressman Evans and Congressman Gutierrez, thank you for this opportunity to come before you to offer the views of our organization, the American GI Forum of Illinois.

My name is Alfred Galvan and I serve as the State Commander of this organization.

My comments today focus on two primary issues.

The first issue is the proposed move of the Veterans' Employment and Training Service into the Employment and Training Administration of the United States Department of Labor.

The American GI Forum is opposed to this move for several reasons. Some people may still recall that Veterans' Employment and Service was initially established under ETA and veterans were not a significant priority among the massive employment programs that ETA managed. This is why American GI Forum joined the many other organizations to support the move out of ETA and into its own department. This was some time around 1979 or 1980. Since that time, this has been the identified center of operations for JTPA programs for veterans, the Disabled Veterans' Outreach

Program, and the Local Veterans Employment Representatives Program.

Additionally, VETs manages the Veterans' Reemployment Rights Program, which is an extremely vital office at this time because our national defense depends more on reservists than ever before.

I understand that the President's proposed "Reinventing Government" is aimed at cost-cutting issues and streamlining services, but it is also imperative that commitment to our promises be integrated into the Reinvention formula. The Veterans' Employment and Training Service should not be solely viewed as a cost-cutting measure. It needs to be recognized for what it is, and that is a promise to provide service to young men and women who serve our country at time of need.

By moving VETS to ETA, it is the first step towards the total oblivion of employment and training services to the veterans. It can be easily envisioned that as this move is made veterans would soon be expected to meet the same enrollment criteria that ETA normally establishes for employment services such as economically disadvantaged, ex-offenders, substance abusers, and other unrelated priority criteria. Veteran status would only be a side-note characteristic.

The recommendation by the National Performance Review, NPR, as applicable to VETS tends to oversimplify the action. It makes VETS sound like a duplication of service, an exclusive club for veterans. Quite the contrary. This tiny agency has to fight for every penny it gets in order to serve veterans. NPR never ever mentions how the Veterans' Reemployment Rights—that's the VRR—would be handled. Keep in mind that ETA has no experience at operating enforcement programs such as VRR. It is the only Government employment agency that advocates for veterans.

It is obvious we are opposed to this move and I can assure you that the same sentiment holds true for the whole national American GI Forum structure.

The second issue I wish to touch on is the plight of our homeless veterans. As you know, all the surveys as well as our 1990 Census indicate that about one-third of the Nation's homeless are veterans. Most are Vietnam veterans, but it doesn't matter because they are all veterans. The Government estimates 500,000 veterans will be homeless during 1993. Some advocates estimate the number to be twice that high. These are veterans that at one time proudly wore their uniforms, their ribbons and looked forward to their future. They now struggle for survival on the streets. Many have to deal with their drug and alcohol problems, some with physical and mental ailments and others who have just given up trying.

Dealing with these individuals is expensive. It requires long-term care and comprehensive services. Some have employment skills. Many only have their military training, which is not transferable to the civilian market.

The American GI Forum salutes your efforts in Congress in approving the Stewart B. McKinney Act, which provides the Homeless Veterans' Reintegration Project. We also encourage you to do more in the appropriations for this program. As you know, the Homeless Veteran Reintegration Project was authorized $10 million for this year but unfortunately only $5 million was actually ap-

propriated. Next year I believe the program is authorized $12 million. I hope you will support the cause of these veterans by appropriating the same. Let us not forget these fellow patriots at a time that they really need the help.

Thank you for this opportunity to testify before you and I look forward to continuing our joint efforts on behalf of the veterans of this country. Thank you.

[The prepared statement of Mr. Galvan appears on p. 124.]

Mr. EVANS. Thank you very much. Tom.

STATEMENT OF THOMAS FITZGERALD

Mr. FITZGERALD. My name is Tom Fitzgerald and I am representing the AMVETS. Mr. Chairman, thank you for holding this field hearing and for inviting AMVETS to testify. We welcome this opportunity to work with you and your staff on behalf of the veterans of Illinois and all the veterans of our great nation.

I will confine my testimony today to the urgent need for a national cemetery in the Chicago area. We call upon the full committee and the Secretary of Veterans Affairs to act now. The veterans living in Illinois, a major veteran population center, should not be denied the availability of and access to a national cemetery near their loved ones.

We all agree, I'm sure, that those who fought and died to defend our country deserve a final resting place befitting the honorable military service they willingly rendered. It only follows that such a final resting place should be available and reasonably close to the veteran's hometown, but to be buried in a national cemetery nearby, a Chicago area veteran has no alternative short of crossing the state line to the Wood National Cemetery in Wisconsin that itself is scheduled for closure in 1995.

From Chicago to the nearest Illinois national cemetery at Danville, which is to be closed in the year 2030, is well over 100 miles away. Rock Island, to be closed in 1995, and Fort Butler, to be closed in 2000, the next closest, are nearly 200 miles away. Quincy and Alton are even farther away and Quincy is due to close in 1995. Alton is already closed. Mound City, to be closed in 2030, the only other national cemetery in the state, is over 300 miles away.

The excessively lengthy process of getting a proposed site off the drawing board and to the point of being open for business is motivation enough to move forward as expeditiously as possible. Based on figures from April of this year, it takes an average of three years from the time the VA solicits prospective sites until the Secretary designates a site to be developed as a national cemetery. That is considerably less time than it takes to actually prepare the site for preparation. Once the go-ahead is given on a selected site, it now takes over five and a half years to develop the site. This includes Congressional approval of necessary funding, acquisition of the land, funding and documentation for development contracts, and finally the construction and preparation for initial burials.

So no matter what site is chosen as a national cemetery, at a minimum Chicago veterans have at least an eight year wait ahead of them. That is to say if the site were selected today to be evalu-

ated, that site could not be expected to be operational until late in 2001.

In the past AMVETS has testified in support of the establishment of a national cemetery at Fort Sheridan, north of Chicago. Legislation is pending which would require the Secretary of the Army to transfer without consideration to the Secretary of Veterans Affairs a parcel of real property consisting of approximately 200 acres of real property that is located at Fort Sheridan, Illinois and appropriate for use as a national cemetery. That is a quote from H.R. 2881.

While we agree that Fort Sheridan would make an acceptable national cemetery and the site has already undergone initial analysis, AMVETS is shocked by the $35 million price tag attached to VA's acquisition of the land from the Army. The VA budget presently does not contain funding for such a transaction. With appropriations constraints that can only be expected to increase in the future, it is likely that funding for the purchase and development of Fort Sheridan as a national cemetery could be continually pushed from one fiscal year to the next. That is not fair to the veterans of northeastern Illinois who need a convenient national cemetery now.

There is another site just as convenient to the greater Chicago area located to the immediate southwest of Chicago in Joliet.

This site appears to have a number of advantages. First, the parcel of land is substantially larger than that of Fort Sheridan, about 1,000 acres. Second, it would require less work to develop than Fort Sheridan or several other alternative sites and thus could probably be ready to open sooner. Third, and probably the most appealing, it would not cost VA one penny to acquire the Joliet property.

Mr. Chairman, AMVETS asks VA to proceed quickly to make the final decision on a site for a Chicago area national cemetery. Our previous position notwithstanding, we would ask that in reaching a decision on this important issue that VA bear in mind the severe shortage of national cemetery space in the State of Illinois.

Availability of national cemetery space in all of Illinois today will not accommodate even 10 percent of the 1.2 million veterans in the state.

By holding this field hearing, Mr. Chairman, you have shown Illinois veterans that the subcommittee is committed to meeting the needs of veterans here and across the nation. AMVETS is confident that the testimony you hear today will encourage a swift decision on a national cemetery site, and prompt VA to act accordingly.

AMVETS is sincerely grateful for being invited to participate in what we expect will be a very fruitful hearing. You can count on our cooperation and assistance on this important issue, and we look forward to an open national cemetery in the Chicago area soon.

Mr. Chairman, just before I wind up all my remarks, I am also the chairman of the Veterans Coalition for a National Cemetery at Fort Sheridan, and I have just a few words, if I could just add them in.

Mr. EVANS. You may proceed.

Mr. FITZGERALD. In the issue of the proposed Fort Sheridan National Cemetery, we, the veterans and our spouses, one and a half

million strong, plus our dependents, all residents of the northern quadrant of Illinois, have been deprived of a national cemetery burial space within a reasonable distance from our places of residence. I have already mentioned some of the mileage, but it does run as high as 450 miles on a roundtrip to Springfield from this area.

As veterans who are affected by this cemetery, we cannot accept the Department of Veterans Affairs new EI study unless it addresses all the potential viable sites in this northeastern quadrant of Illinois.

The Department of Veterans Affairs disregards the Nike site in Vernon Hills, which is located at the centermost portion of the area of the veterans population. Glenview Naval Air Station, Great Lakes Naval Station, Tilden, Illinois and the Calumet Harbor site are all alternatives to Joliet.

We now ask that the Department of Veterans Affairs also study all of the sites suggested as opposed to just a study of the Joliet site only as the Department of Veterans Affairs is now doing. The alternatives as a solution to all of this is very simple. Simply enlarge the present existing Fort Sheridan cemetery by at least 200 acres or more.

We now ask our representatives in Congress to create, introduce and enact such a transfer of burial space at Fort Sheridan.

Thank you, Mr. Chairman. This concludes my statement.

[The prepared statement of Mr. Fitzgerald appears on p. 128.]

Mr. EVANS. Thank you.

Joe, please pull the microphone closer to you.

STATEMENT OF JOSEPH C. PETROSKY

Mr. PETROSKY. I am Joseph Petrosky with the American Legion.

Congressman Evan, Congressman Guiterrez, members of the board and committee, ladies and gentlemen, the American Legion would like to thank the Veterans' Affairs Subcommittee on Oversight and Investigations for allowing us this opportunity to make this statement.

Before I begin, both the American Legion Department of Illinois Commander, Arthur Rawers, and the Department of Veterans Affairs and Rehabilitation Director, Mr. Thomas Vazquez, wishes to apologize for not being present, but due to American Legion commitments, they are unable to make it, but they hope that you have a successful hearing.

To begin, you may be asking how does our statement on discharge upgrades fit into the hearing format on veterans' affairs. To explain, we are one of the many private non-profit organizations that provide a discharge upgrade service. We provide this service free to applicants or families of applicants.

We call these young people "applicants" because if the discharge is not honorable or general under honorable conditions, these young people are not considered veterans by the VA or the service departments.

If the applicants have a general under honorable condition or honorable discharge, they can be denied certain benefits. For an applicant who has a discharge under other than honorable conditions, their benefits through VA are very limited.

These young applicants are sent to our office in some cases by the VA because the applicants are seeking compensation for a service-connected injury, education or job training, just to name a few reasons. The older applicants who visit our office would like to get some of their dignity back as well as a small pension from the VA or other agencies.

The discharge process is lengthy, a total of two years at the minimum, and that time does not count the application processing time prior to being submitted to the service departments. As you can see by the statistics on our written statement, many applicants do not complete the process due to documentation and the length of time required to complete the process.

In many cases, we see many situations where an applicant who may or may not have the ability to adapt to military life and because of a few mistakes, he or she must endure a discharge under other than honorable conditions for the rest of their lives.

We have found inconsistencies in the way the different service departments view an incident or incidents that cause a person to receive a bad discharge.

The United States Army, for example, may give a soldier several Article 15s, non-judicial punishments, and then send the young soldier to a court martial and discharge the solider with an other than honorable conditions discharge.

The United States Air Force will give a young airman two Article 15s, non-judicial punishment, and separate with either a general or honorable discharge. In both cases, the narrative reason on the DD Form 214 will reflect misconduct.

For some of our applicants, without our suggestion they, the applicant will never be able to show to service departments that he or she is rehabilitated or there are mitigating circumstances, and the applicants want to be contributors, not to be a burden on society.

In comparison, in the civilian sector after a set period of time a reformed civilian, with a record, may have an opportunity to clear that record, but a military discharge without the right evidence may never be overturned.

Our goal is to give each applicant who walks in our office at least a chance at their due process. We at the American Legion and other organizations that provide this free service, and with the assistance of Congress, these young applicants may retain some of their dignity and will be reconsidered as veterans.

We wish to thank you and this committee for this opportunity to make this statement.

[The prepared statement of the American Legion appears on p. 131.]

Mr. EVANS. Thank you, Joe.

I think you are right. It is a very important issue as we face a downsizing of the military that bad paper discharges in the past have been given to individuals for offenses, perhaps, against the Uniform Code of Military Justice, but the offenses have no counterpart in civilian society, yet the bad paper discharge for most employment purposes is as bad as having any kind of criminal record attached to your name.

This is going to be a very important issue as we downsize the military. It is important in the minority communities in particular where I would bet, if you looked at many of these bad paper discharges, they are being disproportionately awarded to members to the minority community.

But black, white, Hispanic or otherwise, this is a horrible consequence for so many veterans. Adding, I think, to the homelessness problem because these are veterans that will not be reached by veteran's programs, generally, and adding to the array of problems that these veterans face.

It is a cross that I don't think a person should have to carry for the rest of their life if they had problems when they were 17, 18 or 19 years old. For example, maybe there was a personality conflict with the First Sergeant or something of that nature.

I am a member of the Armed Services Committee, and we have been grappling for years with how to deal with this issue. But I am going to try to push harder to get it on the Armed Services Committee's agenda in the near future, so we can look at this issue.

One question, the statistics of newer and older applicants, are they mostly Chicagoan or from the State of Illinois?

Mr. PETROSKY. Sir, these are the statistics that our office has collected. We are one of the few organizations in the region that perform the service.

In fact, the last set of Discharge Board scheduled hearings, the applicants came from as far away as Michigan and Wisconsin. We had one applicant where his home of record was Arkansas. It was the only opportunity that he had to speak, so we represented that individual or those individuals.

Mr. EVANS. I yield to the gentleman from Illinois.

Mr. GUTIERREZ. Thank you very much.

I'll first go to Mr. Petrosky.

One of the things in your submission here this morning is that the Legion said in the written testimony you submitted that racial bias is one factor influencing the attitudes of those in the chain of command.

Can you give us some suggestions on what we can do to solve that problem in order to see if we can help ameliorate it?

Mr. PETROSKY. That is one of the things that the military itself has been plagued with. In my introduction that I first sent to your office, I have 22 years with the Air Force, and in that 22 years I have seen some changes in attitude.

But as the personnel that I knew that worked in the base social actions and in the human relations areas, they'd say there are still "problems in River City," to take a quote from Sergeant Davis.

You are not going to change attitudes. They are always going to have the problems, they are always going to perceive the young individual as a threat to them or a threat to the organization. It may be an educational problem, it may be a perception problem, how the individual sees the world or sees his particular situation.

If an individual is from, for example, Chicago and gets sent down to a base, for example in New Mexico out in the middle of nowhere like Cannon Air Force Base, he sees his opportunities for relaxing and recreation are limited.

When he tries to ask for any more assistance to get more available opportunities, he is given a deaf ear. Then he starts causing problems because he is trying to get more of the benefits that the other airmen or NCOs are getting, and they tag him as an undesirable or malcontent.

The individual may be trying his best to fit into the military society, but because of his own morale issue not being considered, he is seeing problems in adapting to military life. This could be seen throughout all branches of the service, throughout all the regions.

You take a young person out of his home, you put him/or her somewhere away from home, and the military doesn't give enough morale, welfare or recreation activities to suit everyones, which sometimes you don't have in many of the cases because of budget constraints. Then these young people are going to be uncomfortable and in some cases malcontent.

Mr. GUTIERREZ. Thank you.

Mr. Fitzgerald, it is good seeing you again today. I know we talked some time ago that you reached out to me to talk about the issue of the national burial sites for our veterans.

I would like to ask you a specific question. You mentioned that the Joliet site would require less work than the other sites in Illinois. You also mentioned that it takes eight years, so it would be late 2001, in your testimony, before we could have a cemetery site set up and ready to go in our areas.

Do you have any indication that it would take less time to prepare the Joliet site than other sites, or just a completely new site?

Mr. FITZGERALD. Well, I think the Joliet site could be speeded up somewhat because the land down there is clear. I mean, it is not polluted with chemicals and all the rest of it.

It is actually farm land. Right now, in fact, in July we made a trip down there. There were cows grazing out there and they were cutting hay and everything. So that would indicate that soil is pretty clear.

Mr. GUTIERREZ. One of the things that we are going to be doing after today's hearing is try to talk. Obviously, there is a lot of testimony to talk about the cemetery site, and to see if we can give a better response and go back and get some better answers.

I agree with you. To ask for $35 million for a site, I do not know what sense it really makes. The VA says it has $7 million. So we are giving one part of our government to another part of our government. We are just not dealing straight here.

We need to understand that the Veterans Affairs Department has $7 million for this. Obviously, I am not on the Armed Services Committee which would have more oversight over the Army in terms of telling them what they have to do, but we are just going to continue to work on them.

I will tell you that we are continuing to look at ways in the budget to make those savings. I just want to say to you, Tom, that I agree with you. I agree with many of the veterans. We want to continue to spend billions of dollars, of course.

I think science is great, and maybe sending someone to the moon is a fine idea, and I know our space station survived the budget cuts. Not the super-collider, much to the chagrin of many people in

Texas. It just seems to me that it is a great idea to have people in outer space.

You know, it is a great idea to have the space station out there, but we need to get our priorities straight. I do not know how we are going to spend another $10 billion in space when we have men and women who have served our country here, and we don't even have a space for them here on the planet Earth, and yet we are looking at outer space for other things.

So, Tom, continue your work because it is good work.

Mr. FITZGERALD. There is one thing that has really gotten our coalition and, I am sure, all of the veterans in the state disturbed.

We had a situation here a month or so ago when Senator Simon and Senator Warner from Virginia tried to pull an end run, as it were, by trying to trade that property up there with Equitable Life Insurance, when they wanted to make a deal for 156 acres at Fort Sheridan for seven acres in Virginia.

That does not ring right to me, and everyone that I have spoken to about that, there is something going on there. There is something that is not right.

Even if we do put the cemetery, the national cemetery at Fort Sheridan, there is no reason in the world that the museum that the Army wants to put outside of Washington, why couldn't that be moved to Fort Sheridan and become a part of our national cemetery here? There is just something screwy there somewhere.

Mr. GUTIERREZ. I think you are right. We will continue to look at it and be more responsive to everybody.

I thank you very much for your testimony here this morning.

Mr. FITZGERALD. Thank you.

Mr. GUTIERREZ. Bob, good seeing you again. Great testimony. I mean, from 120 days to over 400 days to adjudicate an application is just incredible.

I thank you and all of those working with you on doing that kind of research because it becomes invaluable as we challenge the Veterans Administration to do better in terms of disability applications by our former members of the Armed Services.

You made reference in your testimony to the Inspector General's report talking about the inordinate delays that veterans experience when they are looking for outpatient care.

During a hearing last week of this very subcommittee, Chairman Evans and I heard testimony about this problem. In some instances, veterans would wait all day to see a doctor if they were lucky enough to see one at all. Those are patients that have already arranged appointments. So if you have an appointment, you still wait all day.

It seems to me they should just open up the door and tell people to come in at any time during the day because it really doesn't make any difference for most of our veterans when they go for outpatient.

The problem concerns me, and it really angers me. It especially bothers me because it seems to disregard the fact that veterans have jobs, and families to take care of. If they are spending all day at the hospital in the waiting room, they cannot fulfil the rest of the duties they have during the day.

Let me point out that we are not just trying to solve this problem so we can give some veterans some free time. We are trying to solve this so that more veterans can play the most active role in their communities as possible.

Could you let me know specifically how much of a problem that seems to be at the local VA medical centers here in the Chicago area? Do Chicago area veterans have horror stories of their own such as the ones that we have heard from a national cross-section last week? And do you share my concern that this problem is serious because it keeps veterans away from their jobs and families?

Mr. WHITE. Yes, we have considered that the problem of delays in the delivery of heath care, especially outpatient care, has become a serious problem.

If we are going to continue to bring veterans back to the VA system to support it, this problem is going to have to be taken care of.

The impersonal care that people seem to get, and that is the perception of veterans at the time care is delivered, must cease.

We just had a veteran, I think, yesterday, who uses the VA system, who came to us early in the morning and said, "I have an outpatient appointment, I will be right back." At 4:30 p.m. he came into my office and said, "Do you realize I still have not been seen." I asked him at that time what time was your appointment. He said 1:45 p.m. I left the building at approximately 5:30 p.m. He was leaving the building, finally, going to get into his van. The gentleman had just been seen. The inordinate wait is still there.

We understand the understaffing problem. This is brought on by understaffing. This is brought on, sometimes, by unconcerned physicians who are overworked themselves, but the problems still exists and we must resolve it in order for the VA to continue, and to give veterans who use this health care system a choice.

Mr. GUTIERREZ. Thank you.

Al, I notice that you divided your testimony into two areas. First you talked about the veteran's employment and training service, and then you went into homeless veterans.

I am aware of the fine work that the GI Forum has done in bringing about better economic security and economic opportunity for the veterans' community, so I consider you a real expert in this area and the GI Forum.

I agree with you that each of these areas is important, and are very different topics, so I am very happy to see that you divided them up, but I am wondering if you see some links between the two subjects. In other words, can we make some real progress in the area of homelessness by improving the employment and training programs that already exist for veterans, or how can we do that better? What other steps can we take in our own community as elected officials, as veteran advocates, or just as concerned neighbors in terms of helping to ameliorate these two problems?

Mr. GALVAN. I am really concerned about homelessness. As I go around the city here, underneath the viaducts here, to lower Wacker Drive, to see 15 people sleep on their bellies. It makes me sick to my stomach just to see those people that have been in wars and are not able to take care of themselves.

I think that something has to be done about this here. I know that a few years back it was about 70 below zero and they were down there sleeping. The news media covered it to try to help them out. It happened that one day a family happened to see their own son there. They tried to help him out, but he was just a lost cause.

These are some of the things that we have to worry about. It is something that should be done, it should be taken care of. It is just sickening, believe me.

I was down there last night. As I was passing by I saw all those men there. A lot of them were veterans, sleeping down on cardboard and so forth. It gives you a funny feeling in your stomach to see this happening in America.

Mr. GUTIERREZ. Thank you, Al. Al, I want to take a moment to thank you and all of the members of the Fourth Congressional District Advisory Committee for all the fine work. Al Lynch, who spoke earlier and spoke very forcefully, very eloquently, and with a lot of passion on behalf of the veterans community, he spoke earlier on behalf of the community, and I appreciated that.

You have all made a real contribution to my own personal awareness of the issues of veterans. I think you do a great job. At least I know one thing: I know a lot more about what your needs are and how to fight for them and how to focus because of your work.

To all of the members of my advisory committees, I want to thank you.

Mr. GALVAN. I would also like to ask you a favor, and the Congressman.

Mr. GUTIERREZ. Yes, sir.

Mr. GALVAN. Regarding the jobs here, we have veteran's programs around the country. We also have them here in the city. The monetary funds that we are getting for the veterans here is not sufficient.

We have 635,000 veterans in Cook County, but yet, in other parts of the country, they get more money than we do here. I do not think that is right. I think our veterans deserve more than that.

They have been cutting this here. They cut down drastically the amount that we were getting before, so now we can service less veterans, whereas, more veterans are coming out of the service now.

I think if we can get more money to service our veterans, that would help us alleviate a lot of the unemployment. I have a few of them here that are not working at all. I have my own son, who was in Korea for three and one half years. They bought out his company. He has no job for the last seven months now.

These are some of the things that are happening here in the city. We have a lot of people now out of jobs. Yes, if we can take care of more appropriated funds for this city, for the City of Chicago, that would help us here greatly.

Thank you.

Mr. GUTIERREZ. Thank you very much, Al.

Mr. EVANS. I want to thank every member of this panel. Let's give a round of applause for Luis' Veteran's Advisory Board. (Applause.)

The members of our fourth witness panel are Lane Knox, JoAnn Williams, Ronald Patterson, and Jose Luis Martinez.

Lane is President of Women Veterans of the United States Armed Services. JoAnn is Executive Director, Chicago Vietnam Veteran Family Assistance Program. Ronald is Executive Director, Lawndale Veterans Resource Center. Jose Luis Martinez is the Readjustment Counseling Technician for the Veterans Resource Center. He is presenting his personal views today.

The written statements of each of the members of this panel will be made part of the record.

I would urge all veterans to really listen to Lane, not only because she has the same first name that I do, but we have been accused of having a kind of male dominated institution in the Veterans Administration. I have read your testimony in advance. It is some of the best testimony I have read in a long time.

You have raised some issues even about what we have done in Congress to try to help to improve that legislation in terms of terminology and so forth. You have given excellent testimony. That is why I want everybody to listen very closely to what you have to say. Lane, if you would pull the microphone closer to you.

STATEMENTS OF LANE E. KNOX, PRESIDENT, WOMEN VETERANS OF THE UNITED STATES ARMED SERVICES; JOANN WILLIAMS, EXECUTIVE DIRECTOR, CHICAGO VIETNAM VETERAN FAMILY ASSISTANCE PROGRAM; RONALD E. PATTERSON, EXECUTIVE DIRECTOR, LAWNDALE VETERANS RESOURCE CENTER; AND JOSE LUIS MARTINEZ, READJUSTMENT COUNSELING TECHNICIAN, VETERANS RESOURCE CENTER

STATEMENT OF LANE E. KNOX

Ms. KNOX. Okay, thank you. First of all, I would like to state that I am really grateful that you are letting us testify today. Ten years ago women veterans would not have been allowed to testify. So we have come a long way.

First of all, I want to say the health issues of women veterans in this country have been of great importance to some people and of little importance to other people. In reality, the vast majority of women veterans never use VA hospitals. There are probably several valid reasons for this.

One, VA hospitals have the reputation, the appearance, and the image of being in business for male veterans only.

Two, some of the staff in VA hospitals seem to be insensitive and uncaring to women veterans. Unfortunately, this may be the staff that women veterans encounter on their first initial visit to the hospital.

Three, privacy for women veterans when they are being seen in outpatient clinics is still lacking.

Four, medical services and medical personnel that are needed only by women veterans are only available on part-time schedules. In case of a need for immediate attention, you are out of luck as far as getting same-day appointments.

Five, there is a lack of birth control available for women veterans of child-bearing ages.

Since the DVA is mandated to provide services to women veterans, and the number of women veterans are increasing as a result of the downsizing of the military, in all probability, the number of

women veterans availing themselves of these VA hospital services should increase. However, there is a need to make the provisions in the VA more attractive to women veterans.

If we look back 10 or 20 years ago at the treatment in services women veterans were receiving then, comparing to what women veterans are receiving now, it must be said that there have been some improvements.

Women veterans have private rooms while they are hospitalized, mammography examinations have been taken out of trailers and put into the hospitals to make it more comfortable. There have been concentrated efforts to hire full-time women veteran coordinators in the VA hospitals.

There has finally been a law passed, Public Law 102–858, Veterans Health Care Act of 1992, Title I, Women Veterans Health National Training Programs. This law places special emphasis on training VA employees to treat women veterans who were sexually harassed or assaulted while in the military.

This is something that was long overdue. However, I feel that there are still some problems that need to be addressed. I, speaking as a woman veteran, have some problems with some of the language in this law. First of all, as the law reads now, the VA will provide counseling services through December of 1995.

Does the VA really think that sexual assault or rape is only a temporary incident to the victim, and that no matter how long ago it happened you can relieve it over and over again. It is something that a victim never forgets. You live with trauma for the rest of your life.

The second point in this particular part of the law states that for a woman to be eligible to receive counseling, she must seek counseling from the VA within two years after the date of her discharge or release from active military service.

On this point I would like to know what about women who have been out of the service longer than the two years cut-off date? If they meet the criteria for the sexual trauma counseling services, then according to the law, they would not be eligible for services because of the two years.

I basically believe that this law is a good one, but I also believe it could become a much better law with some changes that would be more beneficial for the women veterans it is designed to serve.

Some of the veterans who were deemed eligible for these positions have now hired the personnel for the Women Veterans Sexual Trauma Coordinators. These women that were hired for these positions received sexual trauma clinicians training the week of September 13 to 17, 1993, in Virginia Beach, Virginia.

A large percentage of women who went or who still go into the military are minorities, so I feel strongly at this conference and on the planning committees, there should have been some input from minorities.

There were nine people on the Planning Committee. Of these, there were one African-American male, and he was removed. There were no African-American women on the Planning Committee, and no African-American women veterans on the Woman Veterans Panel at this conference.

As far as presenters go, there was one African-American woman and one Asian woman on cultural issues. Their time was reduced. There also were no paid African-American presenters. This information is very significant to us because the faulty or presenters consisted of 28 people. On the Women Veterans Panel, there were nine.

The woman veterans sexual trauma coordinators positions were not given veterans preference. Therefore, these women may or may not be women veterans. This is not to say that one must be a woman veteran to do the job, but it would have been more meaningful if the woman would have been a veteran herself.

The reason I say this is because as a rule women veterans, as a population, don't come into agencies or organizations in large percentages, according to their numbers. Some of them are not even aware of these places or services.

Why? Because it is mind-set that these traditional agencies and service organizations are male dominated, specially geared and set-up for male veterans, and have little concern for women veteran issues and needs. Whether or not this concept is right or wrong, the image and perception is there. It will be there until there are some changes within the systems.

The Vet Centers had this chance to try and start changing this image by doing everything in their power to hire women veterans for these positions. I am sure some of the centers did, but judging by what I know of the recruitment efforts, there was no preference written into the criteria or recruitment efforts made to find qualified women veterans.

Simply put, the title "Women Veterans Sexual Trauma Counselor" is misleading, though not wrong. Women veterans have a strong tendency to bond right away because they have one thing in common—"a woman veteran."

It is sometimes very difficult to open up to strangers about being a woman veteran in the first place because of the stigmas attached to that. To talk about a sexual trauma also only makes it much more difficult.

Women veterans will not come running into Vet Centers because all of a sudden they have decided to focus on women veterans. This is something that should have happened years ago. To make it part-time and for now temporary, is really not sending out a strong clear message to women veterans.

I would like to offer the Vet Centers some suggestions. One, there should be at least one full-time woman counselor or team leader—this should be mandatory—employed at the Vet Centers.

Two, there should be weekly support groups for women veterans at the Vet Centers mandatory—not based on the whims of team leaders.

Three, Vet Centers should have paraphernalia that reflect women veterans. This should include literature, pictures, paintings, tapes, seminars, et cetera.

Four, all Vet Center employees should be required to take training on sensitivity and the history of women in the military. Ongoing and as needed, part of orientation for new employees.

Five, each Vet Center should have an advisory group of women veterans. This group should be permanent.

To go a little further with another example of how the Vet Centers may be just a little unfair or shortsighted most of the Vet Centers now, or in the past, have run rap or support groups for combat veterans. A great effort was made to have these groups facilitated by a person who was a combat vet themselves. Of course, this is only the right and fair way to run a group that everyone involves shares the same experience.

It is just like a disabled person trying to explain how difficult it is to try to maneuver up stairs when you are in a wheelchair to a person who can run up and down stairs, or a woman trying to explain the feeling of labor pains to a person who has ever experienced labor.

You can empathize and feel for these people, but we know in all sincerity it is not the same as the real experience. We recognize, however, that there aren't enough women veteran counselors for every women veteran, or there will not be enough qualified African-American counselors for every African-American veteran that come into the Vet Centers.

We are only saying at the minimum there should be training and input from the same culture or sex in relationship to the population that you are targeting to serve. These are the considerations which we would hope the Vet Centers would incorporate in their hiring and training practices in the future, and when they are planning programs for women or any other special targeted-population.

It is only then that these programs can work. The Vet Centers must not continue to set-up programs that do not reflect planning ideas and presenters from minorities. They must also try harder to recruit qualified women veterans. Only then will the image and perception of the DVA change to women veterans. After all, the mental health of a woman veteran is just as important as her physical health.

In all fairness to the DVA, I must say some of the hospitals and Vet Centers are really trying to outreach to women veterans to make them aware of their benefits in regard to health care services. However, according to the National Association for Black Veterans, Inc., Milwaukee, Wisconsin, "despite annual increases in its budget, the VA system has been eroded by greater increases in inflation and medical costs.

"Since the 1970s, thousands of VA medical employees and other staff have been cut. Understaffing has made retention of medical professionals, especially nurses, more difficult. Entire wings have been closed. Tough and arbitrary eligibility requirements have been put into place.

"Co-payments on prescriptions have been instituted. Elimination of travel benefits have placed an undue burden on extremely indigent veterans who have to travel outside of their communities for VA services. The delivery of services is often inefficient and overly bureaucratic. At times it is perceived as deficient.

"Additionally, VA hospitals presently do not have to compete with other hospitals. This does not encourage reform or improvements in level of care."

This certainly coincides with my belief that this is one of the main reasons why full-time gynecological services are not available

which could also include prenatal and delivery care at VA hospital for women veterans, or why there cannot be a women's clinic and hospital wing for women veterans.

If the VA is serious about improving the care of women veterans, it must compete for these women and given them the services they need as women, the medical professionals they need as women, and the sensitivity they need as women in regards to privacy and counseling. Women will continue to join the military. They will continue to become veterans. Therefore, the DVA must continue to improve the health services for women veterans of today and tomorrow.

Thank you.

[The prepared statement of Ms. Knox appears on p. 134.]

Mr. EVANS. Thank you, Lane.

In terms of the two-year requirement, it is expected to be changed by legislation which is pending before the whole House of Representatives.

It should be voted on before we adjourn for the year. It has already been agreed to by the Senate, but we have made some other very positive suggestions that I think we have to make in other legislation.

We are continuing to work with you as we work through this system on these issues.

Ms. KNOX. Thank you. I am glad to hear that.

Mr. EVANS. JoAnn, whenever you are ready, please proceed.

STATEMENT OF JOANN WILLIAMS

Ms. WILLIAMS. Yes, first of all, ditto to Lane on behalf of women veterans. As a woman veteran, I can appreciate her comments.

I would like to take the opportunity to thank the Honorable Congressmen Lane Evans and Luis V. Gutierrez for inviting me to speak here today.

The Chicago Vietnam Veterans and Family Assistance Program is a three-year old, community-based, not-for-profit, IRS tax-exempt veterans' organization founded in 1990.

In the fall of 1992, we received a contract with the City of Chicago, Department of Human Services, Homeless Services Division, with cooperation from the Chicago Housing Authority, CHA, public housing, to rehab 50 vacant, vandalized, and abandoned apartments in CHA. These apartments were used as "drug dens" gang hang-outs, and worse.

Our program was a success. We completed 57 apartments, seven more than contract requirements. These units are currently occupied by formerly homeless individuals. These subsidized units provided permanent shelter for Chicago's homeless. A display of our project is in the rear of the room.

According to the Chicago Coalition for the Homeless, there are approximately 60,000 homeless individuals in Chicago. It is estimated that one-third, or 20,000, of the homeless are veterans. Approximately 60 percent of the homeless are of the Vietnam era, with a growing number of women and Persian Gulf veterans.

Economic conditions and public policy: The Illinois Department of Public Aid has drastically cut general assistance to unemployed single persons. In this year alone, it is estimated that there are

65,000 people, primarily single men in Chicago, with no source of income as a result of state budget cuts in general assistance.

According to the United Way of Chicago, in Illinois, funding for employment and training programs declined by 51 percent. The Chicago region lost over 200,000 manufacturing jobs over the past 15 years.

Chicago is a hostile environment for veteran community-based organizations to function. Funding is geared to larger, well-established agencies such as United Way, Catholic Charities, et cetera, to address social problems. There is also belief on the part of the American public that the government takes care of veterans.

Once again, veterans are "lumped" in the pot with other non-veteran specific social service agency programs where, in many instances, they don't fit.

Housing: The Department of Housing and Urban Development and the Veterans Administration should designate a clear numerical set-aside of housing for donation, lease, or mortgage for homeless veterans projects.

The Chicago Housing Authority has several thousand vacant units and scattered site properties. A few of these scattered site properties, which range from 30 to 60 unit buildings, could be donated to veteran organizations to rehab and house homeless veterans. We could also incorporate hundreds of skilled craft trades jobs and train and employ, as well as house veterans, in the process.

The VA could easily and clearly establish a home set-aside for veterans' organizations to assist veteran transition into home ownership. The VA could establish a better outreach to lease VA property to veteran organizations to help shelter the homeless under the Homeless Veterans Comprehensive Service Program Act of 1992.

This past Wednesday, I visited the Chicago Regional VA Office and talked to Mr. Rogala, Loan Guaranty Officer regarding their program to provide VA loans to homeless providers under the Homeless Veterans Comprehensive Service Program Act of 1992. This program would allow VA property to be donated, leased, or sold by VA as mortgagor to not-for-profit and veterans' organizations to provide shelter for homeless.

I asked if any veterans' organizations were taking advantage of the program. He first stated that Chicago VA elected not to participate in the program. After I further inquired as to why, he stated, "There was no interest by veterans' organizations or not-for profit organizations in the program," which I find very difficult to believe.

My question to him, as well as to you members of the subcommittee is: Why? I suspect there has not been sufficient outreach by the VA to veterans' organizations. I further suspect this to be the case with RTC property, which can also be donated to veterans' organizations. Not one veterans' organization in this country has received any RTC property, to my knowledge.

I was further surprised to find that approximately 12 veterans—12—received the benefit of the VA Refinancing Program. This is the program whereby a veteran, with a VA-secured loan, experiencing difficulty with making mortgage payments, can refinance their loan at a lower mortgage cost, and make payments directly to the VA The VA will purchase their home. I am certain that more than

12 veterans in Chicago could have benefitted from this program. Again, lack of out-reach.

I find it difficult to believe also that in a city as large as Chicago, there is no U.S. Department of Labor, Homeless Veterans Reintegration Program, to aid in skills training and veteran employment. I am sure that Mr. Sam Parks, Director, Regional U.S. Department of Labor, Veterans Employment and Training Service, would be willing to work with us to assure that Chicago has an HVRP program in 1994.

In conclusion, we need your support for funding a comprehensive supportive services program for our veterans, as well as strong monitoring of current housing, education, and employment programs which could benefit homeless veterans here in Chicago.

We need your eyes, ears, and voice to communicate with us on issues affecting our homeless, as well as your Congressional leverage to help alleviate the job and veteran homeless crisis. Help us locate and acquire government property through base closings, HUD, VA, and the RTC.

To Congressman Gutierrez, as a former City Council member, persuade your former fellow City Council members to pass legislation that the Chicago Abandoned Property Program (CAPP) set aside 10 percent rehabable multi-family properties for homeless veterans programs.

Talk to the City Department of Housing and persuade them not to just give Community Development Block Grant (CDBG) dollars to big developers and big not-for-profit organizations. Veterans must share the dollars in this economic system which they helped to preserve, protect, and defend.

Congress must monitor our financial institutions for compliance with the Community Reinvestment Act, and encourage them to provide lending for rehab and mortgages to veterans' organizations who are doing their part to help rehab property for homeless veterans.

Veterans who served this country deserve more because, in many instances, they have given more. To gain access to many of the veterans DD 214s and 201 files, many of these homeless veterans have indicated that they have served quite honorably.

From purple hearts, to bronze, and silver stars, they have given the most to defend our country. The least we could do is to return to them the respect they have so diligently earned, and a decent, affordable place to sleep and live. I will diligently work with Congressman Gutierrez in any capacity to help eliminate veteran homelessness.

Thank you very much.

[The prepared statement of Ms. Williams appears on p. 138.]

Mr. EVANS. JoAnn, thank you. I am sorry to see that you face a hostile climate, in your opinion, because community-based organizations, or CBOs, are what we want to rely on for outreach to veterans who aren't being reached by government programs.

I hope to provide legislative funding for CBO-based initiatives for homeless veterans of about $10 million, hardly enough money to cover the problem, but a major expansion and a new way of reaching these veterans. If we can prove its merits, it would give some

assistance to these organizations. It could reach more people than it has in the past.

So, we appreciate your continued efforts.

Ms. WILLIAMS. Thank you.

Mr. EVANS. Mr. Patterson.

STATEMENT OF RONALD E. PATTERSON

Mr. PATTERSON. Thank you.

First, I would like to thank our Congressman for having me here and allowing me this time.

We are the Longdale Veterans Resource Center of Chicago. We are the only unionized preapprenticeship job training program in the building trades in the City of Chicago for both men and women, to teach them building trades and provide them with enough skills so that they will be able to take the union's regular apprenticeship exam and be selected from the list.

Under our program we are willing to accept people with or without a high school diploma. We will take them into the program, put them to work making between $6 and $8 an hour, allow them to go to school at night if they don't have a high school diploma or if they have difficulty or deficiency in reading or math through city colleges they would receive tutoring. We are open-ended. We are also the only training program in America that will give you work clothes, work shoes and hand tools. We try to provide carfare and $5 food allowance until they get their first check.

In this discussion I would be very remiss if I did not mention our state Veterans Administration office under Mr. Poshard and under Bob Foster. They have been extremely, extremely valuable to us. We are unfunded and with their help we have gotten work clothes and work shoes and a lot of the tools and things that we give to these homeless veterans.

That anyone should be homeless in the City of Chicago is a sin. That veterans who have served honorably and fought for this country to be homeless is a shame. Joann just mentioned that they estimate that there's 60,000 homeless people here and that one-third of them are veterans. The numbers that I have indicate that the number is higher. Nationally they say that 40 percent of all homeless are veterans and in Chicago the number is more like 43 percent.

If you do not have an address, you've become a new class of MIA—Missing in America. You are not eligible for many services, public aid, and other organizations that might help you had you a mailing address.

Our project, which can work on two fronts, can address two problems facing the veterans' community simultaneously—one, reeducation and job training to provide a meaningful career that pays something more than $4.35 an hour; and secondly, to allow us to be able to rehab units that are now sitting vacant and doing nothing but deteriorating or waiting for some high-priced developer to come along and turn it into another Dearborn Park.

We are interested in working with other 501(C)(3) organizations, Joann and I working together, we're seeking to work with the veterans, Vietnam Veterans of America, the veterans of Business Resource Center and others so that we make a concerted effort to be

able to take all the job services, job opportunities, business opportunities, and everything so that we are putting more and more veterans to work.

We would like your help not in the traditional manner. Traditionally when a 501(C)(3) has approached our veterans' organizations they have asked for funding for administration and this. We are asking money for jobs. The money that is given to this organization can be used to rehab these units, these buildings, put them on-line, allow them to be permanent residences for veterans. Right now public aid will give a veteran a 90-day voucher to go live in a single room occupancy hotel with no kinds of services, no kinds of follow-up, nothing to help the veteran to be able to do better. Our program is meant to help the veteran to get back on his or her feet and move on down the line.

We would like to see this program be able to expand into transitional, secondary, Section 8 housing, and any other types of housing that we can get that we can put veterans and their families into. We are very grateful to the unions in Chicago, the four unions that have agreed to work with us. The fact that they are willing to do the training on the job on a 1 to 5 ratio shows that even they have understood the plight of the veterans and the needs for job training for people in our city and we hope that you will help us by taking a very strong look at the work that we have already done and the work that we have yet to do, and any help that you can give us will be most greatly appreciated.

Thank you.

[The prepared statement of Mr. Patterson appears on p. 143.]

Mr. EVANS. Mr. Patterson, I don't know of any program like this in the country. You're unique to my understanding. Maybe there are some but——

Mr. PATTERSON. We are not aware of one either. I have people coming from other cities to see how we got the unions to agree to work with us and waive Davis-Bacon, the prevailing wage and other requirements.

Mr. EVANS. We don't have a similar program, but we are working with the American Legion and the Laborers' International Union to help train some discharged military personnel to become environmental cleanup specialists to deal with the cleanup of the nuclear waste facilities. This wouldn't probably help veterans in Chicago directly, but the concept may.

It's the idea that the people who dealt with these materials while in the Armed Forces can use their military experience in civilian work. That comes from the so-called conversion program funding in the Armed Services bill, so that may be another resource that we have to look at to try to get these kinds of programs. I just think your program is very innovative and I'd like to come out some time and see your program and learn a little bit more about it. I'm pleased to see the support of the building trades in this program and hopefully you'll have great success.

Mr. PATTERSON. Thank you.

Mr. EVANS. You're welcome. Mr. Martinez.

STATEMENT OF JOSE LUIS MARTINEZ

Mr. MARTINEZ. Mr. Chairman, Congressman Gutierrez, thank you very much for the opportunity to appear before you this morning.

I applaud your stated goals of improving access to health care, adjudication of claims, and job training and providing housing for the homeless. However, there is a greater need, and this need is in reaching the veteran and informing him of service and program availability.

The Vet Center program which was introduced to serve the Vietnam vet in storefront settings has been very successful. However, the fact remains that there's a great number of veterans that are out there suffering physically and psychologically that have not sought services. Some of it is due to lack of trust in the system and actually hostility toward any government program but some of them are just because they are not informed.

In Chicago I have become aware recently that the Hispanic community is in great need of outreach. There is no awareness or very little awareness of what services and programs are offered.

I was appointed to my present position in January of this year and have concentrated my outreach efforts in the Hispanic community and service organizations and I have been able to make some limited progress with the assistance of key persons within community-based organizations such as Mrs. Cordero, the State Director for L.U.L.A.C. here in Illinois and Mr. Salazar, who is with the Veterans' Outreach Program for the American G.I. Forum. With their efforts, we have been able to raise the level of awareness and participation in the VA programs.

Mr. Chairman, the Readjustment Counselling Service of the Vet Centers have an outreach program and they encourage the counsellors to do outreach in the communities they serve. However, special attention is needed in areas of the veteran community where cultural differences exist.

I am one of two Latinos in the Chicago area. The other one is Mr. Roque Ramos at the Gary Vet Center and there is only one other counsellor in the region and he is in the Vet Center in Detroit, Michigan. There are other Latinos in staff in other Centers throughout the region; however, it is my view that Latino staff are still far too few in number to effectively outreach the community. Cities like Milwaukee, Minneapolis—St. Paul, of course Detroit, St. Louis, Kansas City could benefit from a greater participation and from the outreach that can be provided from this perspective.

We Latinos are for the most part a culture with strong family ties and we are very hesitant to go outside the family circle for counselling or assistance and the fact that a counsellor or social worker can approach a Latino veteran and talk to him in Spanish, even though that veteran speaks English, indeed can make the difference on whether he can get the trust and therefore be able to help him.

The obvious solution of course is going to be to hire more Latinos but that is not enough. We should implement and maintain a training program that will deal with the issues affecting the Hispanic community, special needs of Latino veterans both male and female and issues and norms unique to Latinos.

Secondly, an interdepartment focus group needs to be formed to identify needs within special segments of the veteran community and recommend a plan of action to alleviate these needs. Outreach needs to be coordinated to ensure coverage of the whole community without duplicating efforts. Outreach efforts need to be expanded to community-based and social organizations, colleges and universities, and churches. A special effort needs to be made to identify children of veterans within the public schools and the private and parochial schools and have a presentation of services and programs tailor-made for them. These children could then go home, inform and influence their parents.

Thank you very much.

[The prepared statement of Mr. Martinez appears on p. 147.]

Mr. EVANS. Thank you, Mr. Martinez.

The veterans identified in the Congressionally mandated study of post-traumatic stress disorder as having the highest incidence of post-traumatic stress disorder were Hispanic-Americans. I think your comments are very helpful to us and bring us to realize that much more needs to be done in reaching this group of veterans.

Thank you very much for your testimony.

I have already made comments or asked questions of each one of these panelists, so I'll yield to the gentleman from Chicago.

Mr. GUTIERREZ. Thank you very much, Mr. Chairman.

First, I want to say to Lane Knox that she contacted me about a problem. She saw and she told me and my staff that there weren't enough women employed in the Readjustment Counselling Services. We sent the VA a letter so that they could respond and I have a copy of that letter. We just received a response yesterday so we'll give you their response today. We just got it late yesterday before this hearing. They say that three women are employed in the Vet Centers to provide counselling in Illinois.

You are a pretty big authority. What do you think about that number of three women veterans are employed in Illinois and I know you haven't had a copy of the letter or benefit of that letter to analyze exactly what they are saying but if you could just respond to that?

Ms. KNOX. Well, the last count of women veterans in the State of Illinois were 45,000 women veterans. That's before the downsizing of the military so I'm pretty sure they are going to add a substantial new number to that and I think three women veterans in the whole State of Illinois to serve women veterans is a sham and it needs to be increased. (Applause.)

Mr. GUTIERREZ. We are going to, with the permission of the chairman, enter both the letter that we sent to the Veterans Administration and their response, and then we'll give you a copy of it and we'll be able, Lane, to talk more about it.

Mr. EVANS. We'll be glad to include it in the record. Without objection, so ordered.

Mr. GUTIERREZ. We'll enter it into the record and then we'll be able to continue to fight for more representation.

Ms. KNOX. Thank you.

Mr. GUTIERREZ. I want to continue with you for a moment, Lane.

I recently tried to make some amendments to a bill that we were dealing with in the Veterans' Committee. My amendment would

have added some basic gynecological and obstetrics care to services provided to women veterans. The bill was called the Woman Veteran's Improvement Act of 1993. I just thought that it was kind of silly that we had an improvement act to health services for women and we were ignoring a basic, fundamental medical need that women have. After all, a woman's reproductive organ is basic and fundamental to a woman's well-being.

I asked all the people, all my other fine members on the Veterans' Committee to just call their wives since, you know, there's only two women on the Veterans' Committee. I said why don't you just call your wives up and ask them because they kind of had this funny feeling that gynecological services and obstetrics that we were going to give you a special consideration, that that was like something special for women, and, you know, I attempted to do that for the health care of women veterans but I also wanted to do it for the health of the VA systems.

I believe that under national health care reform if the VA has to compete, compete for patients, with other health care providers, it must provide many of the same benefits that other health care providers do. Basically I'm worried that if the VA does not do a better job of caring for women veterans it will have a hard time surviving. After all, women make up today 12 percent of all the current people in our armed services personnel and the indications are that that is only going to increase in the future, so I just wanted you to comment a moment on that because it seems to me rather silly that under any basic health care—all Members of Congress, you know when we get our health care package that's paid for, I went and I checked.

I made sure and it says my wife has gynecological—and it's nothing special, no deductibles or anything. It isn't treated as something special. It's treated as something that we provide to all members. I checked all Federal employees and it's there.

Then I went back—when I worked at the City of Chicago every employee in the City of Chicago either because they are a woman or their spouse has a right to these kinds of services, and, you know, it seems that we just saw what was going on in Somalia and how we went there and we went to Somalia because there were dying children and dying women there and families and we wanted to save them and we wanted to help them get—you know, we wanted to save those children, but we won't do anything for that woman veteran when she comes back to the United States and she has a baby. She cannot go to the VA and say, well, you know something, I'm having a baby, can you help me along the way here and can you give me prenatal care and obstetrics so that I can have that child and I can have a healthy child?

We are doing a lot to make sure that children across the world are healthy, so I'd just like you to comment on that and what do we have to do?

Ms. KNOX. Okay, first of all, we have to realize that a woman is a woman before she goes into the military. She's always going to be a woman and that's part of her physical care that's always going to be needed, and I think that we have to break the cycle that women veterans are not going to go to VA hospitals unless they have all the services they need but then the VA hospitals are

kind of in a bind because they don't get the funding for that, and I think some of them, and I really want to comment on Westside VA Hospital. They are really trying to outreach to women veterans, to listen to what their needs are and try to do something about it, but they are not given the funding to hire full-time gynecologists and they can't do it.

Gynecologists are not going come to VA hospitals if they can only practice part of their doctoring, if they can only do, you know, the female health care specs, that type of stuff, but part of what they have to do is give prenatal care and deliver babies. Well, that's why they went into that field, to do that, and if they can't do that at VA hospitals why are they going to get on their staff? So it's kind of like a cycle and I think that even if you take one major hospital in one major city, for instance like Westside. I think they probably serve more women veterans than the other hospital because they are in the inner city and according to studies that's where most of the women veterans reside, in inner city or outlying callers.

Well, then they could have all those services in one hospital to be referred from other hospitals. That would save money. I think that would give the services that women veterans need. It would help the doctors and I think everyone would be happy but if they keep spreading our dollars here and there, then, you know, you can't get the services that you really need. I think a woman that lives on the north side wouldn't mind coming to the VA, you know, gynecological services including, you know, child care and childbirthing there because women are going to have babies. I mean, you know, that's a given, so we have to consider those things and just have to work with those things.

I think if we are going to put our hands together, those things can be done.

Mr. GUTIERREZ. Thank you very much, Lane.

I just want to make it clear to everybody that's here that we have to understand health care reform.

Health care reform means that the VA hospital is going to have to compete with every other hospital in the country because a veteran is going to have his veteran card and his right to go to the VA hospital, but he is also going to have the right under health care reform to choose to opt out and to use that medical card to go anywhere else and I have yet to see a successful hospital unless you know of a successful hospital somewhere in this nation where babies are not born, where we do not take care of infants and where children are not treated, and we have to understand that it's increasing.

Four percent of all the population today is women and that's a small population in terms of the total but it's a necessary one and I just want to say, Lane, continue your good work. It is important work in terms of sensitizing me to the needs because and I'll just end by suggesting to everybody in this room, think about who makes the health care decisions in your home and just ask yourself a question. If your child is sick in an emergency room and the doctor asks basic fundamental questions about your child and when they got immunizations and what they are allergic to and what they have been ill from in the past—do you want the father or the

mother to be there to answer those questions about that child's health history?

I know one thing. I wouldn't want to be there because it is women who are the primary caretakers and the selectors of health care, so male veterans when they come out of the services, their wives are going to make decisions about where they want to do that and let me tell you, they are not going to go to VA facilities unless we provide all the care that is necessary at any other hospital, so I just wanted to say thank you, Lane, for your testimony today and your good work.

I wanted to say to Ms. Williams that I share your interest in more funding and I want to tell you that Congressman Evans and I have been working, except we got a little bit screwed up over at the Appropriations Committee on the $10 million that was supposed to be used for purposes of finding more money and working for homeless veterans. We are trying to get more money from Washington and I am going to take your suggestion in earnest and go back. We'll get a letter out to the Commissioner of the Housing Department of the City of Chicago and out to the CHA, and we're going to make sure that happens as a consequence of your testimony here today and get them to work because I think I'd like you to comment a moment.

You'd like us to do more work—to show the projects and the good works that need to happen?

Ms. WILLIAMS. Yes, I think that would be a very good input but I also see what is happening in the foundation and philanthropic community is that for some reason they feel that veterans don't need any help.

I believe it's because, you know, they (government veteran agencies) have very, very good PR. Funding agencies say: oh, you've got the VA for vets and all these benefits for vets. There's a lack of sensitivity on the part of foundations and even the bureaucrats through various UDAG and CDBG programs which are Federal programs, that veterans just don't need help. So any input, not so much even new funding but funding that is already in place that just can be channeled to CBDS. If the Congress would monitor some of the programs that are already out there to make sure that veterans are getting information and these organizations are in compliance, it may not even be necessary to provide a great deal of additional funding.

The McKinney Act is out there. You have various HUD programs, VA programs, just monitor these current programs. New dollars may not even be necessary. What I am saying is just take a close look at those programs which can be used to benefit veterans and just make sure that we veterans are getting our fair share.

Mr. GUTIERREZ. Yes. Let me tell you, I didn't do it when I was on the Chicago City Council. I didn't give special attention and wasn't cognizant and recognizing, although I did a lot of work around the homeless issue and now we know that over one out of three people walking around the City of Chicago homeless is a veteran, and so I am going to try to do some more work.

I appreciate your comments. You know, parades are nice.

Ms. WILLIAMS. Thank you.

Mr. GUTIERREZ. Celebrations are nice. Waving the flag is a good thing—when they came back from the Persian Gulf and our Gulf War veterans, those are good things, things that we should do. We should celebrate our people but, you know, once the parades are over and the balloons are gone and the helium is left, they need basic kinds of fundamental services and so I thank you for insisting and raising your voice and the work that you have done.

Ms. WILLIAMS. Charity begins at home.

Mr. GUTIERREZ. Thank you.

Ms. WILLIAMS. Thank you.

Mr. GUTIERREZ. Thank you. Ron, number one, congratulations on your good work. I'm happy that you're here and I'm happy you talked to me about it very early on.

You said in your testimony that you are more interested in offering solutions rather than just going over the figures, but I was hoping that you could just offer us some insight into the facts behind those figures.

Sometimes I think it helps to know how we got into the problem in the first place, and that helps us arrive at a solution. For instance, you say that 43 percent of the homeless people in the Chicago area are veterans.

Could you tell us what went wrong that led us to this deplorable statistic, the 43 percent, and do you think that Federal and State policies affect and keep that number high, that 43 percent of the people homeless are veterans of this country?

Mr. PATTERSON. Well, it seems in everything that we have done, it seems to me what happens a lot of times is that people come out of the military with job skills that are not transferable. You know what I mean? There are not too many people looking for ammunition storers or, you know, jet plane refuelers or rocket refuelers when you come back out into the civilian life.

This leads to a lot of veterans being underemployed or unemployed. They generally, when you start talking to the guys on Lake Shore Drive, that are living over there, they tell you that they cannot find a job, because their skill level is not comparable to make them competitive with other people, and one of the other things that happens is that, when you give up three to four years of your life while the other did not choose to serve, he has a three-to-four-year jump on you in terms of a work record and all of those things. So, that leads to a lot of it.

We work with a lot of guys that are coming out of prison. There are a little over 2,000 men and women incarcerated in Illinois that are veterans, that have identified themselves as such, and that is just the state facilities.

If you have nowhere to go, you get out of prison, and you get $50, if you are lucky, they put you on the bus and they send you home and they say be good and go make it. You have got no jobs skills, no education, and $50. You have got nothing to do but take $50 and survive until Monday morning. It is a vicious circle.

If I am homeless, I cannot access the system. I cannot. Public aid will not talk to you. The VA has a hard time with you. Everybody has a hard time with you because you have no place—you have no address, I have no way to contact you. Ergo, you are not there.

The drug problem, particularly the corpsmen—I will give you some idea of just how silly some of the laws in the City of Chicago are.

We have a lot of corpsmen out of Vietnam that apparently are doing time for drug problems or something. The State teaches paramedic training to them, but when they come home, they cannot work in the City of Chicago, because there is a law on the books that says that they cannot get a chauffeur's license until they have been off parole—not just out, but off parole for five years.

So, you have got all of these guys that have training in the service, got additional training while they were in the penitentiary, but they cannot go to work in the City of Chicago. The ambulance companies want to hire them. That is a stupid law. It is antiquated.

Most of the other laws revolving around these people were already taken off the books. Why do we have this law?

So, it keeps going in this nice, big vicious circle. All we are trying to do—JoAnn, myself, Solomon, the Veterans Business Council—is to try to make opportunities for veterans.

There are jobs available right now, as se speak, out in the industrial corridor, many jobs. The Wendy's and Burger Kings out there pay $1.50 an hour more than they do in Chicago. The problem is that you have—if you are homeless and do not have transportation, there is no way to get there, and if you can take public transportation, it is a three-hour commute each way.

Wouldn't it make more sense to put a dorm up out there and let our people do the rehab work, put a dorm up out there where you can stay Monday through Friday, Friday night you have the option of either coming back into Chicago for the weekend and being picked up Sunday night and taken back to work, until you can either afford transportation or live in the area?

There are so many ways to do it. The problem is that, if it does not cost $100 zillion, you know—remember, we are the country that spent $500,000 on the flight of the Frisbee, we wanted to know how it flew, and if you built one that would fly, who is going to throw it? I have always wanted to know that.

We have a problem. If it does not cost a million dollars or more, it must not work. Sometimes more is less. There is a simple way to do things.

Let us make sure—we are trying to work through Sam Clark's office now with veterans that are coming out for the downsizing, to include some of them in this project, and we are looking into some other areas. I mean we have a number of other things that have opened up that we may be getting involved in.

If we are going to address the homeless problem and the problem of people in unemployment, we have got to take a realistic look at it. We cannot expect a man that has been unemployed for two years, living in a box in an alley, to have carfare to go to work.

You cannot expect him to have lunch money in his pocket. You cannot expect him to have changes of clothes. People say, if you bring them in here, they smell. I guess they do. They have no place to go to bathe. They have no clothing, no anything.

So, we have got to take a realistic look, just a little common sense, and I am not always certain—and I do not mean to be dis-

respectful, but I am not always certain that all of our governmental agencies use just a little common sense.

Mr. GUTIERREZ. Thank you very much.

I want to finish up with Mr. Martinez and say that I guess we have something in common. You are one of three Latinos employed by the Readjustment Counseling Service in a 13-state area. Well, as the only Hispanic Congressman from the midwest, I think I know a little bit about how you feel.

Now, I know what it takes to become a Member of Congress, but I am not clear what it takes to get hired by the VA and make that situation a little bit more equitable, especially in counseling services for the Latino community, and to answer why, I know why there are so few Latinos in other areas.

Maybe you could share with us something about this troubling disproportion of minority Latino personnel, because when it comes to combat service, it seems like we can be right up there, you know.

There is no question that, on the front lines, when it comes to Gonzalezes and Rodriguezes and Martinezes, we are good to be up there on the front line defending this country, and we have done so proudly. Maybe you could tell us a little bit why we are not on the front line in terms of the jobs and the services in the VA.

Mr. MARTINEZ. Again, one of the reasons is the outreach. We do not know about the programs, the services, you know, within the community.

Of course, there are certain other requirements as far as getting employment within the agencies. I can only say what it took for me to get on—about two years of questioning and one year of voluntary service before they had agreed to let me work for pay, which still is not that great. Again, the big thing is awareness.

Mr. GUTIERREZ. Well, we are going to work on that. I know I posed a difficult question, because then you have got to go back to see your bosses on Monday, and the Congressman is not there with his arm around you telling them not to mess with you.

So, I know it is a little difficult to come here, but I thought it was an important question, and just in case they do, you can call me up. I will give you my home number, in case, when you get back to work on Monday, they say you should not have answered the Congressman's questions, because I know what happens.

Most of the people who work in the VA are great people, but every now and then there is that one person who decides to take it out on the guy who came to tell the truth, and we cannot have these public hearings and think there are no consequences sometimes for the people who are speaking.

So, you know, Mr. Martinez, I will be there later in case you get into difficulties.

Mr. MARTINEZ. Thank you very much, but I am quite capable of standing on my feet and have proved that in the past.

Mr. GUTIERREZ. Good for you.

Mr. EVANS. Thank you all very much.

Let me say, when I introduced Luis earlier, I said he had not been silent on the committee. I think with two important issues, homelessness, where he helped organized the last Stand Down here in Chicago, as well as his work on the committee on women veter-

ans issues, he has been one of our great leaders. So, we appreciate his work, and thank you all very much for your testimony today.

The members of the next panel are Samuel Holmes and Michael Elliott. Samuel is Director of the Chicago Regional Office, Veterans Benefits Administration. He is accompanied today by Richard Mazzulla, Assistant Adjudication Officer; Ronald Rogala, Loan Guaranty Officer; and Richard Handzel, Veterans Services Officer.

We have your statement, Mr. Holmes, if you would care to summarize, that would be fine.

Mr. GUTIERREZ. Welcome, Mr. Holmes and all of your fine distinguished panel, we welcome you all here, and Mr. Elliott, who I believe is the Chief, Architectural and Engineering Division, Central Office of the VA National Cemetery System. I know we have questions for you.

Please proceed, Mr. Holmes, and welcome.

STATEMENT OF SAMUEL HOLMES, DIRECTOR, CHICAGO REGIONAL OFFICE, VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS ACCOMPANIED BY RICHARD MAZZULLA, ASSISTANT ADJUDICATION OFFICER; RONALD ROGALA, LOAN GUARANTY OFFICER; AND RICHARD HANDZEL, VETERANS SERVICES OFFICER; AND MICHAEL ELLIOTT, CHIEF, ARCHITECTURAL AND ENGINEERING DIVISION, CENTRAL OFFICE, DEPARTMENT OF VETERANS AFFAIRS, NATIONAL CEMETERY SYSTEM

STATEMENT OF SAMUEL HOLMES

Mr. HOLMES. Good afternoon, Mr. Chairman and members of the subcommittee. My name is Sam Holmes. I am Director of the VBA Regional Office in Chicago, and I am very pleased to be with you today to discuss the operations of the VA Regional Office in Chicago.

As you know, our office is responsible for processing veteran benefits claims for the more than one million veterans living in Illinois, as well as their dependents.

I would also like to recognize, in addition to the staff at the witness table, my Assistant Director, Mr. Jerry Lorang, who is present here with us in the audience.

We all recognize that this is an era of doing more with less. At the same time, there is, throughout the Federal government, a growing determination to maintain a strong customer focus and to utilize these scarce resources as effectively as possible, and this is especially imperative within the Department of Veterans Affairs, where our mission is serving those who have so honorably served this nation, and our accomplishments are measured only by our success in serving our veteran customers.

Following the format of the letter which invited the Secretary, I will attempt to address those issues identified as being of interest to the subcommittee. For the sake of brevity, I will just highlight the points that are made in my written testimony, which has already been provided to you.

The adjudicative process for veteran benefits has become an increasingly complex and challenging task. Our average days to complete an original compensation claim, although far above what we

would like it to be, compares very favorably with the national average.

The Chicago Regional Office average for the fiscal year ending September, 1993, was 155.9 days. The national average was 188.7 days.

Our average to complete an original pension claim—that is a non-service-connected pension claim—also compares very favorably with the national average. The past fiscal year, our average was 106 days; the national average was 118.5 days.

Approximately 24 percent of our workload involves reopened claims. These include claims related to service connection, line of duty, and similar basic entitlement factors and claims for increases.

At the end of fiscal year 1993, Chicago had 3,140 reopened cases pending, with only 386 cases pending over 180 days. Our average days to complete was 99.8 for the fiscal year, and this, again, compares very favorably with the national average, which was 123.6 days for the same period.

For fiscal year 1993, compensation and pension claims averaged 13,774 monthly. This represents a dramatic increase over the 11,000 monthly average that was pending in the prior year.

The increase in pending workload is attributable to budget reconciliation work, especially in the area of Income Verification Match, which is mandated by the Omnibus Budget Reconciliation Act of 1992, and the increase also reflects dramatic changes in processing of claims due to Court of Veterans Appeals decisions.

Mr. Chairman, in discussing the Regional Office operations, I would be remiss were I not to briefly bring to your attention some of our Loan Guaranty Division activities.

In September of this year, we received national recognition for having sold the largest number of properties in the entire central area over the last three years.

Our average loan guaranty claims processing time is currently less than four days, and this is measured against the Central Office standard of 30 days.

During the past year, our sales-to-acquisition ratio for homes within our inventory was 120 percent.

The Chicago Regional Office constantly explores veterans job training and business opportunities for veterans, and we find that the business and economic opportunities for veterans in the Chicago area are about the same as for nonveterans.

However, the number of veterans entering the job market for the first time is increasing due primarily to the downsizing of the military services.

Consequently, competition for jobs is very keen. We are optimistic, however, that the Service Members Occupational Conversion Training Act, commonly known as SMOCTA, will enhance veterans' opportunities to find on-the-job training positions that will lead to long-term and, hopefully, permanent employment.

When providing vocational counseling to our customers, we are ever conscious of growth areas in the economy, and when giving occupational advice to our veteran customers, we keep current trends in mind as provided to us by the Department of Labor, Bureau of

Labor Statistics, and we make our veterans aware of the advantages of a career in a growth area of the economy.

Mr. Chairman, I, too, share the subcommittee's concern, as well as the concern of earlier witnesses, relative to the issues and problems of homeless veterans, and I am pleased to report to you that the Veterans Benefits Administration has several benefit programs to offer assistance in the problems of homeless and to prevent homelessness.

Additionally, we provide a major service which has clearly reduced the number of cases of homeless veterans. This program works to identify and assist veterans and other VA beneficiaries who are totally disabled due to mental or physical disabilities placing them at personal and/or financial risk and increased risk of homelessness.

On the individual's behalf, the program determines the best possible fiduciary or third-party payee to manage the veteran's or the beneficiary's funds and to provide for his or her well-being.

Once a fiduciary arrangement is established, there is a constant monitoring and review of the utilization of funds. Through this program, some 125,000 beneficiaries are protected from the risk of homelessness. The Chicago Regional Office has responsibility for 3,800 of these beneficiaries.

Mr. Chairman, other programs and initiatives which are utilized and dedicated by the Chicago Regional Office to assist homeless veterans include expedited claims, special consideration for selling VA-acquired properties to agencies sheltering the homeless, and direct deposit of VA checks to financial institutions designated by the veterans, whether they have a permanent address or not, and to ensure that our customers are fully aware of these initiatives, staff from my Regional Office regularly visits shelters and other places where the homeless are known to gather.

In summary, Mr. Chairman, I would like to assure you and your subcommittee that every effort is being taken by the staff of the Chicago VBA regional office to provide quality service in a compassionate and caring manner.

I would again like to thank you for the opportunity to present this data to you and your subcommittee, and we invite any questions which you may wish to ask to clarify anything that I have said.

That concludes my testimony, Mr. Chairman, and thank you for your kind attention.

[The prepared statement of Mr. Holmes appears on p. 149.]

Mr. EVANS. Thank you, Mr. Holmes.

Mr. Elliott.

STATEMENT OF MICHAEL ELLIOTT

Mr. ELLIOTT. My name is Michael Elliott. I am Chief of the Architectural and Engineering Division, Department of Veterans Affairs, National Cemetery System.

Good afternoon, Mr. Chairman, Congressman Gutierrez, other speakers and guests.

I am pleased to be with you this morning to represent VA's National Cemetery System and to discuss plans for the possible construction of a new national cemetery in the Chicago area.

At the very beginning, let me emphasize that VA Secretary Jesse Brown has taken every opportunity to express his support for a national cemetery for the veterans of the Chicago area.

In May of this year, Secretary Brown said—and I quote—"I am reiterating VA's commitment to construct a new national cemetery for the more than one million veterans of this region. America's veterans have earned access to an honored resting place. I am taking steps to ensure there is no further delay in this vitally needed national cemetery."

The National Cemetery System, NCS, provides burial space for veterans and eligible spouses and dependents. There are 114 cemeteries in the system, and last fiscal year, more than 67,000 veterans were interred in those facilities.

In response to Public Law 99–576, VA, in a 1987 report to Congress, identified 10 geographic areas of the country most in need of a new national cemetery. The Chicago area was identified as number one on the list in terms of need.

Congress appropriated funds in fiscal year 1988 to conduct an Environmental Impact Statement, EIS, and VA studied three sites: Cissna Park, Fort Sheridan, and Grant Park. The EIS identified the northern portion of Fort Sheridan as the preferred site in October, 1991.

Under provisions of the Base Closure and Realignment Act, the Department of Army sought fair market value for the Fort Sheridan land. Army appraised the land at more than $35 million. VA offered $6.9 million, and negotiations failed to reach an agreement.

In May of 1993, the Deputy Secretary of Defense wrote Secretary Brown and said, "In view of the great disparity between your offer and the appraised fair market value of the Fort Sheridan property, it does not make sense to begin negotiations all over again."

Secretary Brown determined that further negotiations over Fort Sheridan would only cause unacceptable delay in providing a cemetery to the veterans of the Chicago area.

It was at that time that he directed NCS to review alternatives to expedite the process of bringing a new national cemetery to the veterans of this area.

In June, NCS staff again visited the Cissna Park and Grant Park locations. Following Secretary Brown's guidance, several other sites in the Chicago area were also explored. One of those places, located at the Joliet Army Ammunition Plant, is referred to as Hoff Woods.

The Hoff Woods site recently became available after plans to construct a research facility were terminated by the Department of Army.

When VA's original site search began in 1988, some sections of the Joliet Army Ammunition plant were considered, but found unsuitable for construction of a national cemetery at that time.

Based on these recent visits, however, an expedited Supplemental Environmental Impact Statement, SEIS, was undertaken to include the Joliet Hoff Woods site. The draft SEIS was released on October 8th.

Still included in the SEIS, the Cissna Park site is a 200-acre rectangular parcel of farmland 95 miles south of the Loop. Illinois Route 49 borders the site, located across from Cissna Park High

School. Approximately 632,000 veterans live within 75 miles of Cissna Park.

The Grant Park site, near Manteno, located on the Kankakee/Will County line, is a 270-acre rectangular parcel of farmland five miles east of Interstate 57. It is approximately 45 miles south of the Chicago Loop. Surrounding lands are devoted entirely to farming, and 818,000 veterans live within 75 miles of that site.

The Hoff Woods site is a 1,000-acre section of land contained within the Joliet Army Ammunition Plant Reservation approximately 52 miles south of the Loop with extensive frontage along State Route 53 on the east and Hoff Road to the north. The parcel is rolling woodland and grassland that was not used for arsenal activities. More than 854,000 veterans live within 75 miles of the Hoff Woods site.

The SEIS summarizes the advantages and disadvantages of each site, but does not recommend a preferred alternative at this time. The draft SEIS will be available for public comment through November 22nd. Copies were provided to the offices of the Illinois Congressional Delegation and other interested parties.

The preferred alternative will be announced in the final SEIS, to be published after VA officials and consultants have considered comments on the draft.

Let me once again emphasize that VA is committed to providing a national cemetery to the area's veterans with as little delay as possible. We hope to complete this project and be able to dedicate a new national cemetery, a national shrine for this area's veterans, by November of 1997.

This concludes the summary of my comments, and I would be happy to address any questions you may have.

Thank you.

[The prepared statement of Mr. Elliott appears on p. 154.]

Mr. EVANS. Thank you, Mr. Elliott.

Mr. Elliott, is it really realistic, given the other evidence that we heard today, to have this timetable of November of 1997 actually be implemented?

Mr. ELLIOTT. We feel so. It is a good question. Tom Fitzgerald is correct that it takes seven to eight years from the very beginning, starting with site selection, to the time the cemetery is opened. However, we think we are ahead of the game now.

We already have information on Cissna Park and Grant Park that was done in the prior EIS. Site selection is essentially behind us. If we can continue on with the three sites, including the Hoff Woods site at Joliet, we are a step ahead of the game.

We have funding of $1.5 million that has already been provided by Congress in fiscal year 1991 for land acquisition and master planning.

Mr. EVANS. Knowing that my colleague will ask you questions related to the number one problem in America relating to cemeteries, I have a parochial question.

I have heard three different timetables today for the Rock Island Arsenal Cemetery to be closed, all of them before I intend to take up permanent residency there. Can you tell us when it is supposed to actually be closed?

Mr. ELLIOTT. Let me refer to the EIS, if I may. Rock Island, we state in here, would close in the year 2013.

Now, one reason for the disparity may be because we have a current construction contract underway there now—I think it is just being completed—which brought on additional gravesites.

Mr. EVANS. Thank you.

Mr. Holmes, we have a lot of questions that we are going to submit to you in writing, and your responses to those questions will be entered as part of this record, but I do have some relating to housing issues that I would like to bring up, and you can defer to any of your staff.

You indicated one of the things that we could be looking at is VA-acquired properties for homeless providers. Yet, during her testimony, Ms. Williams stated that you have opted not to participate in the national program where VA-owned properties could be made available through lease or sale at reduced price to organizations serving homeless veterans. Is this true?

Mr. HOLMES. Not completely, Mr. Chairman. Ms. Williams did, in fact, visit with Mr. Rogala, my Loan Guaranty Officer, and he informs me that there is a test going on within the VA nationally to determine the feasibility of leasing properties to agencies providing shelter for the homeless.

Mr. EVANS. A test program? A pilot program?

Mr. HOLMES. Yes, a test program.

What Mr. Rogala told Ms. Williams—and correct me if I am wrong, Ron—is that we, the Chicago Regional Office, are not one of the test stations.

However, if she presented proper credentials and a proper request, we would go to Central Office to request that they make us a part of that test. Is that correct, Ron?

So, we did not deny her that. We simply stated that we would be glad to accommodate her if Central Office made us one of the test stations and she submitted the proper credentials.

Mr. EVANS. I do not understand the test nature of this. It has worked well in places like Pittsburgh where I have visited. I would hate Chicago to be behind the curve on this.

How many properties have been sold or leased to service providers here in Chicago? None at this point?

Mr. HOLMES. Permit me, sir, to refer that question to Mr. Rogala.

Mr. EVANS. All right.

Mr. ROGALA. Sir, we are involved in the sale of properties. We are dealing with 14 homeless providers right at the present time. We have sold two properties to homeless providers for use in the homeless program. We are involved in the homeless program in sales.

The issue that I discussed with Ms. Williams two or three days ago was the question of leasing, and our Central Office has adopted a pilot program in the leasing of properties.

You must remember, too, that eight years ago we had 4,000 properties in the inventory of the Chicago Regional Office, which handles the entire state. At present, we have only 268 properties on hand. We have made tremendous inroads in the inventory of property.

As such, frankly, we sell approximately as many properties as we get as quickly as we get them, and all of these properties that are involved in the various programs of either sale or leasing are properties which are held for extremely long periods of time under the program.

We do not hold properties. Every property that we put on the market generally now is sold, and frankly, while we are anxious to participate in the leasing program with an organization that is interested in leasing—and I thought I made that clear to Ms. Williams—she is the first provider that has contacted us at all, in spite of our effort.

Mr. EVANS. Perhaps it would be useful if Congressman Gutierrez's staff could sit down with Ms. Williams and yourself sometime in the immediate future, to arrive at a suggestion agreeable to all. I would just, as I said, hate for Chicago to be behind the curve in terms of this.

Let me go to another issue, and that is the issue of foreclosures on VA properties.

One of the ways we can prevent veterans from becoming homeless is by assisting them maintain their properties during the course of economic difficulties that they may face, looking for alternatives that might help them keep their homes instead of losing their homes. The disturbing fact is that, in the Chicago region, I understand 0.6 percent, if I recall correctly, of home loans are actually restructured instead of being foreclosed. It is about three times as bad here as it is throughout the country.

How many VA-guaranteed loans were foreclosed in Illinois this year?

Mr. ROGALA. Approximately 1,200.

Mr. EVANS. Twelve hundred? How many additional loans are currently——

Mr. ROGALA. Actually, the 1,200 is acquired either through voluntary conveyance prior to foreclosure or foreclosure.

Mr. EVANS. Twelve hundred with voluntary turning over to the VA, as well as foreclosed.

Mr. ROGALA. That is true.

Mr. EVANS. How many additional loans are currently in default at this time?

Mr. ROGALA. We have approximately 4,600 in default at this time.

Mr. EVANS. Six hundred?

Mr. ROGALA. Forty-six hundred.

Mr. EVANS. Forty-six hundred.

Mr. ROGALA. Yes.

Mr. EVANS. In default at this time.

Mr. ROGALA. Yes.

Mr. EVANS. What assistance does your office provide to veterans when they have trouble making their payments?

Mr. ROGALA. Our assistance is limited to counseling and contact with the veterans. We also, in the course of our efforts, cure or bring current approximately 400 loans each month. So, while we are taking in about 100 properties a month, we are curing about 400, about four times as many.

Mr. EVANS. Don't you have discretion to do more, though, than that just counsel and to help cure? Doesn't the Secretary, at least, have discretion to——

Mr. ROGALA. The Secretary has the discretion to either refund a loan or to make other arrangements.

Mr. EVANS. Since the Secretary is from our state, how can we make evident the problems that we have here in dealing with this issue? How is the use of this discretionary authority triggered?

Mr. ROGALA. We consider each case at the time that a notice of intention to foreclose is presented by a lender for the process of refunding and determine through our contacts with the borrower whether or not we are able to refund the loan.

Now, that specific issue is dependent upon, number one, the attitude of the lender. The lender must be unwilling to consider any further forbearance.

In the 400 cases that we cure each month, we intervene with the lender and obtain forebearance from the lender in many cases and have set up appropriate considerations.

Where a veteran has reached a situation where he is unable to make payments at that time, we have considered, generally, to wait out the long redemption period, which was a feature of Illinois foreclosure law, and allow the veteran to reestablish his ability to make payments.

While we do not refund precisely as many cases as, for instance, a state as Texas or California, where foreclosure takes six weeks or eight weeks, we have a time period for foreclosure that is as long as two years because of our—from the time that the veteran misses his first payment until he actually has lost his home.

Now, that is the State of Illinois real estate law, and what we have done is we have allowed that veteran, generally—if he is totally unable at the time that we can consider for refunding, we have allowed him to live out that period.

Now, we do approximately five times as many resales to former owners. That is a feature of our state's particular legal situation.

So, while we do not refund, we do allow this veteran to live on the property—we do not allow him, the State requires it, but he lives on the property until his redemption period is expired, and then we sell the property back to him for what the VA is owed, and that is a very vibrant part of our approach to this problem, which is sort of unique to Illinois because of the way Illinois law is structured.

Mr. EVANS. Is there something unique to our lending institutions?

Mr. ROGALA. It is the law in the State of Illinois.

Mr. EVANS. I am sorry?

Mr. ROGALA. Through the state law in the State of Illinois.

Mr. EVANS. Well, you indicated that a lot of the lending institutions here seem at least to be reluctant in many cases to help veterans with loan restructuring?

Mr. ROGALA. No, sir, I am not saying that. I am saying that the law under which we operate allows a lending institution not to accept defaulted payments until after he has failed to make six payments.

Mr. EVANS. So, how many people in default are actually considered for refunding?

Mr. ROGALA. Everyone in default is considered for refunding if the lender has filed a notice of intention to foreclose.

Mr. EVANS. So, what you are saying is that a veteran's right to refunding is largely dependent upon where they live, to some extent, depending on local law, Federal law, and local circumstances.

Mr. ROGALA. In some cases, yes.

Mr. EVANS. I just want to go on the record as saying that, where we are at 0.6 percent restructuring and the rest of the country is at .18 percent, three times better. I think we can do better here in the Chicago region, and whatever the reasons, we need a lot of improvement in this area.

Mr. ROGALA. Well, as I said, if you would consider our sales to former owners, I think, frankly, that our percentage is higher than 0.6 percent.

Mr. EVANS. Let me yield to the gentleman from Chicago.

Mr. GUTIERREZ. Thank you very much. I will also begin with Mr. Elliott.

Mr. Elliott, do you know, within this procedure—because much of what angers, obviously, the veterans community surround Fort Sheridan, apart from the fact that it is not already done, is this whole issue of the $35 million.

We understand that that is what the Army indicated Fort Sheridan—they want—the Army says you give me, Veterans Administration, $35 million, you can have a cemetery over there. Is there any independent appraisal, other than the one the Army did?

I mean did VA go out and say let us do an appraisal and see what the Army is up to? Did they do an appraisal? Is this really worth $35 million?

Mr. ELLIOTT. Well, in fact, we did get an independent fair market appraisal. When we first started brass-tacks discussions about cost, the Army had some preliminary appraisals that the Corps of Engineers had done for them.

We, the VA, and the Department of Defense agreed to jointly fund a fair market independent appraisal, and that is where the $35 million came from. That appraisal, however, was based on highest and best use, which for that area is high-cost residential.

The VA did not completely agree with that, given the fact there are certain lands there that could never be developed. There are ravines, for instance, that we said that, if we were to develop a cemetery there, they would always be preserved, and that would be the case with any use.

So, yes, it was a fair market appraisal, it was an independent appraisal. We did not agree 100 percent with it.

Mr. GUTIERREZ. The VA followed up with its own independent appraisal?

Mr. ELLIOTT. Yes, we did.

Mr. GUTIERREZ. When we talk about the greens, we are talking about the golf course out there.

Mr. ELLIOTT. That is correct.

Mr. GUTIERREZ. The golf course is not an area that can be provided like for housing.

Mr. ELLIOTT. I misspoke. I said ravines. Those are undeveloped areas. Those are adjacent to the golf course areas.

Mr. GUTIERREZ. Those are adjacent to the golf course.

It never ceases to astonish me, since I have been here 10 months, that we can have these wonderful golf courses and we cannot have a national cemetery there, and it is going to cost us $35 million in order to buy our own golf courses back for our own veterans.

Who sets this highest standard, this standard of what the best use for this is?

Mr. ELLIOTT. The highest and best use?

Mr. GUTIERREZ. Yes, highest and best use.

Mr. ELLIOTT. Our understanding of how the Base Realignment and Closure Act works is that the Army or the DOD, whichever branch of the military it is that is closing a base, by law must recoup fair market value if they can, maximize the return. That is their law, not our law.

Mr. GUTIERREZ. This is the Army. This is not the VA?

Mr. ELLIOTT. That is correct.

Mr. GUTIERREZ. We should probably take a look at that, because if we started to do that, I guess the highest and best use of Grant Park—I thought the City of Chicago could resolve all its financial difficulties. We could sell Grant Park and we could sell Lincoln Park after that. I mean we could sell all of our lake-shore property. I know of a lot of stuff the City of Chicago—but they are parks, right, because that is their highest use, right? We need green space, you know, and that is the kind of difficulty I have with these terms of highest and greatest use, because obviously a park is important and green areas are important. Can you imagine—we could sell our forest parks and the Grand Canyon. I bet you they would bring in a mint from developers, and we understand their highest and greatest use is not what a developer would pay for it, because if government did that exclusively, well, you know—you know what Arlington Cemetery would be worth today in terms of a developer. So, I think we need to get some new kind of sense of just what justice is, and I just needed to ask you how we got at that, Mr. Elliott.

Now, earlier, my friend, Randy, testified that Chicago was number one in terms of needs. Do you agree with that, in terms of needs?

Mr. ELLIOTT. Oh, absolutely. That is correct. That is based on an 1987 report to Congress that VA prepared.

Mr. GUTIERREZ. So, if Chicago is the number one area in terms of needs, couldn't we get like some extra help from the Central Offices out in Washington, D.C. and make Chicago the number one priority for a national cemetery and like get some help and maybe cut down on this four-year wait?

If it is the number one need and we have a lot of resources, I would think we want to attach a lot of extra services, and maybe you could tell me how I could get that done here. I know the chairman would be interested.

Mr. ELLIOTT. Well, within the VA, that is one of our number one priorities. Certainly, within the National Cemetery System, it is our number one new cemetery priority.

For several years, we have been working very hard on this project. As you know, we were going 100-percent for the Fort Sheri-

dan property until we reached an impasse. We are very quickly trying to shift gears and go on with the process and keep it moving.

For example, normally, when we have funds for master planning, we would wait until we had acquired a site before we would expend any of those sums or acquire an architectural engineering firm to do design work.

However, in anticipation of finding a site, and designing a cemetery on one of these three sites currently in the SEIS, we are already negotiating with an architectural engineering firm. We are trying to keep that process moving and accelerate as much as we possibly can.

Mr. GUTIERREZ. I just want to say that maybe, if the resource come along with the prioritization, then we should have a lot of resources, and we will talk some more about that.

Now, this date of November of 1996?

Mr. ELLIOTT. Ninety-seven.

Mr. GUTIERREZ. Ninety-seven? So, that is four year from now.

Mr. ELLIOTT. Yes.

Mr. GUTIERREZ. How set in stone are we? Is this like a goal, a wish, or is this something that is going to happen?

Mr. ELLIOTT. Good question. Nothing is set in stone. That is a very optimistic date, but we feel, if things keep moving along the way they are now, we can meet that.

This project is currently in our five-year major construction plan. We are planning on requesting funds for construction in fiscal year 1996. That would mean, in fiscal year 1995, we would be requiring design contract document funds. In 1994, we are planning on expending funds we already have for the master planning portion.

So, we are queued up to make it happen, but that depends on everything falling into place and this SEIS resulting in a parcel that we can acquire.

Mr. GUTIERREZ. So, it is optimistic.

Mr. ELLIOTT. Yes.

Mr. GUTIERREZ. It is optimistic, which means we better stay on it or it will never happen.

Mr. ELLIOTT. That is correct.

Mr. GUTIERREZ. It is a euphemism for do not wait for it to happen in November of 1997.

I would like to yield to the chairman.

Mr. EVANS. Mr. Elliott, there is an existing cemetery at Fort Sheridan, isn't there?

Mr. ELLIOTT. It is a post cemetery, that is correct.

Mr. EVANS. It is a post cemetery.

Mr. ELLIOTT. It is the Army post cemetery that has been there for years, yes.

Mr. EVANS. Will that soon become a VA responsibility?

Mr. ELLIOTT. No, it will not. The Army will continue to maintain that by contract, I believe.

Mr. EVANS. All right. Thank you.

Mr. GUTIERREZ. Thank you.

Mr. Holmes, I would like to ask you, number one—we will be getting together and talking at a later point with Mr. Rogala and yourself about the homeless veterans program to see how we can work on that. I know we will be able to deal with, and just for the

record, we will get together and talk about. I will not ask you any questions about that area.

Let me just ask you about veterans of our most recent war. As you know, many soldiers, men and women, returned from the Gulf War suffering from serious medical ailments.

I think our top priority is to get them the medical care they need, but we should also have in mind that, you know, with those medical needs that they have and illnesses are going to come financial problems, as well.

A lot of them are unable to work because of their illnesses, and a lot of them have been forced to pay for their medical bills out of their own pocket because the VA has not recognized their ailments as service-connected ailments, much as Agent Orange veterans were not recognized.

So, not only do these veterans have to deal with physical problems, but they also have to worry about paying bills.

Does the Veterans Administration have any knowledge of the problems—do you have any knowledge of the problems of Gulf War veterans and what steps are being taken to relieve these problems?

Mr. HOLMES. I am going to ask Mr. Mazzulla, our Assistant Adjudication Officer, to bring us up to date on the status of the rating schedule and the VA regulations relative to providing benefits to Gulf War veterans.

Mr. MAZZULLA. Thank you, Mr. Holmes.

Mr. Chairman, the first thing in any veteran returning from any type of conflict who files a claim with the Veterans Administration, if he has incurred a disability or disease in service and we recognize that, he is granted service-connected compensation.

In other words, if a veteran, while he served in the Gulf War, was injured through anything—I think Mr. Guido had mentioned that before—a gunshot wound, truck accident—came back to the States, filed a claim with the Veterans Administration, the evidence substantiated the claim, then the veteran would receive compensation.

The disabilities, I think, that you are speaking of related to the environmental problems, oil fires, etcetera. All those cases are currently being sent to Louisville, and one of the reasons that the Veterans Administration did that was to avoid some of the problems we had with the Agent Orange claims.

In other words, by moving all of these claims and issues into one regional office, they were able to control them better. When data is received, they can check the cases that they have to determine if any of the veterans fall into these categories.

As of this time, to my knowledge, there are no disabilities attributable to the exposure unless a veteran, for example, comes back with a lung problem, a respiratory condition. That is a condition that he can file a claim for and receive compensation for.

Some of the other things, I think, are still being reviewed, and whenever we get updated, that is when we review the cases or refer them to Louisville.

Mr. GUTIERREZ. You have answered my question. We need to do a lot more work to guarantee that veterans are being taken care of. So, we will continue doing our work.

Thank you very much, Mr. Chairman.

Mr. EVANS. Thank you.

Mr. Holmes, Mr. Elliott, and your assistants, thank you very much for your testimony. We appreciate it.

Our next witnesses are Dr. Joan Cummings, Joseph Moore, John DeNardo, Alfred Pate, and Philip Meyer.

Dr. Cummings is Chairperson of VA's Veterans Health Administration Chicago Network and Director of the Edward Hines, Jr. VA Hospital. Her statement this morning is being presented on behalf of the directors of the Chicago VA Medical Centers.

She is accompanied by Joseph Moore, Director of the Lakeside VA Medical Center; John DeNardo, Director of the Westside VA Medical Center; Alfred Pate, Director of VA's North Chicago Medical Center; and Philip is the Team Leader of the Chicago Heights Vet Center.

All of your statements will be entered into the record in their entirety. Dr. Cummings, once you are settled, we will be glad to hear from you.

STATEMENT OF DR. JOAN CUMMINGS, CHAIRPERSON, VETERANS HEALTH ADMINISTRATION CHICAGO NETWORK AND DIRECTOR, HINES VA MEDICAL CENTER, ACCOMPANIED BY JOSEPH MOORE, DIRECTOR, LAKESIDE VA MEDICAL CENTER; ALFRED PATE, DIRECTOR, NORTH CHICAGO VA MEDICAL CENTER; AND JOHN DENARDO, DIRECTOR, WESTSIDE VA MEDICAL CENTER; AND PHILIP MEYER, TEAM LEADER, CHICAGO HEIGHTS VET CENTER

STATEMENT OF DR. JOAN CUMMINGS

Dr. CUMMINGS. Thank you, Mr. Chairman.

Mr. Chairman, Congressman Gutierrez, and other speakers and guests, good morning. I would like to thank you for this opportunity to discuss plans for addressing veterans' access to VA health care and the utilization and organization of VA health-care resources in Metropolitan Chicago.

The Chicago Metropolitan Area Network, of which I have the privilege of serving as Chair, has four VA medical centers: Lakeside, Westside, Hines, and North Chicago. The demographics are in the written testimony, but it serves a population of nearly 900,000 veterans.

Our network group has been involved in evaluating the provision of existing services within this geographic area and the future needs with the operating premise that unnecessary duplication of service is to be avoided.

It is imperative that VA, in general, and the Chicago area, in particular, be prepared to meet the health care needs of eligible veterans by delivering high-quality service in the most appropriate and cost-effective setting possible.

We, the network executives in Chicago, have recognized that program and facility integrations could be undertaken that would lead to cost-saving consolidations of the delivery system infrastructure.

Although four parallel self-contained organizations have remained, the medical center directors and chiefs of staff have sought opportunities for realizing their integration objectives.

Recent VHA directives regarding networks appeared to Central Region and Chicago executives to provide the enabling philosophy, while our facility development plan might serve as a vehicle for implementing integration.

With the guidance of the Central Region's directive, the Chicago executives elected to plan their future facilities collectively, as a network, rather than individually.

Before the "right mix" of facilities could be determined, however, we needed to agree on a strategic approach or a set of assumptions and goals that would guide the delivery.

Our fundamental goal was to design a health care delivery system that would enhance service to veterans while minimizing the costs and inefficiencies inherent in operating four hospitals with similar missions located in close geographic proximity.

To achieve this goal, the traditional role of the hospital as the focal point of patient care was challenged, as were the relationships among the medical centers.

We agreed that patients must be identified with a primary care provider, not a specific facility, to achieve a successful managed care system.

In addition, primary care sites must be developed as the entry points into the system.

Primary care providers coordinate the utilization of services and would ensure that appropriate care is received in a timely manner.

We also agree that better organization of ambulatory care services, including advanced communication and the ability to alter referral patterns as needed, was essential.

If possible, VA's ambulatory care services should be configured independent of the medical centers. Further and in line with national trends, incentives should be created to manage patients in ambulatory settings and to encourage the most efficient and productive use of resources.

Using the models of large HMO and multi-specialty group practices, the network has proposed restructuring outpatient care under a Director for Managed Care and Ambulatory Services.

As a new position within the network, this individual would have responsibility and authority for all ambulatory care facilities and service, including priority and specialty care.

Most important among this director's duties would be the distribution of primary care resources to the multiple primary care sites and the coordination of access into specialty points and hospital services.

The Chicago Area Network Council is proposed as the oversight and decision-making body and will be composed of all the medical center directors, the new Director of Managed Care and Ambulatory Care, the chiefs of staff, and network CEO.

A dean representing the affiliated medical schools, and a veteran service officer representing consumers will also be members of the council.

The Network Management Council is viewed as having new latitude for recommending resource allocation and distribution.

Increased discretionary authority is considered to be critical if the network is to resolve issues quickly and efficiently.

In the new and highly-competitive managed-care environment, VA must be prepared to respond to local practice patterns and community needs.

We proposed a series of responsibilities for the membership that would be in line with this kind of philosophy.

While details relating to medical education, administrative staffing, and other issues remain, the network is taking an aggressive approach in anticipating the support of the Department and believes that its new highly-flexible organization and its focus on ambulatory care will position it to not only better serve its veteran constituency but also to become an active competitor in the delivery of health care in Chicago.

We believe that this prototype for health-care delivery could serve as a model for VA in other areas.

Expanding veteran access to primary care services is identified as the VA's highest national priority. The next highest priority would be ensure that all services, including new patient beds, are positioned for future flexibility.

We approached the definition of these priorities by looking at the service area and then setting targets for beds and ambulatory care workload to meet future needs using both census data and VA demographic data as it related to Chicago to give the estimates for our future needs.

A series of operating assumptions was included and agreed to by the network executives that all patients would be network patients and not identified as patients of a specific facility, but identified by provider, their primary care provider.

Resources would flow through the network, including resident allocation. Primary care sites would be the entry sites. Network organization and components must be able to expand and contract, and new network participants would be possible.

Facilities would be developed to meet the network integration strategy, not done in isolation, and continuing transition from inpatient to ambulatory care service would be expected, and continuing decrease in lengths of stay and in the provision of care on a short-stay basis would be anticipated.

There would be increasing utilization of less institutional settings and efforts to give patients the lowest level of care, i.e. admission to an assisted living facility versus a skilled care nursing home.

Increased management flexibility in providing services to veterans is imperative. Some current regulations are unnecessarily restrictive.

For example, use of community nursing home funds to contract for alternative home care or other types of community programs would be one way to improve access of care of veterans.

To expand availability, in line with the national health care plan, will require legislative action for some of the plans that the network proposes.

The professional staff in the field, we believe, are the ones who know the patient best and the community best and can best determine the appropriate level of care.

We, as VA officials, believe that we must hold these professionals accountable for how the resources are used in terms of the total expenditures and the quality of the service.

I would like to thank you very much for the opportunity to discuss our plans for veteran services in the Chicago metropolitan area.

It is imperative, we believe, that VA be an active participant in national health care reform efforts, which include shifts from inpatient tertiary care to outpatient preventive and primary care and that we meet veteran needs with high-quality services, including a full range of basic benefit packages through cost-effective means, and I thank you for your attention.

[The prepared statement of Dr. Cummings appears on p. 159.]

Mr. EVANS. Thank you, doctor. We appreciate it.

Mr. Meyer, do you have a statement?

STATEMENT OF PHILIP MEYER

Mr. MEYER. Thank you, Mr. Chairman, Congressman Gutierrez, and other speakers and guests. Good morning. I thank you for the opportunity to appear before you on behalf of the Readjustment Counseling Service of the Vet Center Program.

My name is Phil Meyer. I'm a Team Leader at the Chicago Vet Center, MSW. We're located in the far south suburbs, in Chicago Heights, and there are four Vet Centers located in the greater Chicago area. My Vet Center is in Chicago Heights. One is located in Oak Park, one is in Chicago proper, on 63rd Street, and one is located in Evanston, Illinois. All four Vet Centers are supported by the local VA medical centers.

We are extremely fortunate in the Chicago area. Our area covers approximately 440 square miles and encompasses about eight counties in northern Illinois. Veteran visits last year in all four Vet Centers exceeded 12,800, and we have 2,000 new veterans come into our four centers from the conflicts of Vietnam, Lebanon, Panama, Grenada, and the Persian Gulf.

There are more than 400,000 Vietnam-era veterans and other conflict veterans in this area, and our desire is to outreach to each and every one of these men and women veterans about our services.

The Vet Centers, as you know, were begun in 1979 as an act of Congress and were, in the beginning, a short-term remedy to address the problems of Vietnam veterans, specifically post-traumatic stress disorder and readjustment issues.

Since that time, we have had several dynamic and very successful services, such as vocational and employment assistance programs, counseling groups, individual family members, and significant others.

Also, there's a very cooperative effort to carry out benefits and the social service referrals with both the VAMCs and area social and service agencies.

In the greater Chicago area, the four Vet Center teams enjoy a very unique and dynamic relationship with their VA medical centers and their staffs, but also with the state and local veterans agencies, the city and the private agencies, as well.

Additionally, each Vet Center team has an outreach specialist who interacts with service organizations, local and community projects, and efforts that are a very dynamic part of the community's efforts to address the problems, such as the homeless, HIV, AIDS, and outreach to women veterans.

Recently, thanks to Congress, we can now outreach to women veterans who have been traumatized by sexual harassment or sexual assault in the military.

The Readjustment Counseling Service in this region is fortunate that we have hired 10 new women sexual trauma counselors just to address this problem and readjustment issues of female veterans.

There's also a very active and effective contract fee program that I oversee in seven counties in northern Illinois which the VA monitors along with me.

This program is specifically set up to address the readjustment issues of rural veterans who do not live in the area and do not have the resources to get to a Vet Center or a VAMC for help.

Lastly, the four Vet Centers were active participants in a very successful stand-down that Congressman Gutierrez was very involved in this past August in Chicago. It was the first in the Chicago area.

We helped over 300 veterans and female members, who received benefits information, referrals, and followup. The cooperation of the three VAMCs—Hines, Westside, and North Chicago—was excellent in the support of this event.

I know I speak for all the team leaders in this area and their staff in saying we feel our efforts in helping the veterans in the Chicago area is the most rewarding and satisfying job we have had and will ever have.

The mission for all of us is to try to help each veteran, family member, or significant other readjustment back into society and become productive and feel self-worth to themselves and their communities.

Thank you again. I will be pleased to answer any questions.

[The prepared statement of Mr. Meyer appears on p. 165.]

Mr. EVANS. Thank you, Mr. Meyer. I think you are doing a very good job in the area of post-Vietnam era veterans, because I do not know of too many Vet Centers that have had those kinds of success stories. Why is that happening here in Chicago and not elsewhere?

Mr. MEYER. Well, I think the reason is that the Vet Centers, along with the VAMCs and the service organizations that I mentioned, are very well networked, and we feel very personal about it, because most of us are veterans, and we do not want any veteran to fall through the cracks, and we really go after this, and we have great support from our VAMCs and the service organizations that are here today.

We all know each other, we are usually at these meetings, and Congress Gutierrez, when a problem comes up at one of these meetings, we suggest a remedy for it, like the job fair that was recently proposed, and we go after it, and that is what we try to do.

Mr. EVANS. Dr. Cummings, first let me say I am very excited about what you and your colleagues are trying to accomplish here.

I think you have got a little bit of a head start, let us say, over other VA facilities in other major urban areas.

At the same time, not knowing where we are going with the legislation and how it will impact locally, are the big questions we are going to have to grapple with, and I have a few as far as the network is concerned.

Would the basic benefit package limitation on psychiatric services and psychiatric counseling have any limitations on the Vet Centers themselves, and how will the Vet Centers interact with you in this new mix of resources embodied in the network?

Dr. CUMMINGS. We are really looking at—and there has not been further discussion—this network, as you know, is still fairly early in its approval phases—to do a formal linking and a proposal to Vet Centers where they would actually serve as one of the primary entry sites.

I have had some very unofficial local discussion with one of the Vet Centers about exchanging staff privileges between us and the Vet Centers, so that their staff would have access to our facility.

So, we would propose that they would join us in this network, but this is still very early.

Mr. EVANS. Understanding that you want to use your resources more efficiently, at the same time knowing that you have needs for capital improvement before we get into national health care, are the construction needs of the different hospitals being addressed at this point by the network council, particularly in two areas, women veterans and the need for more examination rooms on the part of physicians?

Dr. CUMMINGS. Yes. This is why the network actually is so very important, and I will give you a specific example relating to what you said.

The ambulatory care facilities at Hines are in a building that has a center single corridor, which is uniquely unsuitable for the privacy needs with exam rooms off a main corridor.

The network has addressed the future construction needs as if they are building facilities for the entire system, so that Westside, which has the most superb ambulatory care facility in our area, would be designed as an ambulatory care center and, indeed, has talked about become a center for women's health care, whereas the primary care necessary at Hines would be trying to fit it in with a proposal to use the supply depot, but as a primary office building, not as a full ambulatory care clinic, that the network patients, then, would be split as a group.

We would not build a new freestanding clinic, such as a full-service clinic, but a medical office building remodeling the depot, and Westside would have a higher level of construction needs to expand and be the full-service ambulatory care center, including ambulatory surgery procedures, which we would not expect to duplicate.

So, the entire construction and the facility development plan was posed—and that is why it is so important for us to get those assumptions on board—was posed as a package, that we would not be designing separate facilities, but designing construction needed for the veteran population of Chicago.

That and the facility development plans, which we still have to send in separately, are all being realigned to make sure they match that network construction plan.

Mr. EVANS. Now, I could see the potential of maybe the reverse happening in Chicago and the rest of the country, where we might be too successful, in a sense, attracting veterans coming into the Veterans Administration program.

I mean that DOD has a backup in the VA system and if you have full utilization, as most hospitals are going to have in this network, we may no longer have that DOD backup capability.

That concerns me as a member of the Armed Services Committee, and it also concerns me that, if we would get in a war, people that had come into the VA system and had obtained that continuity of care with the primary care model that you are trying to develop might suddenly lose that continuity of care.

Where are we going to be with the DOD backup requirement as we get into this?

Dr. CUMMINGS. One of the reasons that we used what we call targeted beds and ranges, where we did not identify and lock into a specific thing, is we have—we are building generic medical—and we are looking again, I must admit, from now until the year 2005—we are building generic medical/surgery/neurology units.

This would not lock us into a medical unit today remaining a medical unit five years from now, so that if we needed to—as you say, if there were conflicts of whatever nature that required a high degree of surgical programs, these would be units that could switch from a medical unit to a surgery unit as the need arose.

I don't know if that exactly answers it, but we believe this would still handle the flexibility we would need in the future to realign the medical priorities, depending on the veteran population.

Mr. EVANS. Moving to this primary medical concept, will a veteran be able to choose his own primary care physician?

Dr. CUMMINGS. We really have not discussed that in terms of individual veteran access. What we have talked about—which I think is appropriate to your question—is that the normal referral patterns, which is by veteran choice, we would anticipate would stay.

We, for example, have veterans who pass by each other—of us now to a particular facility, and the network has said, in its discretion, that we would not attempt to disrupt those.

So, I think that is as close as we have come to saying yes, they would be able to choose.

Mr. EVANS. The network management council would be comprised of only veteran service organizations?

Dr. CUMMINGS. At the moment, that is it. It would end up being a council of about eight people.

Mr. EVANS. Would that rotate? Some veterans' organizations may be saying you are favoring one over the other.

Dr. CUMMINGS. We have not discussed that. I would see no reason why it would not rotate.

We have discussed only briefly the dean representative. There is a council of deans in the area, and there has been some discussion that the chair of that council of deans might be the representative.

I would see no reason why a service organization representative would not rotate, but we have not overtly discussed it.

Mr. EVANS. Just one question in your capacity as the Hines director. I think it was the Paralyzed Veterans of America who indicated that a homeless program has not been reauthorized at Hines for the next year. Is that correct?

Dr. CUMMINGS. It is correct, but it was not a VA program or a Hines program. There was a funded research study that was actually a research study at Northwestern University that we tried to join in so there would be one VA in the model.

So, it was a research program of Northwestern's health services research that was funded and we carried out at Hines. It was one of 12 in the country. We were the only ones that had veterans in there.

That research study did finish. They were able to get funding for a followup that really tracks the results of that, but it was not a VA study or a VA program.

Across the network, there have been three proposals submitted for the homeless chronically mentally ill. The network has discussed that as one of the major issues, and those proposals are pending for us to have that in assisted living, one in North Chicago as well as at Westside.

In addition, there is work with HUD, through a program that we are looking to do, and so, there is a lot of interest, but that particular program was really not a VA program.

Mr. EVANS. Do you view homeless programs in the future as part and parcel of what you intend to do as health care providers in this new mix.

Dr. CUMMINGS. It has been, from the network's start, one of our highest priorities, and it was the reason that we worked with the stand-down and look to have another one, because we used local data from the 1990 census and income and variation data to define our population for Chicago, and that clearly is one of our highest priorities for the patients that we are currently serving, and there is nothing in the network that has done anything but say yes, that needs to continue, and we need to find those programs.

Mr. EVANS. Well, I think the council has great promise. You all must check your egos at the door every time you hold a board meeting. I have never seen this level of cooperation anywhere in the VA. I hope that it will turn out to be a very successful effort and will help us move into that new era of national health care.

Congressman Gutierrez.

Mr. GUTIERREZ. Thank you very much, Mr. Chairman.

I want to echo the sentiments of the chairman, Dr. Cummings, and to all of my friends here this morning, especially Mr. DeNardo, who I have had the opportunity of working with on several occasions in the past at his institution, and I am happy to see that we are all working together here today.

I want to say to Phil Meyer that I am happy to see that there is cooperation among the different agencies—medical, private, and state and local entities—and that that relationship is working and reiterate my commitment to working with you and the people at the Vet Centers to help provide the kind of quality services, and I know, in the future, we are going to try to do this job fair, where we are going to work exclusively with your veteran community and see if we cannot get some of the corporate types. Of course, we

have to stop them from taking all the jobs out of the City of Chicago, but Lane and I will work on that.

I just wanted to say that I am really happy about your work, Phil, and I wanted to ask you just one specific question about the ten counselors that you have been able to attract, women's sexual trauma counselors. Can you tell me how it is working and if there have been people coming forward to look for that service and just how that is working?

Mr. MEYER. Since Congress passed that legislation, I think there are readjustment counseling people trying to put the plan into action as soon as possible.

There were some restrictions on that in terms of the accreditation and credibility of some of the counselors that were coming onboard, but I think a lot of those were put aside, because the larger issue is that women veterans do not come in VA hospitals, they do not come in Vet Centers, and no one can really come up with a really substantial answer of why that is happening, and so, this is another effort on our part to outreach to women veterans about these issues, and in the military and in my 12 years in the Vet Center, on all the women veterans I have ever talked to, I would say the greatest percentage of them have been not only harassed, but actually assaulted. I think we saw a lot of that in the Desert Storm veterans, also.

So, attracting women into the Vet Centers, I think the best thing that we could do is what we already have done. We just need more outreach, we need people, and Ms. Knox said earlier, I think we should have a full-time staff person, five days a week, in each Vet Center, and we support Representative Smith's initiative to have the Vet Centers as also a medical clearing or screening place before they even get to the VAMCs sometimes to alleviate some of the problems, and I think more outreach that we do and more networking that we do is going to help all of us in terms of reaching all veterans.

Mr. GUTIERREZ. Let me go right over to Dr. Cummings. What do you think, doctor, in terms of the Vet Centers?

Dr. CUMMINGS. Sounds wonderful. The network has had some discussion and we have had some informal discussions about the value of Vet Centers as primary care entry sites. They are servicing, in some ways, a different population, but that also may need our primary care, and while we have not gotten to the point of a formal proposal, there has been talk all along that this would be the strongest way to continue that kind of interaction.

Mr. DENARDO. One of the things has been the cooperation among the medical centers and the Vet Centers. For instance, Lane Knox is a member of our Women Veterans Advisory Committee. The people from the Vet Center attend our director staff conference meetings. They participate in our planning efforts.

So, I think what we have really been able to achieve in Chicago is a real communication network where people are working together. We have members on Congressman Gutierrez's Veterans Advisory Committee. So, there has really been this opening of communication and really working towards the goal, which I think is really achievable here in Chicago.

Mr. GUTIERREZ. Thank you.

We are going to go through such a process on national health care reform—I mean the struggle is already occurring. The President has come forward with his plans. We have got some commercials from the insurance agencies out there, and I think we are going to see a lot more commercials pro and con and debate.

One of the things that I think that all of the members of the Veterans' Affairs Committee and most of the Members of the Congress of the United States have made a real commitment to keeping the Veterans Administration as a separate independent provider of health care for our veterans, because they deserve no less, and I just want to make sure that you know, Mr. DeNardo, Dr. Cummings, Mr. Pate, that—let us know, access us, or call us, utilize us as people who can help you, share with us, within this debate that is going to go on probably for the next year, and say, you know, Luis, these are the kinds of situations that you should be aware of, because it is going to be very complicated, and we do not want to make the VA—we do not want to make it like their choice because that is their only choice.

You know, we do not want to make it the only game in town. We want to make it so that that is the one that they want to use, and I would just like to ask you a quick question, Dr. Cummings, and to any of the other people here.

In terms of the Gulf War veterans, we heard a lot of testimony when Congressman Evans' bill came up on Gulf War vets about them coming forward and trying to get health screening, and I just want to know, in Chicago, if I am a Gulf War vet and I come and I say, Dr. Cummings, I feel bad, are there environmental and chemical sensitivity people trained that could identify that in terms of a Gulf War veteran within the Chicago region?

Dr. CUMMINGS. I think there are individuals trained in that area that you are talking about. I personally was very happy to see the National Academy of Science do the study.

I think the problem that is being posed to us is the issue of chemical and environmental sensitivities is not well-defined scientifically, and some of the information that may be available in other areas of the country has not been as well-shared as possible.

So, the difficulty that we see with some of the Persian Gulf vets that have come to us is, yes, the screening for health disease is relatively easy to do, but to pin down what is causing the symptoms is very, very difficult, and that is where we are having the problems.

As mentioned earlier by one of the individuals we sent to Walter Reed and also to California, we really do not have answers.

So, the screening is not difficult for us to do, it is finding the answers that they need, and I was very pleased to see the National Academy of Science agree to take this on.

They have a committee on toxicology that would have access to the people you are talking about, and maybe that is the group that would do the study, because it is a very difficult set of symptoms to pin into a disease, and that is the frustration that we are seeing, as well as the veterans who come to us are seeing.

Mr. GUTIERREZ. Well, good luck to all of you as we all, on our side, the legislative side, you on your side in terms of the manage-

ment of putting together, as we approach health care reform, so that we can have better health care for all.

Thank you very much to all of you for being here this morning.

Mr. EVANS. Thank you. We will be directing some written questions to you, and your responses will be made part of the record, as well. Thank you all very much.

The members of our final panel are Samuel Parks and James Webb. Samuel is the Illinois State Director of the Veterans' Employment and Training Service, U.S. Department of Labor. James is the Regional Veterans Affairs Officer, Region V, Chicago, of the Small Business Administration. Both of your statements will be included in their entirety in the record.

Mr. Webb, we will start with you.

STATEMENT OF JAMES WEBB, REGIONAL VETERANS AFFAIRS OFFICER, REGION V, SMALL BUSINESS ADMINISTRATION, CHICAGO, ILLINOIS, AND SAMUEL PARKS, ILLINOIS STATE DIRECTOR OF VETERANS' EMPLOYMENT AND TRAINING SERVICE, U.S. DEPARTMENT OF LABOR

STATEMENT OF JAMES WEBB

Mr. WEBB. Thank you.

My name is Jim Webb. I am the Regional Veterans Affairs Officer for the Small Business Administration and a Vietnam vet.

Mr. Chairman, members of the subcommittee, I thank you for your invitation to address the subcommittee on veterans' services in Metropolitan Chicago. I am particularly pleased to have the opportunity to appear before you on behalf of the Administrator and inform you of the Small Business Administration's activity on behalf of veterans and veteran business owners.

In 1974, the Congress mandated that SBA give special consideration to veterans in all its programs. Since then, the agency has issued regulations and established an Office of Veterans' Affairs intended to assure that veterans are accorded every opportunity to participate in all of the agency's programs.

We recognize that American veterans are special, and we intend to do all we can to help veterans within our available resources and scope of our policies.

SBA has established a National Advisory Committee on Business Affairs which advises the agency on veteran policy and programs. This committee has representation from each of the veteran organizations which have expressed an interest in participating in this capacity.

While the national office provides guidance and support, most agency services are delivered by the local offices.

The Chicago SBA District Office provided approximately $18.3 million in loans to 82 veteran entrepreneurs in the last fiscal year.

Nationally, through its Direct and Guaranteed Loan Programs, SBA provided $848.1 million to over 4,000 veteran business owners in fiscal year 1993.

As of March of 1993, SBA's loan portfolio included approximately 18,500 business loans made to veterans through our guaranteed and direct business loan programs.

This is approximately 15 percent of the total number of SBA loans and represents roughly $2.6 billion, or 14 percent of the total dollars outstanding.

We have also been involved in providing transition training which enables military personnel returning to civilian life to explore business opportunities.

More recently, we have become an active partner in the Transition Assistance Program, TAP, which is jointly administered by the Departments of Labor, Defense, and Veterans' Affairs. All TAP participants are provided material and access to counseling through SBA programs.

Additionally, SBA conducts workshops, conferences, and training seminars on a frequent basis in the Chicago metro area and is willing to respond to any request from the veteran community to develop and deliver training through our primary resources of the Small Business Development Center Network and the Service Corps of Retired Executives. This training addresses business-related topics and assists veterans in solving their business problems.

Nationally, SBA trains and counsels about 100,000 veterans annually through business development programs. In the Chicago area, we conducted 22 business conferences specifically for vets during the fiscal year 1993. Over 1,600 veterans attended.

We also offer assistance to the veteran community in the area of Federal procurement through registration in the Procurement Automated Source System, PASS. Over 70,000 veteran-owned businesses are currently registered in PASS. This represents 30 percent of the total PASS-registered firms.

I am enclosing as an attachment to my testimony a Veterans Information Booklet—which I hope you have, because we dropped it off a little bit earlier, but it has the pink cover—which is issued to every veteran in the Chicago metro area who contacts our district office.

This booklet was developed by the Chicago SBA Veterans' Affairs Officer, Stan Mageria, who is very active in veterans activities throughout Illinois and was also the National SBA Veterans Officer award winner for last fiscal year.

Also included are flyers and schedules briefly describing some of the activities that we have conducted or that our cosponsors have conducted.

A new initiative was undertaken in fiscal year 1993. The SBA, Department of Labor, and several other Federal agencies held Congressional briefings for every senator and representative from Illinois to explain our programs and to answer any inquiries they might have.

It was very well received, and it will become an annual event, and I had the opportunity to meet staff members from office of both Congressmen at these meetings.

Once again, I thank you for inviting SBA to participate in this hearing. I look forward to working with this subcommittee in any way to improve the economic condition of America's veterans and the delivery of our services to these valued customers. I will be happy to answer any questions you may have.

[The prepared statement of Mr. Webb, with attachments, appears on p. 167.]

Mr. EVANS. Will you submit the booklet for the record? Thank you.

Mr. Parks.

STATEMENT OF SAMUEL PARKS

Mr. PARKS. Thank you, Mr. Chairman. My name is Samuel Parks, and I am the Director for the Veterans Employment and Training Service with the U.S. Department of Labor here in the State of Illinois.

As you aware, Richard Mock, the Regional Administrator for the Veterans Employment and Training Service, (VETS) was to be here, but unfortunately, on Wednesday, he was admitted to the hospital with some blockages in his heart. He is at home now, he is doing well, and he sends his regrets for not being able to be here, but I am going to read his testimony here.

On behalf of the Secretary of Labor, I want to thank you for the opportunity to appear before this subcommittee to discuss employment and training programs for veterans.

The area of my responsibility is the State of Illinois, and I changed that part of the statement he prepared because Mr. Mock is in charge of the six-state region here, but we are talking about Illinois at this time.

In your letter of invitation, you requested the Department to discuss the provision of employment and job training services to Chicago area veterans.

Of immediate interest, the Glenview Naval Air Station was involved in our current downsizing efforts of our military.

On November 2nd, a number of Federal agencies, including myself, met with the local government officials and state officials to discuss the Glenview Naval Air Station. At that meeting, I discussed the programs and services available to soon-to-be-released service members.

VETS' major responsibility is to administer grants and monitor employment training services for veterans. Our major grantee in Illinois is the Illinois Department of Employment Security.

The veterans in the Chicago metropolitan area that need employment and employment-related assistance can receive such service by going to their nearest Illinois Employment Service Office.

These offices provide direct assistance to veterans in the following areas: employment placement services, job training opportunities, counseling, veterans employment under Federal contracts, employment within the Federal Government, and labor market information.

Generally, a veteran wanting such assistance reports to an employment interviewer in a local employment service office, commonly known as a LESO. In the LESO, the state agency staff provide the above-mentioned service.

In addition, the local veterans employment representatives, the LVERs, and the disabled veteran outreach program specialists, DVOPS, assigned to the LESO have special responsibilities for services to veterans to help them meet their employment needs.

In the Chicago metropolitan area, there are 26 LESOS that provide employment services, and in those offices, there are 34 disabled veteran outreach specialists and 26 local veterans employment representatives that further assist the veterans to secure employment and training assistance.

In the Chicago metropolitan area, 11,882 veterans were placed in jobs or otherwise obtained employment through the assistance of the Job Service agency this past program year, which ended June, 1993. A detailed report reflecting state and regional accomplishments is enclosed as Attachment Two.

The Job Training Partnership Act, JTPA, Title 4C program for veterans provides funding for another program that meets the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated.

In this area, our grantee, the Cook County President's Office of Employment and Training, just completed a 15-month JTPA Title 4C program. This grant award was established at $100,000 to place 65 veterans in on-the-job training. Although we have not received a final report yet, we understand that the program performed very well in meeting its objectives.

A third veterans program available to recently-separated veterans is called the Service Members Occupational Conversion and Training Act, commonly known as SMOCTA.

The SMOCTA program was created to assist those members of the Armed Forces affected by the downsizing. Department of Veteran Affairs, DVA, Department of Labor, and the state employment agencies are responsible for implementing the program. The program focuses on disabled veterans and other veterans whose primary or secondary military occupational specialty is not readily transferrable to the civilian workforce.

At this point, 118 eligible veterans in Illinois have applied for the SMOCTA program as of October 15th of this year. Approximately 55 percent of those applying so far are from the Chicago metropolitan area.

In addition, 15 employers have applied for participation, and the Department of Veteran Affairs is in the process of reviewing employer training applications. When final employer approval of the program is provided, the employer's needs will be matched with the veteran's interests and capabilities.

The fourth program for veterans is called the Transition Assistance Program, commonly known as TAP. Public Law 101–510 charged the Secretary of Labor, in conjunction with the Secretaries of Defense and Veterans Affairs, with providing employment and training information to servicemen and women within 180 days prior to their separation from the military services. TAP clientele was extended to include the spouses of military personnel.

There is one TAP site in the Chicago metropolitan area, at the Great Lakes Naval Base. The Great Lakes Naval Base TAP program recorded the following accomplishments in fiscal year 1993:

We conducted 26 workshops. We had total participants of 1,022. Of that total, we had 427 who were retirees, 498 that had been separated from regular military, 66 spouses, and we had 31 others which includes defense civilian personnel working on the base.

A most commendable recent achievement of the Illinois Department of Employment Security, the U.S. Department of Personnel Management and VETS was the installation of the Centralized Applicant Referral System, CARS, in Illinois.

CARS is an aid to Veterans Readjustment Appointment eligible veterans and 30-percent disabled veterans by matching qualified veterans seeking Federal employment with Federal agencies currently recruiting for available positions.

As of October 29, 254 veterans have applications on file for this program. Also, 12 veterans have been placed in employment through the CARS program in the last six months. A fact sheet is enclosed.

Direct services are provided to veterans and members of the Guard and Reserves under a program called the Veterans Reemployment Rights Program. The purpose of this program is to ensure that eligible persons—veterans, reservists, and guardmembers—do not lose their jobs and other employment benefits because of their military service.

During fiscal year 1993, in the Chicago metropolitan area, my office opened 56 cases for reservists, guardmembers, and regular veterans. During the same period of time, we closed 60 cases. If you'll note, we have a carryover there. There were four cases that were carried in from the previous fiscal year that we had not closed. We settled 38 of those particular claims.

Finally, a fairly recent initiative for homeless veterans in the Chicago area was the Chicago stand-down. I worked very closely with the representative from the Department of Veteran Affairs in an effort to make this a most successful event.

Federal, state, and local government entities worked with the City of Chicago to hold a stand-down for homeless veterans on August 20th through 22nd of 1993 at Humboldt Park.

Approximately 250 homeless veterans attended the stand-down and were provided almost every type of service available in the Chicago area.

The Illinois Department of Employment Security veterans representative reported 12 direct placements and 52 referrals to job interviews.

Due to the success of this program, we are planning another stand-down for 1994.

Mr. Chairman, those are my comments, and again, I want to thank you for the opportunity to testify here today.

[The prepared statement of Department of Labor, with attachments, appears on p. 184.]

Mr. EVANS. Thank you, Mr. Parks.

The gentleman from Chicago.

Mr. GUTIERREZ. Thank you very much.

First, I am just going to make some comments, and then you can respond.

Mr. Webb, it is very important, obviously, that the SBA be here, because when we help a veteran, we really help everyone, because the Small Business Administration knows that the local and national economy is really dependent on small business people, and we think the veterans obviously bring very proven skills to the business community, energy and know-how and leadership, and

something that is probably most important in our economy these days, courage, because it is an economy that we are not quite sure about from day to day.

So, I just wanted to commend you for your efforts and plead with you to continue those efforts for our veterans, because in turn it really helps us all, and I wanted to say that to you here this morning, that I understand what your mission is, and just a real quick question.

The Veterans Business Resource Center is housed at the SBA's office here in Chicago, and there was some concern—I do not know if it is still a concern today—about them being able to continue to work there with you and be housed there.

Mr. WEBB. The VBRC, as far as its housing in the Chicago office, they have moved into temporary quarters and I have talked to the VBRC President, Solomon Williams. They are about to move into permanent quarters where they will have their own phone and other services.

It is my understanding that—I work in the Regional Office, by the way, not the District, so I am down the street a ways. The VBRC had initially moved into the Small Business Information Center, and because of space restrictions, they were asked to move. Even so, they are still a part of and will always be a part of the Veterans' Affairs of SBA.

Mr. GUTIERREZ. Thank you very much.

Mr. Parks, good seeing you again. I think we were together three or four weeks ago talking about veterans issues and having meetings.

Chairman Evans, you should know we have a very good Fourth Congressional District Veterans Advisory Committee that, throughout the district, has held hearings, and Mr. Parks has been most helpful in that.

We did have a great stand-down, and I want to commend you for your cooperation and your work, because a lot of veterans, as you say, were assisted. I can attest to that. It is not just your testimony. It is the testimony of many other people, and we know that a dozen people were placed in jobs, and 20 percent of them got interviews.

Let me just ask you, do you think we should try to work on other specific events designed to drum up economic opportunities for veterans, and what kind of events can I help on, my staff and the Fourth Congressional District, along with your staff, in order to drum up more economic opportunity for our veterans?

Mr. PARKS. Mr. Congressman, I think one of the things that we can do is continue what we are doing and be more vigorous in that.

I think we need to work with the employer community, that it would be a very helpful avenue for us to go regarding the unemployment situation in Illinois for veterans.

Particularly in the City of Chicago, we need that support of the employer community, which we are working on, persistently.

Mr. GUTIERREZ. I have another Town Hall meeting today on the North American Free Trade Agreement, and you are involved in the Labor Department in terms of jobs.

Has your department or within your purview come up with any analysis on the North American Free Trade Agreement and how

that might affect, positively or adversely, the job pool of people that you work with, specifically the veterans community?

Mr. PARKS. Well, at this time, Mr. Congressman, I am not aware of anything that has come up at this point. I could not address that, because I am not aware of anything that has come up at this point on that.

Mr. GUTIERREZ. I thank you. If you do have anything that comes up before the 17th, which is when the chairman and I and 435 other members of the Congress are going to be asked to vote on approving or disapproving the North American Free Trade Agreement, I would appreciate it, because we have a lot of homeless and a lot of unemployed veterans already, and I am going to go to a hearing, Mr. Chairman, at three o'clock on the other side of my—my Congressional district, for those who live in it, has got a north side and a south side. The east side—I mean there are some folks out there in Cicero, but it's mostly deer out there, and they do not speak English out there. I have not gotten them bilingual training yet. There are a lot of cemeteries and parks out that way.

So, I am going to be going to the north side of the district starting at three o'clock today to listen to some commentary from people on the Agreement, so we can make a good decision on it.

So, I want to thank you both for being here, and thank you very much, Mr. Chairman. I look forward to working with both of you.

Mr. EVANS. I want to thank the panel. I think you are the first Administration witness that has not said something about NAFTA before one of our committees. So, we would appreciate you keeping us informed. Thank you both very much.

At this point, we are going to conclude the formal hearing. We want to thank our stenographer, who has worked very hard for about five hours here without a break.

[Whereupon, at 1:56 p.m., the subcommittee was adjourned.]

APPENDIX

Opening Statement of

Honorable Lane Evans, Chairman
Subcommittee on Oversight and Investigations

Opportunities for Improving Veterans Services
in Metropolitan Chicago

Chicago, Illinois

November 6, 1993

Good morning. The Subcommittee welcomes everyone in attendance today and extends a special greeting to all veterans and their dependents who are present. In particular, I want to acknowledge the members of my 17th Congressional District Veterans Advisory Committee who are present today. They have traveled many miles to be here this morning. I would like to ask them to stand and be recognized at this time if they would.

At the request of Congressman Luis Gutierrez, the Subcommittee on Oversight and Investigations is conducting this public hearing to examine opportunities for improving veterans' services in metropolitan Chicago. A new member of the House Veterans Affairs Committee, Luis has already established himself as a compassionate advocate for our nation's veterans. In a short time, Luis has come to understand the problems many veterans face when they attempt to obtain the benefits they have earned. He is committed to serving those who have served our country. Our veterans are indeed fortunate to have Luis Gutierrez on their side. The Subcommittee is particularly grateful to Congressman Gutierrez for his invitation to conduct today's hearing and appreciates the excellent cooperation and assistance which Congressman Gutierrez and his staff have provided.

Next week, on November 11th, our nation will pause once again on Veterans Day to recognize the men and women of all eras who have served our nation in uniform. This public recognition and tribute are well deserved.

We owe much to our nation's veterans. Whenever our country has called, they have answered. They have made their sacrifice. They have shed their blood, sweat and tears.

Today we particularly remember that fifty years ago the world was engulfed in war. We must never forget that without their brave service of so many, our democratic institutions would have been engulfed and swept away under a dark tidal wave of tyranny, despotism and hatred.

In truth, what we owe those who have served, can never be fully paid. A king's ransom would not repay our debt.

But our veterans have never asked to be treated royally. They have asked only to be treated fairly.

Veterans have not asked for more than they are due. They have only asked to receive the benefits which they have earned. For this they are surely deserving. To this we are fully committed.

Today, we want to examine opportunities for improving veterans' services in metropolitan Chicago. We look forward to the testimony which will be given and to learning about opportunities for improved veterans' services.

It is now a pleasure for me to recognize Congressman Luis Gutierrez.

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Statement of
CONGRESSMAN LUIS V. GUTIERREZ
Subcommittee on Oversight and Investigations
November 6, 1993
Chicago, Illinois

Mr. Chairman, on behalf of the veterans of the fourth congressional district, thank you very much for conducting today's hearing. We gladly welcome you here.

The question that we ask today is a crucial one to me and the veterans whom I am proud to represent: how can we improve the quality of benefits, health care, and economic opportunity for veterans in the Chicago area? To answer that question, I have requested today's hearing, and I am grateful to you for providing this opportunity.

Mr. Chairman, I would like to thank all of the veterans who have joined us this morning. Ladies and Gentlemen, it is certainly not the first time that your presence has been appreciated. Whether it was overseas or close to home, in times of war or peace, the presence of service men and women from Chicagoland has made it possible for us to come here today in security and freedom.

And so, because so many of you left Chicago to serve on behalf of our country, it is fitting that we-- as members of Congress-- come to Chicago to see how your government can better serve you.

That is why we have come here today to ask questions and find answers. From my standpoint, the questions that we raise today will be the most important ones that I have had the opportunity to ask. That's because they deal specifically and exclusively with veterans here in the Chicago area.

In the area of health care, for example, I always am curious to know how the VA works for veterans nationwide, but I am certainly much more interested in how it works for those veterans who depend on the care available at Hines, or Lakeside, or Westside, or North Chicago.

These are the types of answers I need because these are the answers veterans need.

Mr. Chairman, I hope that you also will not mind if I say a few words about you. You need no introduction to the veterans community; your work speaks for itself. For instance, you have bravely led the fight for veterans who not only suffered from Agent Orange exposure, and who also had to struggle to get their conditions recognized by the government. Thanks to you, progress is now being made. But, you are not stopping there, I realize. You are continuing to fight on behalf of those veterans in the hope that full, complete, and fair action is taken.

Your dedication to addressing problems that affect veterans of all eras-- including homelessness, health care, and other issues-- is an example that all members of Congress, and indeed all Americans who honor our veterans, should follow. For me, that is a standard that I will aim high to match.

Therefore, Mr. Chairman, I have been glad to work with you on behalf of veterans of our most recent war-- The Persian Gulf war-- who also have had to fight for recognition from the system that is supposed to treat them. The hearings that you conducted on the issue enabled us to introduce legislation to grant priority health care to veterans of that war.

After all, those veterans turned away a tyrant in the desert. They shouldn't be turned away from the health care system that is supposed to treat them.

I am sure that you will continue to lead the fight on these and other fronts. And I will be with you every step of the way for the sake of veterans in the fourth congressional district.

Mr. Chairman, let me also say a word of welcome to our colleague and friend, Congressman Bill Lipinski. I know that among all of the fine work he has done over his career, his work on behalf of veterans has always been a key priority. And his attendance here today is a measure of that dedication.

Mr. Chairman, I would also like to take a moment to tell you a little bit about the fourth Congressional district. It is a community where people are proud of their cultures and proud of their country. It is a district where virtually every block-- with its schools, its shops, its playgrounds, and churches-- reflects pride in the past and a hope for the future. And yet, those distinct communities thrive together in harmony.

In short, it reminds of what is best about this nation: a place where people live united with their neighbors and also strive to reach their individual potential.

And that condition would not be possible-- would not be imaginable-- if it were not for the efforts of veterans like those who have come here today.

But is that ideal scenario working today for veterans, the very people who have made it possible? Are veterans in the Chicago area being given the chance to reach their full potential?

Because, I know that no American can easily succeed if some of their most fundamental needs are not being met. If they are having trouble accessing basic health care, or job skills, or even shelter, too much of their energy and enthusiasm is left untapped.

And that is a waste. Because veterans of the U.S. armed forces

have so much to contribute. They have proven that time and again.

Chicago's Veterans made a commitment to us and to their country. And that is why we have a commitment to them today. But that is not a debt that we can simply fulfill with just a word of thanks. We owe them our energy and our effort to address the challenges that they face today.

There is simply no limit to the number of topics that we could justifiably address today. That is because no two veterans are exactly alike-- each has a particular need, his or her own story to tell.

But there are some pressing issues to touch on. For instance:

- How are veterans of the Persian Gulf War being treated by the Department of Veterans Affairs? Will new information being provided by the Department of Defense and the VA change the manner in which they are treated?

- Are all Chicago-area veterans assured of a place of permanent honor with a cemetery that befits their lifetimes of service?

- How will veterans in Chicago be affected by changes in the structure of the VA health system?

Today's hearing, Mr. Chairman, is a major step in helping to serve those men and women who have served us with dignity, honor, and pride.

This week, on Veterans' Day, we will honor many of those people who have worn the uniform. We should lay wreaths, and say prayers, and give thanks to them. But let us also honor them with what they gave us: action. Let us vow to act on their concerns, to make progress.

Let us remember: America's heroes are not only found at Iwo Jima or Arlington. They are found here in our own hometown.

It is one more reason why I am not only proud to represent the people of this district in Congress, but why I am proud to be their neighbor.

Thank you, Mr. Chairman.

# # #

RESOLUTION ANALYSIS

RESOLUTION HJR 15 ANALYST Ralph Egan (8122) kw

SPONSOR Dart DATE OF INTRODUCTION 3/25/93

COMMITTEE Veterans' Affairs DATE OF ANALYSIS 3/29/93

SYNOPSIS

Provides for the creation of a Joint Task Force on Gulf War Diseases to study the health problems facing returning Gulf War veterans.

ANALYSIS

The resolution establishes a Joint Task Force on Gulf War Diseases to study the health problems facing returning Gulf War veterans.

Provides that the task force will be made up of the Director of the Illinois Department of Veterans' Affairs, two members of the General Assembly and two members of the public appointed by the Leaders of the General Assembly.

The Joint Task Force will complete a study of the health problems facing returning Gulf War veterans and shall report its findings to the Governor, the General Assembly, the U.S. Department of Veterans' Affairs and the Illinois Congressional Delegation by January 1, 1994.

COMMENTS

The Joint Task Force is being set up to study why over 19,000 men and women who served in the Gulf War have manifested medical problems.

HOUSE JOINT RESOLUTION

WHEREAS, Over 19,000 men and women in our military who served in the Gulf War have manifested medical problems from their Gulf War service; and

WHEREAS, These health problems include, but are not limited to, hair loss, extreme fatigue, blood in stool, extreme rashes, nausea, fever, and other symptoms; and

WHEREAS, These medical problems can lead to more serious illnesses and cause severe physical and mental strains; and

WHEREAS, In addition, these problems cause job and family concerns due to disabilities or inabilities to perform; and

WHEREAS, Recent reports in the news media indicate the extent of the problem across the nation for those who served in the Gulf, and documented diseases like brishmaniasis and problems relating to petroleum sensitivity are widespread, verifiable, and appear to be service-connected; and

WHEREAS, The U.S. Department of Veterans Affairs is in the process of evaluating the issue; and

WHEREAS, Our servicemen and servicewomen served this nation admirably and heroically in our magnificent Gulf War victory with our allies, and they deserve appropriate health care and disability benefits; and

WHEREAS, We owe them a commitment to be exhaustive in our research and resolve these issues as soon as possible; and

WHEREAS, It is important that we expedite the solution of this issue in order to prevent a repeat of the difficulties which arose from Agent Orange; therefore be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE

1 SENATE CONCURRING HEREIN, that there is created a Joint Task 59
2 Force on Gulf War Diseases, to consist of the Director of the 60
3 Illinois Department of Veterans Affairs, ex officio, plus two
4 members of the General Assembly and two members of the public 61
5 appointed by each of the following officials: the Speaker of 62
6 the House of Representatives, the President of the Senate, 63
7 the Minority Leader of the House of Representatives, and the 64
8 Minority Leader of the Senate; and be it further

9 RESOLVED, That the Joint Task Force on Gulf War Diseases 67
10 shall study the health problems facing our returning Gulf War 68
11 veterans, and shall report its findings and recommendations 69
12 to the Governor, the General Assembly, the United States 70
13 Department of Veterans Affairs, and the Illinois
14 Congressional Delegation by January 1, 1994.

AMENDMENT TO HOUSE JOINT RESOLUTION 15

AMENDMENT NO. ____. Amend House Joint Resolution 15 on page 1, in line 14, by changing "brishmaniasis" to "leishmaniasis"; and

on page 2, by deleting lines 3 and 4, and inserting instead the following:

"Illinois Department of Veterans Affairs, ex officio, plus four members of the House of Representatives, four members of the Senate, and two members of the public".

STATEMENT
HONORABLE GEORGE E. SANGMEISTER
BEFORE THE
HOUSE VETERANS' AFFAIRS SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS
PUBLIC HEARING IN CHICAGO
NOVEMBER 6, 1993

I commend Mr. Gutierrez for requesting this hearing and for his strong concern for the conditions of veterans in our society. I also commend Mr. Evans, Chairman of the Subcommittee, for holding this hearing to determine issues of significance to local veterans and to examine the operation of veterans' programs locally. My thanks to all members of the subcommittee for an opportunity of furnishing this statement regarding certain benefits and programs for veterans.

As Chairman of the Subcommittee on Housing and Memorial Affairs, I most strongly support the establishment of new national cemeteries to serve the needs of veterans and their dependents. In a 1987 Report of Congress, the Department of Veterans Affairs (VA) identified ten areas of the nation most in need of a new national cemetery. The Chicago area was identified as number one on this list. Congress supported the need for a new cemetery, and funds were appropriated to conduct an Environmental Impact Statement (EIS) on the most promising sites. The final locations reviewed were Grant Park, Cissna Park, and Fort Sheridan.

In late 1991 Fort Sheridan was selected as the "preferred site" by then-VA Secretary Derwinski. Subsequent negotiations between VA and Department of the Army to acquire necessary acreage through the Base Closures and Realignment Act were unsuccessful. Army and VA differed in the appraised value of the land at Fort Sheridan; Army sought more than $35 million and VA valued the property at $13.7 million minus estimates for unsuitable portions. VA's final offer of $6.9 million was rejected by Army earlier this year, effectively eliminating Fort Sheridan from consideration as a potential site for a new cemetery.

I immediately contacted Secretary Jesse Brown and requested that he continue the pledge to bring a new national cemetery to the people of northeastern Illinois. Interest turned to a portion of land at the Joliet Army Ammunition Plant which had previously been considered by VA but which was determined by Army as not available at the time of the original EIS. Intended use of the land by Army did not materialize, and the property, known as the "Hoff Woods" site, was determined to be excess. A supplemental EIS has been conducted on the Joliet site with favorable findings. In contrast to the cost difficulties associated with Fort Sheridan, the transfer of property from Army to VA at no-cost has already been authorized in legislation.

I believe the 1,000 acre Hoff Woods site would make a magnificent setting with its combination of hardwood trees and rolling prairies. Not only is the site a serene setting for a cemetery, but the former military installation, which does not fall under the Base Closures & Realignment Act, is conveniently located less than an hour's drive from the Chicago loop by way of I-80 or I-55.

Ongoing review of the three sites is underway, and a determination of the final site should be made by VA early in 1994. Regardless of which site is selected, I believe the development of a new national cemetery in the Chicago area will provide a long-term benefit to all eligible persons who are located in the southern Illinois and northwestern Indiana vicinity. Barring other unforeseen delays, a new cemetery could open by late 1997. I most strongly support this effort.

PHILIP M. CRANE
MEMBER OF CONGRESS
8TH DISTRICT OF ILLINOIS
WAYS AND MEANS COMMITTEE
SUBCOMMITTEES:
TRADE
(VICE CHAIRMAN)
SOCIAL SECURITY
REPUBLICAN STUDY COMMITTEE
EXECUTIVE COMMITTEE

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ROBERT C. COLEMAN
CHIEF OF STAFF

STATEMENT OF REP. PHILIP M. CRANE

for the

VETERANS' AFFAIRS SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Nov. 6, 1993

Thank you for providing me with the opportunity to present my views before the Committee. The specific veterans' issue that I would like to address today and the issue that I believe to be the greatest concern to veterans in my area is the proposed cemetery at Fort Sheridan.

Currently, the national cemeteries closest to the Chicago area which have undeveloped areas are at Augusta, Michigan and Marion, Indiana. The Department of Veterans Affairs has stated that there is "strong reluctance" among veterans to be buried in other states, and it is only common sense that veterans, like most Americans, would want to be buried close to the homes where they lived, where they worked, and where they raised their children. Without a veterans cemetery in the Chicago area, Illinois veterans will effectively be denied the right they earned through their service to be buried in a veterans cemetery.

As a result of these facts I have cited, the VA has identified the Chicago area as a number one priority for a new cemetery. Unfortunately, the VA and the Army could not agree on a price for the land at Ft. Sheridan, so the search for a site has continued. Other locales under consideration include a former industrial site just off the expressway south of Joliet, more than fifty miles from downtown Chicago, Grant Park, an open field without any trees or even shrubbery located nearly 50 miles from the Loop, and Cissna Park, which is very nearly closer to Indianapolis than to Chicago.

None of these alternative sites is adequate. The fact of the matter is that the Fort Sheridan site is far superior. From the location to the landscaping, Fort Sheridan clearly should become the nation's newest veterans cemetery. Historic buildings on the site could be preserved, concerns about heavy traffic from new developments could be alleviated, open space would be preserved, and veterans could receive the respect they deserve.

The Chicago area is in desperate need of a new veterans cemetery, but current sites being considered do not meet this need. The closure of Fort Sheridan offers a unique opportunity to provide this cemetery in a historic location which befits the honor our veterans deserve. I hope this opportunity does not pass us by, and I hope we can place a veterans cemetery at Fort Sheridan.

Statement by
Representative Thomas W. Ewing
Before the
Subcommittee on Oversight and Investigations

November 19, 1993

Mr. Chairman, I want to thank you and your Subcommittee for holding this hearing in an effort to improve veterans' services in the metropolitan Chicago area. I appreciate the opportunity to submit testimony for inclusion in the hearing record.

A matter of great concern to many veterans located in northeastern Illinois is the need for a national cemetery in the region. I strongly support a new national cemetery for these veterans. In fact, earlier this month I received a notice from the Department of Veterans Affairs (VA) announcing the closing of Quincy National Cemetery in Quincy, Illinois in early 1994. Currently, the nearest cemetery for many veterans in the northeastern Illinois area is located in Woods, Wisconsin, and it too is nearing capacity. However, I am glad to know that the VA and VA Secretary Jesse Brown are committed to the establishment of a new national cemetery in this region.

In a 1987 report to Congress, the VA identified the ten geographic areas in the nation most in need of a new national cemetery. The Chicago area was identified in the report as the area most in need of a new national cemetery. This is due, in great part, to the fact that nearly one million veterans currently live in northeastern Illinois region. Three sites are currently under consideration by the VA as locations for this new national cemetery. They are the Cissna Park, Grant Park, and Hoff Woods sites. An Environmental Impact Statement has been performed on each site, but does not recommend a preferred alternative.

I would like to take this opportunity to express my strong support for the Cissna Park, Illinois site. This 200-acre parcel of farmland provides a wonderful location and sense of character because of its proximity to the Cissna Park town center. It is also easily accessible, being only 95 miles south of Chicago's loop and right on Illinois Route 49. Locating the new national cemetery in Cissna Park would benefit a community with a disproportionately large number of veterans and extremely strong veterans' ties. This site not only has the support of local VFW groups, but also the support of the Illinois chapter of the American Legion, the Illinois Funeral Directors Association, and the Illinois Farm Bureau.

Again, I would like to thank you for the opportunity to express my support for a new national cemetery in northeast Illinois and my support for the Cissna Park site in particular. It is my hope that this cemetery can be provided so that the needs of veterans' in northeastern Illinois can be addressed.

City of Chicago
Richard M. Daley, Mayor

Commission on
Human Relations

Clarence N. Wood
Chairman/Commissioner

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November 6, 1993

The U.S. House of Representatives'
Veterans' Affairs Subcommittee on
Oversight & Investigations

Mr. Chairman and Committee members:

1. Let me thank you on behalf of Mayor Daley and the Veterans Advisory Council, City of Chicago, for having the U.S. House of Representatives Veterans Affairs Subcommittee on Oversight & Investigations meeting here in the heart of Chicago. I know Congressman Evans has been a strong advocate for Veteran issues over the years as evident today you are continuing your commitment to Veterans. Congressman Gutierrez has represented the Veteran community in his district above and beyond the call of duty since his election to Congress. I thank you both for your unyielding support of Veterans.

2. In 1862, President Abraham Lincoln signed a law authorizing the establishment of national cemeteries "for the soldiers who shall die in the service of the country." Fourteen national cemeteries were established under that law. After the Civil War, search and recovery teams visited hundreds of battlefields, isolated churchyards, plantations, and other locations where hasty post-combat interments of servicemen had been necessary. Nearly 300,000 bodies of these Civil War veterans were reinterred in national cemeteries.

3. The Veterans community in Illinois is in need of a national Veterans cemetery. There has been much debate over the establishment of a Veteran national cemetery at Ft. Sheridan. I will not belabor this issue. Let me say that Ft. Sheridan must continue to be one of the sights for a national cemetery. Why should Ft. Sheridan still be considered?
   1. The VA's 1987 study of the National

Cemetery System identified 10 areas of the country in which veterans were most in need of a national cemetery. Chicago ranked number one on the list.

2. NCS estimates that a cemetery of approximately 162 acres is needed to serve the nearly 800,000 veterans in the Chicago area. The land is available at Ft. Sheridan.

3. Ft. Sheridan is much closer to the highest concentration of veteran population than the other two sites.

These are but a few of the reasons why Ft. Sheridan must still be considered.

The Joliet Arsenal must also be considered. The Joliet site is an approximate 1,000-acre land parcel within the Joliet Army Ammunition Plant, approximately 52 miles southwest of the Chicago Loop. It is about 8 miles south of the center of Joliet, Illinois and has extensive frontage along State Route 53 on the east and Hoff Road on the north. The northern half of the proposed site is composed of approximately 50 percent deciduous hardwood forest and 50 percent open grassland that currently is used for hay production and grazing. The southern half is predominantly grassland with some woods in the northwestern corner.

Mr. Chairman, I would like to propose the following compromise for a Veterans cemetery in this region. That land from both Ft. Sheridan and Joliet be acquired for a Veteran cemetery.

In closing, at Ft. Sheridan we have history. At Joliet, we make history. Thank you for your time and consideration.

Sincerely,

James A. Balcer

James A. Balcer
Director of Veterans

Statement of
Joseph F. Guido
National Service Officer
Disabled American Veterans
to
Honorable Luis Gutierrez
Member House Veterans Affairs Committee
Subcommittee on Oversight and Investigations
November 6, 1993

I am pleased to present the views of the Disabled American Veterans regarding the issues of timeliness for the adjudication of claims in the Chicago VA Regional Office and VA health care in the Chicago metropolitan area.

ADJUDICATION OF CLAIMS

The members of the House Veterans Affairs Committee and this subcommittee are well aware that there is a problem of timeliness in the adjudicative claims process; most often believed to be caused by shortages in FTEE and the increased work load created by of the Court of Veterans Appeals (COVA). Since both these factors will continue to exist, greater efficiency in delivery of benefits must be found.

Board of Veterans Appeals (BVA) remand rate originally increased dramatically a few years ago due to COVA decisions. However, maintaining that high rate of remand decisions is a problem within all regional offices and the Chicago Regional Office is typical of this problem.

The early COVA decisions such as: Manio, No. 90-86; Jolley, No. 89-161; Murphy, No. 90-107; Gilbert, No. 89-53; and Harris, No. 90-240 are decisions of 1990 and early 1991. These pertain to fundamental doctrines, such as new and material evidence; duty to assist; obtaining all VA records; conclusory statements; and issues inextricably intertwined. Yet, current remands occur basically for these same reasons they were being remanded two and three years ago after these issues were decided by COVA.

Over the last twelve months, the DAV office in Chicago has been the representative on 264 BVA decisions. Of this, 135 decisions were remands and 47 decisions were partially or totally allowed. This means, in only 32% of the decisions did the BVA totally uphold the regional office decision. A further review of another 264 cases, going back to October of 1991, reflect almost the same statistics. Of those 264 cases, 132 were remanded and 51 cases were totally or partially allowed. Approximately 31% of these BVA decisions totally upheld the Chicago Regional Office decision.

The reasons for the remands in these two consecutive studies are virtually the same. Thus, there has been no progress at all in reducing the remand rate and we can find no justifiable reason for this continued high rate. Further, and more importantly, it would be a fundamental mistake to differentiate between the regional office decisions that are appealed to the BVA, and those which are never appealed. The same failings, it can be assumed, are also part of these unappealed decisions. The statistics noted above are consistent with the Board of Veterans Appeals, BVA Disposition by VA Field Stations Fiscal Year 1992, report dated October 15, 1992 which is attached.

The following, we believe will help reduce processing time.

There are inherit problems in large offices such as Chicago, if for no other reason than simply the large number of cases. Thus, it is of vital importance development of cases by the VA begin as early as possible in the claims process and that complete development take place prior to Rating Board actions. In many instances, examinations should be conducted <u>after</u> complete development; and claims files should routinely be made available to examiners (except when not warranted). Although this may result in a delay of the initial decision, it will insure equitable rating actions rather than piece-meal development and, therefore, multiple decisions on the same issue. This would result in appealed cases being certified to the BVA sooner with fewer Supplemental Statement of the Cases required on those appeals.

Multiple remands to the BVA on cases regarding same issues are not, unfortunately, uncommon. Most often this is because instructions on BVA remand decisions have not been followed, or followed in the proper chronological order, or required examinations prove to be inadequate but are not challenged by Rating Specialists. Since initial appeals arriving at the BVA, now will take approximately fifteen (15) months for a decision to be made, appropriate care is required to assure all issues have been addressed; all evidence that can be obtained has been obtained, and that all evidence has been property reviewed in light of all pertinent laws, regulations, and COVA decisions prior to certification to the BVA.

Also, we request greater use of the one time rescheduling of C&P examinations under M-1 Part 1, Chapter 20. Hospitals can (under this authority) reschedule examinations for veterans who cannot appear on the appointed date (with good cause) without the need to return the claims folder to the regional office, which is referred to the Rating Board to re-authorize the exam, then sent back to the hospital for rescheduling. This is a cumbersome and time consuming process.

The Rating Boards have made great strides, and we commend them, in providing more information to veterans on rating decision notifications and the reasoning behind those decisions. Although this action was mandated on the Board, we believe this continuing process will result in a decrease in those appeals that were

initiated because of a lack of understanding of the reasons for VA decisions, or lack of knowledge as to the evidence that had been considered. It will also allow for more detailed appeals by veterans.

Hospital directors should inform their examiners that examinations requested by Regional Office Rating Specialists should provide full and complete findings consistent with the Physicians Guide IB 11-56 Dated March 1, 1985. Inadequate examinations only delay the claims process; result in additional examinations; and deny veterans equitable decisions. The Rating Board should be encouraged to return inadequate examinations or take other actions consistent with 38 CFR 4.1, 4.2 and 4.70 (copies attached). Where ever possible, examiners should be informed on the important roll they play in veterans compensation benefits and how their findings must be applied to the VA Rating Schedule of Disabilities.

We believe better communications should exist between the Chicago area VAMCs and the regional office regarding several issues. The AMIE (Automated Medical Information Exchange) system is not being used as designed in most cases. C&P examinations are to be processed in the computer at the hospitals and printed at the regional office for use in disability claim decisions. Instead, in the majority of the cases involving VAMCs in the Chicago area, the examination reports are handwritten by the physicians and sent by Courier to the regional office. Many of these examinations are difficult to interpret, even by experienced Rating Specialists, and are, of course, delayed due to Courier delivery. Since the close-out date by the hospital is entered into the computer at the time the examination is signed off by the examiner, it is not the date it is received by the regional office; as it would be, if AMIE were used as designed. Thus, the timeliness statistics are not correct.

Authority should be given to the regional office to correct veterans addresses in medical center computers. Currently, computer security at the medical centers do not allow the regional office to update the veterans address. It is not infrequent that hospitals have an old address on the veteran. Currently, regional office personnel must handwrite the new address under the "remarks" section of the examination request. This can be overlooked by hospital personnel, resulting in examination notifications being sent to incorrect addresses which delays the claims process. Our office submits many requests by veterans for rescheduling of examinations and we know this is a continuing problem.

We believe the combined effect of all these suggestions will greatly reduce claim processing time.

VA HEALTH CARE

Veterans access to VA health care, utilization of available resources and improving veterans satisfaction with VA health care

services has never been more important than it is now with the advent of National Health Care. This is generally so in the entire state of Illinois and specifically so in the Chicago metropolitan area.

The VA will soon be operating under a situation it has never previously faced, competition. Primarily the VA Health Care System provides medical care to service connected veterans and low income veterans. For the majority of these veterans, the VA has been the only show in town. Due to the coming of National Health Care, there will apparently be a choice. Many of these same veterans may be able to choose between National Health Care with its neighborhood doctors and local area hospitals; and the VA.

The VA has for many years operated under a decreasing budget when one considers the dramatic escalation of health care cost in the private sector. Changing eligibility requirements have resulted in increasing numbers of veterans being turned away. Veterans whose only source of medical care had been the VA had to go elsewhere or go without medical care. Even now eligibility requirements are complicated and impede proper medical care. Some veterans are entitled to inpatient hospital care, but are not entitled to the outpatient care that would prevent more expensive hospitalization. Even some veterans entitled to medical care have been refused in certain facilities due to lack of proper staffing.

Due to National health care, the VA will not only have to retain the patients for which they currently provide care, but will have to bring back those veterans they have turned away and attract new veterans that have never been part of the VA health care system.

The nature of health care in the private sector is changing and the VA must, at a minimum, match this change. Many new programs must be instituted or enhanced. Greater reliance on ambulatory care including surgery must replace the more expensive inpatient hospitalization. Increased reliance on preventative medicine must occur. Non-institutional care programs, such as Home Based Health Care, Hospital Based Home Care, Respite Care and Adult Day Health Care must continue to expand. Also effective preventive health care programs must be put into effect.

Highly sophisticated medical equipment must be purchased or obtained thru leasing or sharing arrangements with other private or federal facilities, or medical school affiliations. We must reduce excess capacities, reduce or eliminate duplicative clinical and administrative services including the VA Medical Care Cost Recovery Program. Reduction of waiting time is a must.

To this end, within the guidelines of VA Facility Development Planning (FDP) a Network Council has been established consisting of hospital directors, Chiefs of Staff and other department heads from VA West Side, Hines, North Chicago and Lake Side Medical Centers. The basic premise is the VA patients will be identified

as "Network" patients rather than patiens of specific facilities. In this way, resources of all four hospitals will be available to the patients. A network management structure is being established which will have to address system wide problems such as, the need for: a common data base between all network facilities and the Regional Office; a funding mechanism for construction of Network priorities; establishment of procedures for transfer of patients between VA facilities; distribution of primary care clinicians to multiple primary care sites; and coordination of veteran access into specialty clinics and hospital inpatient services.

Such endeavors must take a balanced approach regarding several factors. The alignment of VA Medical Centers missions will cause difficulties in the relationship between VA Medical Centers and their medical school affiliations, as they currently exist and as they have existed since 1947. It seems apparent that the nature of these cooperative agreements will change as their relationship will exist with the Network and affiliations may change to different hospitals within the Network, due to mission changes.

Affiliations between VA hospitals and the nation's medical schools have been a major factor in assuring quality medical care and the chief source of physician staff recruitment for VA. They have provided a framework for sharing of diagnostic and therapeutic equipment and have enabled VA medical research laboratories to contribute much to medical knowledge. The nation's medical schools provide hundreds of millions of dollars to supplement VA employed physicians' salaries. Without these supplements, VA physicians' incomes would not approach parity with those of their faculty colleagues.

Another factor involves distances between VAMCs in the Chicago metropolitan area. Even with these relatively short distances, the VA will be competing with neighborhood doctor's offices and local area hospitals. Over specialization must not occur and the greatest variety of primary ambulatory care at each facility must continue to exist. This is especially true at VAMC North Chicago due to its greater distance from the other three VA hospital facilities. Additional free-standing primary care clinics should be established wherever consistent with veteran population.

As the veteran's representative to the Chicago Network Council, I wish to inform this subcommittee I have been greatly impressed by the knowledge and dedication of the members of the council. We believe the Network will succeed in its goals and set an example for other VA areas that will need to develop networks due to upcoming changes in veterans health care.

I wish to thank Congressman Evans and Congressman Gutierrez for their kind invitation in allowing me to present the views of the DAV in the areas addressed.

STATEMENT OF
CARL DI GRAZIA, DEPARTMENT SERVICE OFFICER
ILLINOIS DEPARTMENT SERVICE OFFICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE
HOUSE VETERANS' AFFAIRS SUBCOMMITTEE
ON OVERSIGHT AND INVESTIGATIONS

CHICAGO, ILLINOIS NOVEMBER 6, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of our 108 thousand members in the State of Illinois of the Veterans of Foreign Wars of the United States, I wish to express my appreciation for having been invited to testify here today. We are highly gratified to play a role in today's hearing. The VFW has long embraced the view that to properly contend with the swelling health care workload created by a rapidly aging veteran population, a more effective and efficient delivery of outpatient care services by the VA is critically needed.

The subcommittee is already well aware that over 22 million visits were made by veterans in FY 1991 alone to VA's more than 200 ambulatory care facilities. These visits were comprised of almost 4 million to emergency/screening clinics, 5 million to general medicine clinics, and about 14 million to specialty clinics. Long waits and denied care had ensued which eventually became the norm. In keeping with modern medical practice and in the face of pending national health care reform emphasizing on the provisions of outpatient medical services, we can expect the number of VA outpatient medical visits to increase many fold during the coming years. It is the assessment of the VFW that the medical care system **AS PROVIDED BY THE VA TODAY** is totally unprepared to meet this challenge.

We feel that our argument is amply borne out by recent General Accounting Office (GAO) and VA Office of Inspector General (IG) reports. Their summations clearly depict what is known to many in the VSO community -- **veterans suffer exorbitant waits and delays for outpatient care at VA facilities.** Not only is this a disgrace with respect to the inconvenience and even outright denial of care it causes veterans, this deplorable situation threatens the very existence of the VA health care system. Under national health care reform, the VA will soon be forced to compete for patients against other large health care providers. Simply put, if given the option, the veteran health-care-consumer will opt to choose a health-care-provider where

long waits for service are the exception and politeness the rule versus one where excessive waits and lack of courtesy are the norm set by an inflexible bureaucratic mind. THIS SITUATION MUST BE REMEDIED

The VFW is in general agreement with the recommendations contained in the GAO report to the Secretary to restructure the ambulatory care program to improve timeliness of services. In part, we feel that the recommendations to be considered by the under Secretary for Health are as follows:

* Establish telephone assistance networks at each facility to expedite veterans' access to medical care;

* Allow veterans to schedule appointments to receive care at general medicine or primary care clinics, to the maximum extent possible;

* Require all facilities to develop treatment-monitoring systems that ensure all veterans referred to specialty clinics are transferred to general medicine or primary care clinics soon after their conditions are stabilized; and,

* Establish Department-wide performance goals for timely service delivery, and gather system-wide data that will allow facilities' performances to be measured against established goals.

While the VFW concurs with the recommendations and findings contained in the GAO Report, we would like to take this opportunity to also offer our own commentary on this issue. Our findings are based upon the observation and understanding of our nationwide network of VFW Service Officers as well as our Field Representatives. These VFW members and employees have day-to-day contact with the VA medical system and with the veterans who are receiving VA medical care. Taken as a whole, the feedback gathered from this intimate association does not represent an especially flattering picture of VA outpatient care. In fact, it points to VA care as being dismally amiss with respect to the issue of timeliness.

To begin with, even the basic task of making a clinical appointment for VA outpatient care is a laborious chore. It is usually undertaken by only those who have no alternative or veterans who tend to be extremely persistent by nature. It is not just a matter of weeks but actually months to arrange for an appointment. Once a veteran has gained entrance to the system, his/her problems are still far from over. A five to six hour wait to see a doctor is not uncommon. In those

cases where medication is prescribed, the patient is then confronted with long and slow-moving lines at the VA pharmacy.

There are numerous service-connected disabled veterans who do not avail themselves to VA ambulatory care. I am speaking here of service connected veterans who are employed and simply cannot afford to take a day off from work to receive VA health care to which they are entitled. These are the veterans who are clearly entitled to VA outpatient care by virtue of their personal sacrifice on behalf of the national good. **THIS IS A DISGRACE AND WOEFULLY WRONG.**

A major portion of the blame for the long waits and excessive lines associated with VA ambulatory care can be identified to many years of inadequate budgeting. In the words of one disgruntled veteran, "the Office of Management and Budget is killing the VA." While it may be an oversimplification to say that the whole problem is attributable to OMB budget cutters, there is a strong element of truth toward this point of view.

A drastic shortage of nurse practitioners, physicians assistants, and other support personnel presently exists in the VA system. Adequate medical personnel could help to greatly reduce the burden on VA doctors and speed up the overall outpatient process. The VFW surveys of VA facilities indicate that the excessively long waits for ambulatory care can be attributed to the lack of sufficient staffing and inadequate space caused by underbudgeted funding. There is already a problem with the FY 1995 VA budget. To say the least, the VFW is greatly concerned with the staffing levels as provided in this budget. It is obviously clear that what is especially needed in the most critical area of outpatient care is an expansion of staff -- not reduction.

Along with inadequate staffing as a cause for the slow processing of outpatient care, another problem is the inefficient use of <u>available</u> medical personnel. This has to do with inadequate space for VA physicians who provide ambulatory care. For one reason or another, doctors at VA facilities providing outpatient care are only allocated a single examining room. This situation is completely at odds with common practice as used in the private sector. The number of patients VA doctors can see in a day is severely and artificially limited. When a patient enters a waiting room, the doctor must wait for his/her records to be brought in, for the patient to undress, and for certain basic tests to be performed. Only then can the doctor attend to the patient's needs. Once the visit is concluded, the doctor must once again wait for the patient to get dressed and exit the examining room. This drawn out cycle then repeats itself over again.

Contrast this scenario with medical care in the private sector. This doctor will commonly have three, four, or possibly five examining rooms so that he does not have to sit idly by waiting for records or minor tests to be conducted -- he is free to devote himself to the specific needs of the patient. The VFW surmises that if each VA physician were provided with two examining rooms, his patient workload could be increased by 30 percent; three examining rooms would promote at least a 50 percent improvement. The veteran health care system should pursue a common sense approach by allowing its physicians to devote themselves to medical practice and not sitting around "cooling their heels." They should not be placed in a position to wait for a VA clerk who is desperately searching for a misplaced medical record or for a LPN to administer a common blood pressure test. To offset this dilemma, there should be a sufficient number of medical personnel and support staff -- such as nurse practitioners, physician assistants, practical nurses, and clerical support staff -- to allow doctors to practice the art of medicine and not the science of bureaucratic delay.

The last issue the VFW wishes to address today is one of ATTITUDE. While the actual health care available through the VA is often times exemplary ... even state of the art, many VFW members and employees who work in the field feel that the conduct of those VA employees who service the veteran is something far less than even adequate. For many years, VA had attended to the needs of what is essentially a "captive audience;" there is a tendency to treat veteran patients with the kind of civility that is often associated with an incensed drill sergeant. Poor manners and inflexible procedures which seem to be the norm offered at VA facilities not only makes a bad situation worse, it actually works to the detriment of VA's effectiveness and efficiency. For instance, if a veteran does not hear his name called because he has left the waiting room for a moment to get a cup of coffee or use the lavatory, he should not be dumped at the end of the line and forced to endure the entire waiting cycle over again. When a veteran asks for information or advice, he should be dealt with in a polite and professional manner, he should be treated as a much valued health-care-consumer. The veteran should never be brusquely dismissed with words, such as "I DON'T KNOW," or worse yet, "NO."

It is simply human nature to prefer to deal with those who treat you politely and with concern. We must all keep in mind that even if the VA medical system provides the very best health care in the world and the alternative in the private sector is mediocre at best, veterans will still select the health care provider in the private sector over the VA if he is more humanely treated. It is certainly a fact that while most veterans cannot truly gauge the quality of care they receive, they do sense and remember how well they have been greeted at the door.

Mr. Chairman, in behalf of the Illinois membership of the Veterans of Foreign Wars, I wish to thank you for including us in today's most important hearing.

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STATEMENT OF

VIETNAM VETERANS OF AMERICA
ILLINOIS STATE COUNCIL

Presented By
RANDY GRANATH
President, VVA Illinois State Council

Before The
House Veterans Affairs Subcommittee On
Oversight and Investigations

On

Issues Concerning Chicago Area Veterans

November 6, 1993

TABLE OF CONTENTS

Introduction 1

Adequate Burial Plots Within the State 1

Conclusion 4

INTRODUCTION

Mr. Chairman and members of the subcommittee, Vietnam Veterans of America (VVA) is pleased to have the opportunity to present testimony regarding a full range of issues concerning Chicago area veterans. My name is Randy Granath and I am currently VVA's Illinois State Council President.

For the record, I would like to thank Chairman Lane Evans and Representative Gutierrez for support they have given our national organization on Agent Orange and Women's Health Care needs in this session. Currently, as you likely know, the primary agenda of VVA Illinois State Council is the need for adequate veterans burial plots within the State of Illinois.

ADEQUATE BURIAL PLOTS WITHIN THE STATE

We know that the only benefit many veterans claim is their right to a burial with dignity in a national cemetery near their home. Unfortunately, in the northeastern portion of Illinois, there is no available cemetery. The closest cemetery is in Woods, Wisconsin, which is rapidly reaching its capacity. The projected

closing date for this cemetery is in 1994.

It would be unfair to indicate that only this area has a problem, for this holds true to other cemeteries within and near our state. For example:

Location	Year Closing
Rock Island	2010
Danville	2030
Quincy	1994
Camp Butler	2000
Jefferson Barricks, MO	2005
Mound City	2030

We see this as a dishonor and disgrace, since in a random sampling from the October 15, 1993 through October 29, 1993, obituary section of The Chicago Tribune, the presence of an American flag next to the names indicated 235 veterans eligible for burial in the national cemetery, if they so chose. Unfortunately, they could not be buried in a national cemetery because there is no space available in the immediate area. Now more than ever the support is needed, not two years or five from now.

This is especially disturbing since there is land available to the Department of Veterans' Affairs that could be used immediately. There is already a military cemetery located at Fort Sheridan. An alternate site has been proposed at the Joliet Army Ammunition

Plant, but is years away from opening. This is a harsh reality faced by veterans and their families who will unfortunately soon be in need of burial plots that will not be available for years.

We need to expand the cemetery system across this state, and with the time needed to plan for the sites, available burial space is running out. We have been promised a national cemetery at Fort Sheridan since December, 1990, when the former Secretary of Veterans Affairs made a speech at the AMVETS Hall in Wheeling, Illinois. As recently as a Sun Times, June 7 poll, 94% of the people who responded to the question "Should Fort Sheridan be a national cemetery?", said "Yes". Then in the September 13, 1993, Senate Congressional Record there were several amendments proposed to Senate Bill 1298, to trade land in Virginia for the Fort Sheridan property. We feel this is outrageous since the need is so immediate for the establishment of a national cemetery in northern Illinois.

This need has only multiplied due to the fact the Budget Reduction Act of 1990 caused the elimination of the burial plot allowance of $450.00 for veterans who are not service connected disabled. Many widows were forced to turn to the national cemetery system to provide proper burial for their veteran husbands.

In a letter VVA Illinois State Council sent to all Illinois national legislators, we sought support in providing sufficient

burial plots within the State of Illinois for our 1.15 million eligible veterans. We need your assistance in sponsoring and supporting legislation that would allow the Department of Veterans Affairs National Cemetery System to move forward in establishing and expanding national cemeteries throughout Illinois as follows:

1). Fort Sheridan, Illinois -- a full 162 acres.

2). Establishment of a 200 -- acre site located at the Joliet Army Ammunition Plant.

3). Acquisition of additional acreage at Camp Butler National Cemetery in Springfield, Illinois.

4). Acquisition of additional acreage at Quincy National Cemetery in Quincy, Illinois.

The four issues above should be only a start to the cemetery expansion assistance the veterans of the Midwest deserve.

CONCLUSION

As the closing dates of each cemetery draw near, the other cemeteries in the Midwest will rapidly reach their capacity as well. We should take time now to look into all the cemeteries in the Midwest and see what can be done to add additional acreage. After placing calls to each of the National Cemeteries in the Midwest, I learned that the total grave-sites available in a tri-state area is under 90,000. While there are problems, we hope to clarify our position on the issue and to respond to the questions

of this committee.

Finally, we commend you for holding this hearing, which is the first step made to address the VVA Illinois State Council position on this important and time sensitive topic.

Mr. Chairman, this concludes our testimony.

Statement of Al Lynch

Opening Remarks

I started my career in Veterans affairs as a Veterans Benefits Counselor in 1970. Much of my time in that position was at V.A.M.C. North Chicago, about 12 years. In 1980 I became the Chief of Ambulatory Care at the North Chicago Hospital. A position I held for 2 years before leaving the VA in 1982, to become the Executive Director of The Illinois Vietnam Veterans Leadership Program. In 1985, I was appointed as Chief of Veterans Advocacy for then, Illinois Attorney General Neal Hartigan. I'm currently serving the current Attorney General, Roland W. Burris in that position. I also serve on Cong. Louis Gutierrez' Veterans advisory council. My professional background for the most part has been D.V.A. Medical Care. Over the last 10 years there has been a steady decline in the quality of care given Veterans by the Department of Veteran Affairs. I became acutely aware of this when Veterans started to complain of long waits for admission and prescriptions; patient care areas and wards being dirty; and what has become a steady deterioration in the attitude of staff. Over the years, complaints to our office have tripled. As the complaints became more numerous, our Attorney General's Veterans Advisory Council drafted a program called "Operation Watchover". Under "Watchover" trained volunteers would conduct surveys on what became known as the 3 C's: Comfort of Patients; Cleanliness of Ward and treatment areas; and the Caring attitude of staff. This program would have helped Hospital Directors spot trouble in these areas. Members of our council presented this program to two Hospital Directors both refused to implement the program. Finally, former Attorney General Hartigan, presented it to then Secretary Derwinski where the plan died. The plan died, but not the complaints from Veterans. For over two years now, I've spent much of my time trying to assist Veterans who have problems with their treatment at the hands of the D.V.A..

It's become customary when presenting testimony to talk of the need for more money, to present statics and to ask for new equipment. But that's not what I'm going to do today. You've heard those requests before. Today I want to address the problems in V.A. Health Care in Human terms. I want to help define problems who's solutions won't cost millions of dollars. Though I'm not going to name names or hospitals, each case is documented and most are on-going. The tragedy is that each of these cases would not have happened if proper care had been given, and if the treating physician, nurse, nursing assistant or other support staff had the best interest of the Veterans as a top priority. In each case, that I'll describe, the Medical Center failed the Veteran. The solutions that I will give at the end of my presentation are the culmination of input from those who suffered; the Attorney General's Veterans Advisory Council and Cong. Gutierrez' veterans advisory council.

CASE HISTORIES

1. In 1987, a Veteran who suffered a gunshot wound to his arm while servicing in Vietnam was in extreme pain from that wound. He went to the local V.A. Hospital for treatment. When he got there, his wife explained his pain to the Admission Supervisor who put the veteran in a treatment room so he would 't disturb the other patients. The Veteran was made to wait from 12:00 p.m. to 5:00 p.m. before he would see a physician. The physician, however, didn't treat the Veteran, he accused him of just wanting pain medication. The physician told the Veteran that he would just have to learn to live with the pain. The President of the veteran's veterans organization had to call the Director of the hospital just to have him admitted. Upon admission, it was found that his arm had developed an abscess in the bone. His pain was very real.

2. In 1974, this Veteran was run over by a tank in a training accident. For over ten years, the care he received from the V.A. was excellent. Then in 1987, his physicians changed. His new physicians just didn't want to listen to him. They didn't have

the same concern his former physicians had. One physician in particular had the attitude of a Drill Sergeant not a doctor. These new doctors refused to allow this 100% service connected Veteran a new prosthetic device. They told him he'd have to remain on a gurney for the rest of his life. In 1992, as the direct result of our intervention, he now has his prosthetic device. But not before being a virtual prisoner in his own home for five years. You see unlike you and me without his prosthetic device he couldn't leave his house.

3. Another Veteran was being cared for at home. In July, his care giver noticed a red spot on the Veteran's buttocks, the start of a decubitus ulcer. The V.A. was notified and gave instructions to treat the wound. As the ulcer continued to grow the Caregiver at first requested more visits to clean the wound. The V.A. denied the request. The Care giver requested that the Veteran be seen by a physician, the V.A. refused. As the ulcer became more severe, the Care giver requested admission for the Veteran. The VA refused. Finally after two months and over ten calls the VA decided to see the veteran at the medical center. He was subsequently admitted and had to undergo a painful skin flap operation. Currently he is still a patient at the VA. As a direct result of his treatment team's negligence the veteran is not able to sit in his wheel chair as long as he use to. This severely limits his options in life. All this because the medical staff failed to follow simple medical procedures.

4. This next case involves a veteran who upon being admitted to a long term spinal cord injury ward noticed during the orientation that veterans had rubber mattresses. He told the head nurse that he was skin sensitive to that type of mattress because of an operation to close a decubitus ulcer several years before. The Head nurse replied that the equipment on the ward was "state of the art" and that the rubber mattress would do just fine. Over the next several weeks the veteran continued to ask for a cloth mattress. Each time he was denied. At one point his physician told him that if he wanted a cloth mattress so bad he should buy

one. Within weeks of his admission the veteran developed a decubitus ulcer just like he said he would. He is now confined to a gurney for the rest of his life. The ironic part of this tragedy is that there are hundreds of cloth mattress in the medical center. All the Physician or nurse would have had to do was get one. They didn't care enough ,so this 100% service connected veteran must now suffer for there lack of common concern and decency.

These four cases are just a very few of the cases that I've handled over the last two years. There are hundreds of such cases system wide. And probably thousands that go un discovered because, as one patient put it "if I complain I'll have trouble being re-admitted." . Another patient told me that he'd like to complain about a nurse but was afraid to because of fear of even worse treatment. I want to clarify here that the majority of DVA Medical staff are quality professionals. However when you consider that one physician or nurse may treat hundreds of patients over the course of one year. One bad apple can cause a whole lot of misery.

The common thread in each case was that the treatment team didn't listen to what the veteran or caregiver was saying. Nor did they seem to care about the outcome of their mistreatment or lack of treatment. As one of the above veterans put it, "when they told me that I'd have to be on a gurney the rest of my life they didn't even have the guts to apologize." . On several occasions I and Veteran Service Officers have complained to hospital directors about problems that we see on the wards. And though they try to solve the immediate problem they miss the systemic cause. As an example there seems to be a void in direct supervision of housekeeping. I've observed housekeepers sitting in day rooms for long periods of time. On one occasion I was interviewing a patient in a day room and observed a housekeeper talking on a ward telephone for the entire period of the interview. Not once during the 45 minutes that I interviewed the veteran did a supervisor even appear on the scene much less question what he was doing. At another hospital, I was visiting a veteran and went to the canteen for a cup of coffee. When we passed a boiler room several house

keepers were sitting around talking. When we returned over an hour later they were still there sitting and talking. I and others can complain daily about dirty wards and treatment areas but until proper supervision is applied the problem will continue.

Recently I was approached by a staff member at a hospital. The staff member informed me that several of the physicians on staff were also on staff at other hospitals and some spent less than four hours a day at that V.A. hospital. This person told me that these physicians were suppose to be full time . We can complain about the wait for admission and treatment but until the physicians spend the time treating veterans and not teaching or staffing other hospitals the problem will go on and on.

We can complain about the negative attitude of certain staff members and their lack of caring but until the complaints are acted upon aggressively the problem will continue. We can complain about negative attitudes but until positive attitudes are rewarded and negative attitudes punished the problem will continue.

Recommendations

1. Veteran consumers should have routine direct input into the quality of care they receive. Especially in the areas of comfort of patients; cleanliness of ward and treatment areas and caring attitude of staff. This can be accomplished through ward feed back groups who would meet with the hospital director or the patient affairs person on a weekly or monthly basis. Currently hospital directors meet with veteran service officers but often these service officers are not direct consumers of the system. Only by allowing veteran consumers to meet with those who can directly correct problems can those systemic problems be solved.

2. There is a need for a Patient advocate as oppose to a patient affairs officer. This patient advocate should not be an employee of the hospital. This position to be effective should report to someone higher up the chain of command. I would recommend that

patient advocates report directly to an assistant secretary or the I.G..

3. We recommend that the house veterans affairs committee accomplish a study to determine the number of hours physicians actually spend treating patients.

4. We recommend that the house veterans affairs committee investigate the number of Federal tort claims filed and won by veteran patients. This report should be done at Illinois and other DVA Medical Centers. The report should determine the number per hospital and the medical staff named in the claims. This so that proper action can be taken to purge the system of those physicians who are constantly being named in such malpractice claims.

On behalf of the veterans we serve I wish to thank the subcommittee for coming to Chicago and hearing our concerns. I also wish to re state that though this is a negative report. And tough problems have been identified. The vast majority of professional staff at DVA Medical Centers are caring and highly professional people. But these problems must be addressed and those people within the system who chronically disregard patient rights must be dealt with.

THANK YOU

STATEMENT OF

ROBERT H. WHITE, PRESIDENT

VAUGHAN CHAPTER

OF THE

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

REGARDING

IMPROVING VETERANS' SERVICES IN THE CHICAGO METROPOLITAN AREA

NOVEMBER 6, 1993

Mr. Chairman and Members of the Subcommittee, the Vaughan Chapter of the Paralyzed Veterans of America (PVA) appreciates this opportunity to share with you our views and concerns regarding improving veterans' services in the Chicago metropolitan area. We wish to thank you, Mr. Chairman, and thank this Subcommittee for holding these regional hearings, and for addressing the problems that we face here in Chicago, and that indeed veterans face all across this country.

Health care reform is the most pressing issue facing the 103rd Congress. This issue is of vital concern to veterans and to non-veterans alike. What is most important to veterans is the continued existence of a strong medical system that can make this nation's solemn pledge to her veterans a reality. The VA medical system must be reformed even if national health care reform turns out to be chimerical. Indeed, it is perhaps more important that it be reformed if this national effort does not move forward. The system must be opened up to veterans and veterans must receive the full continuity of care that they would be afforded in the private sector. For the VA medical system to exist as a vital component of this nation's health care system in a reformed environment, the VA

must be able to successfully compete with other health care providers, and other health care systems.

Individuals are satisfied or dissatisfied with their health care for many different reasons. Perhaps the most important component of their satisfaction or dissatisfaction is how they are treated when they seek care. For the vast majority of patients, the amenities of a health care system takes precedence in the designation of patient satisfaction over the actual medical services provided. The PVA applauds the recent VA program "Putting Veterans First", but more needs to be done in this area. It is going to take a commitment from the lowest levels of the VA system on up, from local Directors and local staff, to put veterans first and to accord these individuals, male and female, the dignity and respect that is owed them for serving this nation.

The September 30, 1993 report from the Office of the Inspector General (IG), Audit of Outpatient Waiting Times at Department of Veterans Affairs Medical Centers highlights the often inordinate delays that veterans must endure for outpatient care. Many veterans are made to feel like commodities, rather than valued customers whose care is the utmost priority. For the VA medical system to be a strong and vital component in the reformed environment, veterans in large numbers will have to choose the VA over other private health systems. If the VA is to compete successfully for these veterans the veteran must indeed come first, and he or she must be assured of quality and speedy care, care that encompasses all their health needs. For every older veteran who has first hand experience with the VA system, and can choose based on that experience, there are younger veterans whose only experience is what they read in newspapers, and what they hear from others. As Chairman Evans stated during a recent Veterans Committee hearing, the VA "has to start selling the VA now." To start selling the VA as a desirable option the VA must ameliorate these unnecessary delays and make the veteran feel like he or she

does indeed come first. The perception of quality is often as important as quality, and we are concerned that the perception of VA quality might be considered lackluster.

The Spinal Cord Injury (SCI) Unit at the Hines VA Medical Center is a case in point. There is a dearth of physical therapists; the ratio of patients to staff is inordinately high, 5 to 1 and sometimes 8 to 1. The staff there is often overworked, not only doing their tasks but training those individuals from other sections who must fill in from time to time for a day or two. The Residential Care Unit, a 60 patient facility that cares for those most in need of care, is only half-full because of understaffing. The equipment situation is deplorable, directives have been sent and no action has been taken. Service organizations do what they can to provide some of the most necessary equipment, but the VA must do more, especially if they are going to compete with facilities such as Northwestern Memorial. The area of SCI is one area where the VA is known as a leader. If such problems exist in this area, how is the VA going to compete in providing all care to veterans within the reformed national health care system, here in Chicago, and across this country?

The area of veterans' benefits and claims adjudication is of vital importance to all veterans. The delivery of benefits and services, and the issues of quality and timeliness, are at the very core of the relationship between the VA and the individual veteran. On one hand "justice delayed is justice denied," on the other hand "delay is preferable to error." Mr. Chairman, unfortunately, veterans today are getting the worst of both maxims: shoddy quality and unconscionable delays. This is true in Chicago, and it is true over much of the country.

The response time to veterans' claims, though often better here than the national average, is still alarming and still unreasonably high. In Chicago it now takes an average of 155.9 days for a

decision to be reached on an original compensation claim, 106 days for an original pension claim, and 99.8 days for a reopened compensation claim. This phenomena is not recent, but has been many years in the making. We are faced with a situation where there is no timeliness and precious little quality. Nationally, just a few short years ago, it took the VA 140 days to process a claim. At present, it takes the VA 441 days. Mr. Chairman, we just have to improve this, and we must do better for our veterans.

During the first quarter of fiscal year 1993, a total of 56.5% of Board of Veterans' Appeals (BVA) decisions were remanded back to the Chicago Regional Office. This percentage is higher than the national average of 52.9% These decisions are being remanded today for many of the same reasons they were remanded in 1988, including:

> poor original claims development within the [D]VA regional offices, inadequate medical examinations conducted by private or VA physicians, overworked adjudicators within both the [D]VA and BVA, uncertainties regarding the resolution of highly complex cases like post-traumatic stress disorder or radiation exposure.... U.S. Code Cong. & Admin. News, 3437 (1988).

The Vaughan Chapter stands ready to assist Congress and the VA in fashioning fair and workable solutions to adjudication problems. Improvement at the Regional Office level will result in increased efficiency at the Board level. We understand that oftentimes there are no easy solutions, but this is no reason to shrink from our responsibilities to our veterans.

One solution, supported by some Veterans Service Organizations (VSOs), would be to amend Title 38 to allow one person Board of Veterans Appeals (BVA) decisions in all cases. We stand unalterably opposed to this. This is a matter that concerns

justice and fairness to veterans. Only 4.8 percent of veterans who appeal to the BVA file a further appeal with the U.S. Court of Veterans Appeals. This means that for over 95 percent of veterans, the BVA is the final, full and complete review of their benefit claims. It is vital that this review be thorough and fair. PVA has no objection, and would support, single member allowances and remands. However, for a denial of benefits we believe that it is essential that a three member board decision be required so as to provide the veteran with a full, fair and equitable review. The institution of one member allowances and remands would still provide the BVA an opportunity to overcome some of their backlog and timeliness problems because a large majority of BVA's caseload presently results in an allowance or a remand. Furthermore, this would relieve that one member of the requirement for writing a complete BVA decision.

The problem of homelessness, particularly homeless veterans is an issue that concerns us greatly. Chicago has the second largest homeless veteran population in the country. Recently, reauthorization was not requested for the program at Hines for homeless veterans. We would like to see this program, or some similar program reinstituted, and a strong effort made by the VA to assist the reintegration of homeless veterans into mainstream society.

Thank you Mr. Chairman. I will be happy to answer any questions that you or members of this Subcommittee might have.

TESTIMONY BY
ALFRED GALVAN
STATE COMMANDER
AMERICAN GI FORUM OF ILLINOIS
NOVEMBER 6, 1993

Honorable Congressman Evans and Congressman Gutierrez

Thank you for this opportunity to come before you to offer the views of our organization, the American GI forum of Illinois.

My name is Alfred Galvan and I serve as the State Commander of the organization.

My comments today focus on two primary issues.

The first issue is the proposed move of the Veterans Employment and Training Service (VETS) into the Employment and Training Administration of the U.S. Department of Labor.

The American GI Forum is opposed to this move for several reasons. Some people may still recall that veterans employment and service was initially established under ETA, and veterans were not a significant priority among the massive employment programs that ETA managed. This is why the American GI Forum joined the many other veterans organizations that supported the move out of ETA and into its own department. This was sometime around 1979 or 1980.

Since that time VETS has been the identified center of operation for the JTPA programs for veterans, the Disabled Veterans Outreach Program, and the Local Veterans Employment Representatives program. Additionally, VETS manages the Veterans Re-employment Rights program which is an extremely vital office at this time, because our national defense depends more on reservists than ever before.

I understand that the President's purpose in "re-inventing" government is aimed at cost cutting issues and streamlining service. But, it is also imperative that commitment to our promises be integrated into the re-invention formula. The Veterans Employment and Training Service should not be solely viewed as a cost-cutting measure; it needs to be recognized for what it is, and that is a promise to provide services to our young men and women who served their country at time of need. By moving VETS to ETA it is the first step towards the total oblivion of employment and training services to the veterans. It can be easily envisioned that if this move is made, veterans would soon be expected to meet the same enrollment criteria that ETA normally establishes for employment services, such economically disadvantaged, ex-offenders, substance abusers and other unrelated priority criteria. Veterans status would only be a side note characteristic.

The recommendations made by the National Performance Review (NPR) as applicable to VETS, tends to oversimplify the action. It makes VETS sound like a duplication of service and an "exclusive" club for veterans. Quite the contrary, this tiny agency has to fight for every penny it gets in order to serve veterans. The NPR never even mentions how the Veterans Re-Employment Rights (VRR) would be handled. Keep in mind that ETA has no experience

at operating enforcement programs such as VRR. It is the only government employment agency that advocates for veterans.

It is obvious we are opposed to this move and I can assure you that the same sentiment holds true for the whole national American GI Forum structure.

The second issue I wish to touch on, is the plight of our homeless veterans. As you know, all the surveys, as well as our 1990 census, indicate that about one-third of the nation's homeless are veterans. Most are Vietnam veterans, but it doesn't matter because they are all veterans. The government estimates 500,000 veterans will be homeless during 1993, and some advocates estimate the number to be twice that high. These are veterans that at one time proudly wore their uniforms, their ribbons, and looked forward to their future. Now, they struggle for survival in the streets, many having to deal with their drug and alcohol problems, some with physical and mental ailments, and others who have just given up trying.

Dealing with these individuals is expensive; it requires long-term care and comprehensive services. Some have employment skills but many only have their military training which is not transferable to the civilian market.

The American GI Forum salutes your efforts in Congress in approving the Stewart B. McKinny Act, which provided the Homeless Veterans Reintegration Project. We also encourage you to do more in the appropriations for this program. As you know, the Homeless Veterans Reintegration Project was authorized $10 million for this year, but

unfortunately only $5 million was actually appropriated. Next year, I believe the program is authorized $12 million; I hope you will support the cause of these veterans by appropriating the same. Let us not forget these fellow patriots, at a time that they really need the help.

Thank you for this opportunity to testify before you, and I look forward to continuing our joint efforts on behalf of the veterans of this country.

STATEMENT OF

TOM FITZGERALD
REPRESENTING AMVETS NATIONAL HEADQUARTERS

Mr. Chairman, thank you for holding this field hearing and for inviting AMVETS to testify. We welcome this opportunity to work with you and your staff on behalf of the veterans of Illinois and all the veterans of our great nation. I will confine my testimony today to the urgent need for a national cemetery in the Chicago area. We call upon the full committee and the Secretary of Veterans' Affairs (VA) to act now. The veterans living in Illinois' major veteran population center should not be denied the availability of, and access to, a national cemetery near their loved ones.

We all agree, I'm sure, that those who fought and died to defend our country deserve a final resting place befitting the honorable military service they willingly rendered. It only follows that such a final resting place should be available and reasonably close to the veteran's hometown. But to be buried in a national cemetery nearby, a Chicago area veteran has no alternative short of crossing the state line to the Wood National Cemetery in Wisconsin that itself is scheduled for closure in 1995.

From Chicago, the nearest Illinois national cemetery, Danville (to be closed in 2030), is well over 100 miles away. Rock Island (to be closed in 1995) and Fort Butler (to be closed in 2000), the next closest, are nearly 200 miles away. Quincy and Alton are even farther away, and Quincy is due to close in 1995. Alton is already closed. Mound City (to be closed in 2030), the only other national cemetery in the state, is over 300 miles away.

The excessively lengthy process of getting a proposed site off the drawing board and to the point of being open for business is motivation enough to move forward as expeditiously as possible. Based on figures from April of this year, it takes an average of 3 years from the time VA solicits prospective sites until the Secretary designates a site to be developed as a national cemetery. That is considerably less time than it takes to actually prepare the site for operation. Once the go-ahead is given on a selected site, it now takes over 5½ years to develop the site. This includes congressional approval of necessary funding, acquisition of the land, funding and documentation for development contracts, and finally the construction in preparation for initial burials.

So, no matter what site is chosen as a national cemetery, at a minimum Chicago veterans have at least an eight-year wait ahead of them. That is to say, if a site were selected today to be evaluated, that site could not be expected to be operational until late 2001.

In the past, AMVETS has testified in support of the establishment of a national cemetery at Fort Sheridan, north of Chicago. Legislation is pending which would require the Secretary of the Army to "transfer, without consideration, to the Secretary of Veterans Affairs a parcel of real property consisting of approximately 200 acres of real property...that is located at Fort Sheridan, Illinois, and appropriate for use as a national cemetery."

While we agree that Fort Sheridan would make an acceptable national cemetery and the site has already undergone initial analysis, AMVETS is shocked by the $35 million price tag attached to VA's acquisition of the land from the Army. The VA budget presently does not contain funding for such a transaction. With appropriations constraints that can only be expected to increase in the future, it is likely that funding for the purchase and development of Fort Sheridan as a national cemetery could be continually pushed from one fiscal year to the next. That is not fair to the veterans of northeastern Illinois who need a convenient national cemetery now.

There is another site just as convenient to the greater Chicago area located to the immediate southwest of Chicago in Joliet. This site appears to have a number of advantages. First, the parcel of land is substantially larger than that of Fort Sheridan, around a thousand acres. Second, it would require less work to develop than Fort Sheridan or several other alternative sites, and thus could probably be ready to open sooner. Third, and probably the most appealing, it would not cost VA a penny to acquire the Joliet property.

Mr. Chairman, AMVETS asks VA to proceed quickly to make a final decision on a site for a Chicago area national cemetery. Our previous position notwithstanding, we would ask that, in reaching a decision on this important issue, VA bear in mind the severe shortage of national cemetery space in the state of Illinois. Availability of national cemetery space in all of Illinois today will not accommodate even ten percent of the 1.2 million veterans in the state. By holding this field hearing, Mr. Chairman, you have shown Illinois veterans that the subcommittee is committed to meeting the needs of veterans here and across the nation. AMVETS is confident

that the testimony you hear today will encourage a swift decision on a national cemetery site and prompt VA to act accordingly.

AMVETS is sincerely grateful for being invited to participate in what we expect will be a very fruitful hearing. You can count on our cooperation and assistance on this important issue, and we look forward to an open national cemetery in the Chicago area soon. Thank you, Mr. Chairman. This concludes my statement.

Department of Illinois

For God and Country

VETERANS AFFAIRS AND REHABILITATION
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STATEMENT OF MR. THOMAS B. VAZQUEZ, DIRECTOR
THE AMERICAN LEGION
VETERANS AFFAIRS AND REHABILITATION
DEPARTMENT OF ILLINOIS
BEFORE CONGRESSMEN LOUIS V. GUTIERREZ AND LANE EVANS, U.S. HOUSE
OF REPRESENTATIVES' VETERANS' AFFAIRS SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to comment on some of the discharges that the service departments are issuing to many of our young applicants. The American Legion, Veterans Affairs & Rehabilitation Office in Chicago started assisting the applicants since September 1990. We took over the service from the American Red Cross in this area who had been assisting these applicants but loss funding to continue. We are calling these young people "applicants" because neither the Service Departments nor the Department of Veterans Affairs recognize these young people as service personnel or veterans due to their discharges.

The Department of Defense (U.S. Army, Air Force, Navy and Marine Corps) and Department of Transportation (U.S. Coast Guard) are not only issuing Honorable Discharge but the narrative reason can create bar to the Department of Veterans Affairs benefits. The Service Departments also issuing a less than an Honorable Discharge which bar the applicants from receiving the Department of Veterans Affairs benefits.

Since September 1990 a total of 733 young and old applicants have requested our services in regards to discharge upgrades. These numbers are broken down as follows:

BRANCH OF SERVICE	NUMBER OF CASES
U.S. ARMY	312
U.S. AIR FORCE	74
U.S. NAVY	198
U.S. MARINE CORPS	142
U.S. COAST GUARD	7

Our records reflect that because of the lengthy process involved the applicants are failing to process their cases. Of the figure above are the total number of pending cases and the figure below reflects the applications submitted and awaiting the outcome.

BRANCH OF SERVICE	NUMBER OF CASES SUBMITTED
U.S. ARMY	74
U.S. AIR FORCE	37
U.S. NAVY	29
U.S. MARINE CORPS	15
U.S. COAST GUARD	1

These numbers reflect that if your were discharged from the U.S. Air Force with less than an HONORABLE DISCHARGE you are more likely to submit an application for a review. Of the cases that are on files of former member of the U.S.A.F. in twenty-nine (29) cases the applicants was discharge with an Honorable or General under Honorable Conditions and fourteen (14) cases the applicants had an Under Other Than Honorable Discharge.

To give an examples of other facts we are looking at of the fifteen (15) U.S. Marine Corps application cases submitted, twelve (12) are from applicants with an Other Than Honorable Discharges.

We have found information in our files to reflect that an applicants education level and back ground has a lot to do with an individuals successfullness in the military. If the individual has a low I.Q. score and comes from an area that is a low middle or poorer class, has a lot to do with his/her attitude in the military.

We have also found that Biasness to ones's race, marriage and job has found its way into the attitudes of the individuals chain of command.

We have submitted to the U.S. Marine Corps the case of a young lady who was discharged from the service with a General Discharge with a narrative reason for separation ("Convenience of Government, condition not a physical disability or personality disorder (without Administrative Board)"). Her only military offense with which she received an Article 15 Non Judicial Punishment was for Violation Article 134 of the Uniform Codes of Military Justice. Her charge was "as a married woman having sexual intercourse with a man not her husband". Information she related to us was she was raped by a young marine she was accused of having sexual intercourse with, he was aquitted of the crime. This young applicant was a Military Personnel Specialist and her husband was a Combat Specialist. Other problems she had with her chain of command was the fact she is black and her ex-husband is white. This is just some the information in her file without going into too much.

Our second classic case was a young former member of the U.S. Army, another young lady who received a General Discharge for unsatisfactory performance. Information we received reflect that right after graduating from Personnel Specialist School she was assigned to a duty unrelated to her specialty.

She worked at this new duty for over one year and at the completion she received two (2) Army Achievement Medals for her efforts. After returning to her primary specialty she was sent to work without additional training. This has effect her performance which caused her discharge under this condition. Some factors that may have influenced her chain of command was she is white and she was dating (and later married) a black soldier and they were stationed in the Southern part of the United States.

Of thirty (30) cases heard by the U.S. Army Discharge Review Board only two (2) were upgraded.

We are proposing the following:

That the Armed Forces standardize what is considered honorable service and dishonorable service.

That the Armed Forces give the same type of discharge for the same offense, i.e. The Air Force will give an applicant an Honorable or General Discharge for a one time drug abuse and the other branches of service are issuing an Other Than Honorable Discharges.

Congress needs to allow the Armed Forces more budget to enable all the branches of service Discharge Review Boards to traveling annually.

The Department of Defense needs to issue to all service organizations that provide free discharge review service (for example: The American Legion, Veterans Affairs & Rehabilitation, Department of Illinois) a copy of the Manual for Courts Martial and all regulations pertaining to Administrative Discharges to assist in case preparation.

The Armed Forces need to be Equitable in the character of discharge issued, i.e. the Air Force gives General under Honorable Conditions for a one time drug offense. The same type of discharge if the individual has received two Article 15 NJPs and the other branches of service will give an Other Than Honorable Discharges for these offenses.

That Congress instruct the Department of Defense to edit the current Form DD-214 copy one to reflect only Character of Discharge. The only information necessary for any office outside of the Department of Defense and the Department of Veterans Affairs is just Character of Service. The other information on the form is used by employers to deny young veterans employment.

Mr. Chairman that conclude our statement.

TESTIMONY REGARDING HEALTH ISSUES OF WOMEN VETERANS

Presented before the Committee on Veterans' Affairs
Subcommittee on Oversight and Investigations
The Honorable Lane Evans, and Honorable Luis Gutierrez, Presiding
November 6, 1993

By: Lane E. Knox, President
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The health issues of women veterans in this country have been of great importance to some people and of little importance to others. In reality, the vast majority of women veterans never use V.A. hospital. There are probably several valid reasons for this:

1). V.A. hospitals have the reputation, the appearance, and the image of being in business for male veterans only.

2). Some of the staff in V.A. hospitals seem to be insensitive and uncaring to women veterans. (Unfortunately this may be the staff that women veterans encounter on their initial visits to the hospitals).

3). Privacy for women when they are being seen in outpatient clinics is still lacking.

4). Medical services and medical personnel that are needed only by women veterans are only available on part-time schedules and in case of a need for immediate attention, you are out of luck as far as getting same day appointments.

5). There is a lack of birth control available for women veterans of child bearing ages.

Since the DVA is mandated to provide services to women veterans, and the number of women veterans are increasing as a result of the downsizing of the military and in all probability the number of women veterans availing themselves of these V.A. hospital services should increase. However, there is a need to make the provisions in the V.A. more attractive to women veterans.

If we look back ten, twenty years ago at the treatment and services women veterans were receiving then compared to what women veterans are receiving now it must be said there have been some improvements. Women veterans have private rooms while they are hospitalized, mammography examinations have been taken out of trailers and put into the hospitals to make it more comfortable and there have been concerted efforts to hire full-time women veteran coordinators in the V.A. hospitals. There has finally been a law

passed (P.L. 102-585) Veterans health Care Act of 1992, Title I Women Veterans Health National Training Programs. This law places special emphasis on training V.A. employees to treat women veterans who were sexually harassed or assaulted while in the military. This is something that was long overdue, however I feel that there are still some problems that needs to be addressed. I, speaking as a women veteran have some problems with some of the language in this law. First of all, as the law reads now the V.A. will provide counseling services through December of 1995. Does the V.A. think that sexual assault or rape is only a temporary incident to the victim and that no matter how long ago it happened you can relive it over and over, because it is something a victim never forgets and you live with that trauma for he rest of your life. The second point in this particular part of the law states for a women to be eligible to receive counseling, she must seek counseling from the V.A. within two years after the date of her discharge or release from active military service. On this point I would like to know what about women who have been out the service longer than the two years cut off date, if they meet the criteria for the sexual trauma counseling services, then according to the law they would not be eligible for the services because of the two years. I basically believe the law is a good one, but I also believe it could become a much better law with some changes that would be more beneficial for the women veterans it is designed to serve.

Some of the vet centers who were deemed eligible for these positions have now hired the personnel for the Women Veterans Sexual Trauma Coordinators. These women that were hired for these positions received Sexual Trauma Clinicians Training the week of September 13-17, 1993 in Virginia Beach, Virginia. A large percentage of women who went or who still go into the military are minorities, so I feel strongly that at this conference and on the planning committees there should have been some input from minorities.
There were nine people on the planning committee. Of these there was one African-American male and he was removed. There were no African-American women on the planning committee and no African American women veterans on the women veterans panel at this conference. As far as presenters go there was one African-American woman and one Asian woman on cultural issues and their time was reduced. There also were no paid African-American Presenters. This information is very significant to us because the faculty or presenters consisted of twenty-eight (28) people. On the women veterans panel there were nine women. The Women Veterans Sexual Trauma Coordinators Positions was not given veterans preference, therefore these women may or may not be women veterans. This is not to say that one must be a women veteran to do the job, but it would have been more meaningful if the woman would have been a veteran herself. The reason I say this is because women veterans as a population and as a rule don't come into agencies or organizations in large percentages according to their numbers, some of them are not even aware of these places or services.

Why, because it is mind-set that these traditional agencies and service organizations are male dominated, specifically geared and set-up for male veterans, and have little concern for women veteran issues and needs. Whether or not this concept is right or wrong the image and perception is there, and it will be there until there are some changes within these systems.

The vet centers had this chance to try and start changing this image by doing everything in their power to hire women veterans for these positions, I am sure some of the centers did, but judging by what I know of the recruitment efforts there was no preference written into the criteria or recruitment efforts made to find qualified women veterans. Simply put the title Women Veterans Sexual Trauma Counselor is misleading though not wrong. Women veterans have a strong tendency to bond right away because they have one thing in common "a women veteran". It is sometimes very difficult to open up to strangers about being a women veteran in the first place because of the stigmas attached to that, and to talk about a sexual trauma also only makes it much more difficult. Women veterans will not come running into vet centers because all of a sudden it has decided to focus on women veterans. This is something that should have happened years ago and to make it part-time and for now temporary is really not sending out a strong clear message to women veterans. I would like to offer the vet centers some suggestions: 1) There should be at least one full-time women counselor or team leader (this should be mandatory) employed at the vet centers. 2) Their should be weekly support groups for women veterans at the vet centers mandatory (not based on the whims of team leaders). 3) Vet Centers should have paraphernalia that reflect women veterans (this should include literature, pictures, paintings, tapes, seminars, etc.). 4) All vet center employees should be required to take training on sensitivity and the history of women in the military. (Ongoing and as needed, part of orientation for new employees). 5) Each vet center should have an advisory group of women veterans. (This group should be permanent).

To go a little further with another example of how the Vet Centers may be just a little unfair or short-sighted most of the vet centers now or in the past have run rap or support groups for combat veterans. A great effort was made to have these groups facilitated by a person who was a combat vet themselves and of course this is only the right and fair way to run a group that everyone involves shares the same experience. It is just like a disabled person trying to explain how difficult it is to try to maneuver up stairs when you are in a wheel chair to a person who can run up and down stairs, or a women trying to explain the feeling of labor pains to a person who has never experience labor. You can empathize and feel for these people but we know in all sincerity its not the same as the real experience. We recognize however that there aren't enough women veteran counselors for every women veteran or there will not be enough qualified African-American counselors for every African-American veteran that come into the vet centers.

We are only saying at the minimum there should be training and input from the same culture or sex in relationship to the population that you are targeting to serve. These are the considerations which we would hope the vet centers would incorporate in their hiring and training practices in the future and when they are planning programs for women or any other special targeted population. It is only then that these programs can work. The vet centers must not continue to set-up programs that does not reflect planning ideas and presenters from minorities. They must also try harder to recruit qualified women veterans. Only then will the image and perception of the DVA change to women veterans. After all the mental health of a women veteran is just as important as her physical health.

In all fairness to the DVA I must say some of the hospitals and vet centers are really trying to outreach to women veterans to make them aware of their benefits in regard to health care services. However, according to the National Association For Black Veterans, Inc. Milwaukee, Wisconsin" despite annual increases in its budget, the V.A. system has been eroded by greater increases in inflation and medical costs. Since the 1970's, thousands of Va Medical employees and other staff have been cut. Understaffing has made retention of medical professionals, especially nurses, more difficult. Entire wings have been closed. Tough and arbitrary eligibility requirements have been put into place. Co-payments on prescriptions have been instituted. Elimination of travel benefits have placed an undue burden on extremely indigent veterans who have to travel outside of their communities for V.A. services. The delivery of services is often inefficient and overly bureaucratic. at times it is perceived as deficient. Additionally, V.A. hospitals presently do not have to compete with other hospitals. This does not encourage reform or improvements in levels of care". This certainly coincides with my belief that this is one of the main reasons why full time gynecological services are not available which could also include prenatal and delivery care at V. A. hospitals for women veterans. Or why there cannot be a women's clinic and hospital wing for women veterans.

If the V.A. is serious about improving the care of women veterans it must compete for these women and give them the services they need as women, the medical professionals they need as women, and the sensitivity they need as women in regards to privacy and counseling. Women will continue to join the military, they will continue to become veterans therefore the DVA must continue to improve the health services for women veterans of today and tomorrow. Thank-you.

Respectfully Submitted,

Lane E. Knox

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JOANN WILLIAMS, EXECUTIVE DIRECTOR

STATEMENT BEFORE THE U.S. HOUSE OF REPRESENTATIVES, VETERAN'S AFFAIRS SUB-COMMITTEE, NOVEMBER 6, 1993, CHICAGO, ILLINOIS

I would like to take this opportunity to thank the Honorable Congressmen Lane Evans and Luis V. Gutierrez for inviting me to speak here today.

The Chicago Vietnam Veterans & Family Assistance Program (CVVFAP) is a three year old, community based veterans organization founded, in 1990. It was born from the membership of another organization; Vietnam Combat Veterans, LTD., Midwest Region, Chicago Chapter (VCV). The mother chapter of VCV is in San Jose California. The first original replica of the "Moving Wall Vietnam Veterans Memorial" was born from VCV in San Jose. As a result of the membership of Vietnam Combat Veterans, Chicago Chapter, Chicago Vietnam Veterans & Family Assistance Program was born.

Through a Grant from the Agent Orange Class Assistance Program, in 1990, Chicago Vietnam Veterans & Family Assistance Program was established. In our first year of operation, we provided information, counseling, direct and referral services to over 400 clients throughout the city and suburbs of Chicago. As a result of our program, I became an inductee in the City of Chicago, Department of Human Relations; "Chicago Women's Hall of Fame" for veteran and community involvements to better the plight of low-income people, veterans and their families.

Our focus and programs include: Housing, Economic Development, Job Training, Health and educational programs. We recently received 4 donated used computers from a local bank. We would like to begin a computer literacy training program by the spring of next year.

In the Fall of 1992, we received a contract with the City of Chicago, Department of Human Services (DHS), Homeless Services Division with cooperation from the Chicago Housing Authority (CHA) public housing, to rehab 50 vacant, vandalized and abandoned apartments in CHA. These apartments were used as "Drug Dens", gang hang-outs and worse. Our program was a success. We completed fifty seven apartments, seven (7) more than contract requirement. These units are currently occupied by formerly homeless families and individuals. These subsidized units provided permanent shelter for Chicago's Homeless.

We would like to continue this program to provide permanent shelter and homes for veterans, their families and the community. This project required volunteers from the skilled trades, unskilled labor, donations for supplies and materials and a dedication to "Get the Job Done". We are seeking rehabbable property, multi-unit and single family homes throughout Chicago to continue to provide permanent shelter for Chicago's homeless population. There is a special need to focus on the homeless veterans issue here in Chicago.

CHICAGO HOMELESS:

According to the Chicago Coalition for the Homeless, there are approximately 60,000 homeless individuals in Chicago. It is estimated that one-third (1/3) or 20,000 of the homeless are veterans. Approximately sixty percent of the veteran homeless are of the Vietnam Era with a growing number of Persian Gulf Veterans. Of those homeless shelters we contacted, who maintained moderate statistical veteran information, 40 to 70% of the homeless veterans are of Afro-American decent. A clear majority of the homeless in the inner-city are Black males. There is NO PROGRAM in the city designed to help Chicago inner-city homeless veterans OR addresses the issue of homeless veterans in particular. Homeless veterans are LUMPED together and mixed in the "Big Pot" with the homeless population in general.

Our experience with homeless veterans indicate there is a dire need for coordinated, comprehensive services to address THEIR particular needs. Veteran Post Traumatic Stress Disorder (PTSD), Agent Orange, Persian Gulf Syndrome, Military Disability, Discharge Up-grades, V.A. Health, Education and other benefits and problems are a few items which clearly separate veteran homelessness from the general homeless population.

ECONOMIC CONDITIONS AND PULIC POLICY:

The Illinois Department of Public Aid has drastically cut General Assistance to unemployed single persons. In this year alone, it is estimated that there are 65,000 people, primarily single men in Chicago, with no source of income as a result of state budget cuts in General Assistance. According to the Chicago Tribune, there are 350,000 homeless persons living in Chicago. Their study includes people living with friends and relatives out of necessity, not by their own choice.

According to the United Way of Chicago, low-paying service jobs have replaced blue-collar jobs as the only job opportunities open to people with low levels of formal education. Seventy-six percent of all jobs in the growth industries--persons with less than a high school education account for only five percent of all workers nationally and 62% have at least some college education. In Illinois, funding for employment and training programs declined by 51%. Available training and employment programs are inadequate since they lack sufficient support services. The Chicago region's loss of manufacturing jobs was felt mostly by inner-city. Over 200,000 manufacturing jobs have been lost over the past fifteen years.

COMMUNITY BASED VETERANS ORGANIZATIONS:

To my knowledge, there are very few community based veteran organizations in the city. Most community based organizations are Non-Traditional veterans organizations such as our own. We are not-for-profit, IRS Tax Exempt 501 (c) 3), non-membership agencies who heavily depend on private donations and grants from foundations, city, state and federal funds. Most "Traditional Veterans Organizations are IRS Tax Exempt 501 (c) (19). The 501 (c)(19) Veteran Memberships designation elmininates many traditional veteran organizations from receiving donations from such sources as Resolution Trust Corporation Property (RTC). By law, RTC property can be "Donated". It specifically gears donation to 501 (c) (3) agencies. To my knowledge, no RTC property has been donated to a veterans organization of any kind in Chicago or nationwide. These properties nationwide could have truly helped alleviate the veteran homelessness crisis since many of them were multi-unit apartment buildings and hotels.

Chicago is a hostile environment for veteran community based organizations to function. Funding is geared to larger well established agencies such as United Way, Catholic Charities, etc. to address social problems. There is a belief on the part of the American public that the government takes "Care of Veterans." Once again, veterans are "LUMPED" in the pot with other non-veteran specific social agency programs where, in many instances, they don't fit. Comprehensive supportive programs are the key to successfully help our homeless vets. Linkages with these agencies would help veterans particularly those vets with families. Staffing our community based organizations is essential in order to facilitate comprehensive supportive services which would include housing.

HOUSING

The Department of Housing & Urban Development (HUD) and the Veterans Administration (V.A.) should designate a clear numerical set aside of housing for donation, lease or mortage for homeless veterans. The Chicago Housing Authority (CHA) has several thousand vacant units and scattered site properties. A few of these scattered site properties (which range from 30 - 60+ unit buildings) could be donated to veterans organizations to rehab and house homeless veterans. We could generate hundreds of skilled craft trades jobs to train and employ as well as house veterans. CHA security jobs could be generated to help employ resident veterans in public housing. We could also train and employ resident veterans
to management their public housing developments and establish Resident Management Corporations such as the Leclaire Courts Resident Management Corporation on the Southwest Side here in Chicago.

The V.A. could clearly establish a home set-aside for veterans organization to assist veteran transition into home ownership. V.A. could establish a better outreach to lease V.A. property to veteran organizations to help shelter the homeless under the Homeless Veterans Comprehensive Service Program Act of 1992 (Pub. L. 102-590).

This past Wednesday, I visited the Chicago Regional V.A. office and talked to Mr. Rogala, Loan Guaranty Officer regarding their program to provide V.A. Loans to homeless providers under the Homeless Veterans Comprehensive Service Program Act of 1992. This program would allow V.A. property to be donated, leased, or sold (V.A. as Mortgagor) to not-for-profit and veteran organizations to provide shelter for homeless. I asked if any veterans organization was taking advantage of the program. He first stated that Chicago V.A. elected not to participate in the program. After I further inquired as to why? He stated "there was no interest by veteran organizations or not-for-profits in the program." My question to him as well as to you members of the sub-committee is WHY? I suspect there has not been sufficient out-reach efforts to veteran organizations. (I also suspect this to be the case with RTC Property.) I informed him that my organization was certainly interested. He then stated Ms. Copeland of his staff would get in touch with us to work on getting our involvement to lease V.A. property. (He did not say Mortgage the property.) I was further supprise to find that approximately 12 veterans received the benefit of the V.A. Refinancing Program. This program is whereby a veteran with a V.A. secured loan, experiencing difficulty with mortgage payments, can refinance the loan at a lower mortgage cost and make payments directly to V.A. The V.A. will purchase the home from the current mortgagor. I am certain that more than 12 veterans in Chicago could have benefited from this program. Again, lack of out-reach.

Housing - Program Specific for Veterans

The only housing which I am aware of in Chicago strictly geared for non-chronically mentally ill is through Traveller's and Immigrants Aids on South Shore Drive. This apartment building has 30 subsidized units set aside for an 18 month transitional housing program for homeless veterans. After the 18 month period, the veteran must find a job to generate income to pay market rate rent for the apartment or locate housing from another source. In short, after 18 months if the veteran cannot pay market rate rent he must move out. The staff at Traveler's acknowledges that there is a need for stronger "Linkages" to support a comprehensive supportive service program. The program is relatively new, (under two years old) and I am sure that Traveler's will work diligently to assist their veteran tenants.

Hines V.A. Hospital and North Chicago has live in units and bed facilities for chronically mentally ill veterans. I believe they are 30 to 60 units combined. I once recommended to a vet that these facilities provide shelter for veterans and he responded that: "I'm homeless, NOT CRAZY!"

The Illinois State Department of Veteran Affairs will quickly mention the two state funded living facilities at Manteno and Quincy. I have often commented to the State Department of Veterans Affairs Director, Mr. Pouchard, that these facilities are over 100 miles away (downstate illinois) from Chicago veteran homeless. It is not realistic to expect homeless Chicago area vets to live down state, as one veteran put it, "Out there in the Cornfields". These down state veteran facilities are fine for retirees and people who live downstate. However, a more realistic approach would be what has been done in Boston, with the "New England Shelter for Homeless Veterans". The New England Shelter is located in the heart of downtown Boston. This facility was formerly an abandoned V.A. Hospital which was donated to a community based veterans organization. They currently have an on-site "ONE STOP" comprehensive supportive services program for homeless veterans. One major issue that our Chicago area Congressmen could address is to help us locate a facility here in Chicago for such program.

I will admit that I may be not fully knowledgable of permanent shelter for veteran homeless. I can state that these are the facilities in which I am familiar.

IN CONCLUSION:

There must be greater emphasis by our Congressmen to enforce and out-reach to veteran organizations and inform us of programs which benefit homeless veterans currently on the books. There is no veteran specific monitoring of current funds or programs available from the U.S. Departments of Health & Human Services and Department of Labor for supportive services; McKiney Act Funds, HUD, RTC and VA properties which could be used to help ease the homeless veteran crisis. Congress could provide our organizations with technical support to apply for these funds. They could also provide us with Federal Register applications in a timely manner. This would insure that we have sufficient response time to establish inter-agency "Linkages" in order to provide comprehensive supportive services program. In a city as large as Chicago, there is no U.S. Department of Labor Homeless Veterans Reintergration Program (HVRP) to aid in skills training and veteran employment. I am sure that Mr. Sam Parks, Director, Regional U.S. Department of Labor, Veterans Employment and Training Program is willing to work with us to ensure that Chicago has an HVRP program in 1994.

Statistical - Quantifiable Homeless Veteran Information

Currently, there is no formal statistical information on homeless veterans. Although any homeless population is difficult to monitor, I believe there must be a concerted effort to provide statistical data on homless veterans so that they can be better served. Again, homeless vets are in the big "Pot". There is no separate profile to help us better understand the issue and why veterans are so keenly effected by such devastation. It is ironic that throughout the nation, it is estimated that veterans represent one-third of the homeless population. A growing segment of the homeless population is women with children. Each year we receive more phone calls from female veterans with children. The issue of homeless female veterans will increase with our poor economy. Very little attempt by the government or private sources is being made to statistically and quantifiable answer the question, "WHY".

We need your support for funding of comprehensive supportive services for our veterans, as well as strong monitoring of current housing, education and employment programs which could benefit homeless veterans here in Chicago. We need your eyes, ears and voice to communicate with us on issues effecting our homeless, as well as your congressional leverage to help alleviate the job and homeless crisis.

Help us locate and acquire government property through base closings, HUD, V.A., and the RTC. To Congressman Gutierrez, as a former City Council member, persuade your former fellow members in City Council to pass legislation that the Chicago Abandoned Property Program (CAPP) set aside 10% rehabbable multi-unit property for homeless veterans projects. Talk to the City, Department of Housing to persuade them not to just give Community Development Block Grant dollars to Big Developers and Big Not-for-Profit organizations. Veterans must share in an economic system which THEY helped to perserve, protect and defend.

Congress must monitor our financial institutions for compliance with the Community Reinvestment Act (CRA) and encourage them to provide lending for rehab and mortgages to veteran organizations who are doing their part to help homeless veterans. Veterans who are served this country deserve more because, in many instances, they gave more to make our country great. To gain access to the 201 Files and DD 214s of many of these homeless veterans indicate they have servered quite honorably. From purple hearts to bronze and silver stars, they have given the most to defend our country. The least we could do is return to them the respect they have so diligenty earned and a decent affordable place to sleep.

I will diligently work with Congressman Gutierrez in any capacity to help eliminate veteran homelessness.

Thank you for your time.

ALTERNATIVE LIFESTYLE & VETERAN RESOURCE CENTER
3040 WEST WASHINGTON BLVD. - CHICAGO - ILLINOIS 60612
TELEPHONE NUMBER: (312) 533-2440 FAX NUMBER: (312) 533-9002

The Veterans Community of Chicago is one of the largest in the nation and is one of the hardest hit communities struggling with the current state of our national and local economies. In most recent surveys it is estimated that 43 percent of the homeless in Chicago are veterans. Unemployment and underemployment among veterans is higher than either the City, State or National averages. Substance abuse ,according to the Illinois Department of Corrections, is the chief contributor to the higher than normal percentage of Veterans currently incarcerated in Illinois. July 1993 figures showed 2,197 were confined in State Prisons. There are numerous other facts and figures that we could address but in the time that I have I would rather offer some possible solutions.

The Lawndale Veterans Resource Center is starting a pre-apprenticeship building trades job training program. This program has the cooperation of the Chicago Trade Unions and participants will be trained on the job by union journey persons at a rate of one journey person for each five participants. SEE ATTACHED.
This program will network with other not-for-profit programs to assist them with their housing construction needs.

In addition we are seeking to build a Veterans Shelter that will offer a wide variety of services to vets including; job development, counseling, mentorring, transportation to and from VA facilities and other services as needed. The Vietnam Veterans of America have agreed to manage the facility and the Veterans Business Resource Center will oversee the program services. Veterans will have ready access to many other public services and the assurance that their needs are being administered by their peers rather than individuals who are not aware of the peculiar difficulties facing Vets.

The real beauty of this program is that in can be accomplished without any thing more than redirecting monies currently being spent by the Department of Public Aid for homeless vets to receive 90 days in a single room occupancy shelter hotel. The same money will provide not only shelter but employment and services need by vets.

Thank you for your time and we hope to hear from you soon.

Ronald E. Patterson
Executive Director

THE KEY TO A BETTER TOMORROW

PROGRAM DESCRIPTION

The Lawndale Veterans Resource Center is pleased to present its Pre-Apprenticeship building trades training and employment program. This program will operate under the auspices of the Chicago Trade Unions and in conjunction with the Chicago, City Colleges.

We will be offering training in four areas; carpentry, plumbing, electrical and painting. Each participant will receive six weeks of intensive classroom instruction touching of the broad spectrum of each of the listed disciplines. Classes will take place at the Westside Learning Center under their Adult Continuing Education Program. Participants will be enrolled as special interest students and will receive stipends based on the number of hours of classroom participation for up to 30 hours of weekly instruction. The instructors will be compensated by the Learning Center.

Participants will receive carfare and five dollars food daily allowance until their first paycheck. We will also provide the following; work clothes, hand tools,and work shoes, as well as enrollment fees. The Illinois State Veterans Administration is donating the bulk of the clothing items and several other organizations are making donations of tools and shoes.

The classroom curriculum will consist of 2 weeks of carpentry instruction and 1 week each of; painting, plumbing, and electrical. One week will be devoted to job preparedness and safety. During this week we will have a number of guess speakers from organizations such as Women in Trades, The State Of Illinois, and the various trade unions. Exhibit one shows a projected schedule and detailed breakdown of classroom activity.

Participants will be tested before final selection (T.A.B.E.) and those without a high school diploma or GED must sign an agreement to attend classes offered by the Chicago City Colleges in order to complete their high school requirements. Participants who have completed high school but who test below 11.0 in reading or math must agree to accept a tutor provided by the program. We currently have five volunteers for the tutoring program. Everyone involved with the program must consent to random periodic drug screening drops. Both GED and tutoring will commence after the 6 weeks of classroom training.

Once the classroom portion is completed, the program will attempt to place participants on job sites where their training will continue under the instruction of union journeymen at a ratio of one journeyman to five participants. During this phase, trainees will be compensated at a rate of $6.00 to $8.00 per hour, forty hours per week as part of the construction contracts.

Because we are a pre-apprenticeship program our goal is to help participants to pass the regular union apprenticeship exam with a high enough score to be well placed on the entrance list. Additionally we may have some direct placement opportunities (see exhibit 2). At this writing we have firm agreements with three of the trade unions as to the implementation of this program. The plumbing union is currently under a court ordered consent decree and must receive special permission to participate. We are working with the President of the Apprenticeship Coordinators and do not expect any difficulty in bringing the plumbers on board.

While there are several unique aspects of this particular program the most significant one is the fact that we are not only providing the training but we are also attempting to provide the jobs as well. Travelers & Immigrants Aid addresses a wide variety of housing needs and works closely with other agencies and organizations by helping them to develop their housing projects. Currently T&I is securing the funds for a $4,000,000 two hundred unit rehab project and we are hoping to become the General Contractor for a $1.1 million single residency occupancy shelter. ALVRC has been promised the 200,000 square foot building at 3901 S. Wabash and is raising the funds for its rehab. We are also working to find a suitable building for the Illinois Veterans' Administration to use for a shelter for homeless veterans. We have the co-operation of the Chicago Coalition for the Homeless and many others to identify additional rehab projects.

Shortly, we hope to began to work with organizations in the Lawndale area to rehab abandoned structures for use as Single Room Occupancy shelters, transitional housing, secondary housing, cooperatives and low cost housing. Lawndale will be the subject of an intensive rebuilding program and through our program many of the construction job opportunities will remain in the community.

Participant selection will cross many age barriers and provide career paths for a heterogeneous cross section of the Lawndale Community. We are targeting juveniles, veterans, homeless, ex-offenders, and the chronically unemployed. The program will train 80 people this summer in two groups of 40; this number could be significantly higher depending on how quickly additional building projects can be developed. In order to reach a consensus of the community we are offering placement slots to numerous other community based groups and programs (see marketing plan).

There will be several indicators of the success of this program; 1. The number of participants that are placed with the unions by direct placement. 2. The number of participants who successfully pass the regular union apprenticeship exam and who score well enough to be selected from the list. 3. The number of participants who complete their high school requirements and or improve their reading and math scores. 4. Finally the participants who use this opportunity as a stepping stone to complete training in some other employment area. There are of course many other tangible and intangible benefits to be garnered from this project such as, reduced recidivism, homelessness, illiteracy, and unemployment.

This training program is intended to be permanent and will also expand into several other job and career areas. We will also build reserves from our building projects to cover administrative cost and future training cost. In addition, we are contacting other foundations and governmental agencies in order to receive funds. The Mayors' Office of Employment and Training (MET) probably won't be in a position to provide funds until fiscal 94-95, but we are in the pool to receive such funds and will have established a successful track record by then. We are in the process of planning a major fund raiser to be held this summer at the UIC Pavilion. There are numerous avenues open to us due to the nature of our participant population mix and we will continue to explore all of them.

STATEMENT OF
JOSE MARTINEZ, OUTREACH COUNSELOR
CHICAGO, VETERANS RESOURCE CENTER
BEFORE THE HONORABLE LANE EVANS
CHICAGO, ILLINOIS
NOVEMBER 6, 1993

Mr. Chairman, Congressman Gutierrez and other speakers and guests. Good morning and thank you for the opportunity to appear before you on behalf of Readjustment Counseling Service - the Vet Center Program.

My name is Jose Luis Martinez, I am a Readjustment Counseling Technician at the Veterans Resource Center in Chicago.

The stated goals of improving access to health care, adjudication of claims, job training, and providing housing for the homeless are issues that need review and action. However the greatest need is reaching the veteran and informing him of service and program availability.

The Vet Center Program which was introduced in 1979 to service the Viet Nam Veteran in store front settings has been very successful, however the fact remains that a great number of veterans suffering physically and psychologically have not sought help or treatment from the Department of Veterans Affairs. Some of these veterans stay away because of lack of trust in the system while others are just not informed about benefits, services, and programs available.

In Chicago, I have become aware of the considerable need to reach out and inform the Hispanic community of Vet Center and VA benefits services.

I was appointed to my present position in January of this year. Since then I have concentrated my outreach efforts to veterans service organizations and to members of the Hispanic community. I have been able to make some progress with the help of key persons within community based organizations. Among these are Ms. Rachel Cordero, Illinois State Director of L.U.L.A.C., and Mr. John Salazar Director of the Veterans Outreach Program for the American G.I. Forum.

With their help we have created much greater awareness within the Hispanic community of the Vet Center program. This has resulted in better use of VA benefits and services.

Mr. Chairman, the Readjustment Counseling Service has an outreach program and counselors are encouraged to actively conduct outreach to the community they serve. However special attention continues to be needed in areas of the veteran community where cultural differences exist.

Sir, I am one of two Latinos employed by Readjustment Counseling Service in the greater Chicago area. There is an Hispanic Counselor in one of the Detroit Vet Centers and Hispanic Office Manager employed in Kansas City and Grand Rapids, Michigan. It is my view that Latino staff are still far too few in numbers to effectively outreach many Hispanic Communities. Cities like Milwaukee, Minneapolis/St. Paul and St. Louis could particularly benefit from the hiring of Latino staff at Vet Centers. Counselors and Social Workers need to reach Latino veterans through shared cultural values and language. The Latino Veterans must be approached with understanding of and sensitivity to his culture.

We are for the most part a culture with strong family ties, and are hesitant to go outside the family circle for counseling and advise. The fact that a counselor or social worker can talk to him in Spanish even though he speaks English can make the difference in whether or not you gain his trust and are therefore able to help him.

The obvious solution would be to hire more latinos, however that is not enough. A training program of cultural sensitivity should be implemented and maintained.

This program must deal with issues affecting the Hispanic community, special needs of latino veterans both male and female, and issues and norms unique to latinos.

An interdepartment focus group needs to be formed to identify needs within special segments of the veteran community and recommend a plan of action to alleviate these needs.

Outreach needs to be coordinated to insure coverage of the whole community without duplicating efforts. Outreach efforts need to be expanded to community based and social organizations, colleges and universities, and churches. Efforts need to be made to identify children of veterans in the public and private schools and have presentations on services and programs tailored to them. They in turn can inform and influence their parents.11

STATEMENT OF SAMUEL L. HOLMES
DIRECTOR OF DEPARTMENT OF VETERANS AFFAIRS
VETERANS BENEFITS ADMINISTRATION
CHICAGO REGIONAL OFFICE

FOR PRESENTATION BEFORE THE HOUSE
VETERANS' AFFAIRS SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

Good morning, Mr. Chairman and Members of the Subcommittee:

I'm pleased to be with you this morning to discuss the operations of the VA Regional Office in Chicago. As you know, our office has responsibility for processing VBA claims for the more than one million veterans living in Illinois, as well as their dependents. On matters relating to health delivery and national cemeteries, I will defer to my colleagues from those respective services who also join us today. We all recognize this is an era of doing more with less. At the same time, there is throughout the Federal Government a growing determination to maintain a strong customer focus and to utilize scarce resources as effectively as possible. These are especially imperative in the Department of Veterans Affairs, where our mission is serving those who have honorably served the Nation. Our accomplishments are measured only by our success in serving veterans.

Following the format of your letter which invited the Secretary to testify I will attempt to address those issues identified as being of interest to the Subcommittee in my testimony.

The adjudicative process for veterans benefits administered by the Chicago VBA Regional Office has become an increasingly complex and challenging task. Mr. Chairman, the major benefits include:

1. Service Connected Compensation - This is payment for a disease or injury incurred in or aggravated by military service in the line of duty. Disability compensation is paid in monthly payments. Currently these range from $85.00 for a 10% degree of disability to $1,730.00 for a 100% disability. In addition, amounts up to $4,943.00 per month are paid when the eligible veteran is adjudged to have suffered certain specific, severe disabilities.

Our average days to complete an original compensation claim compares favorably with the national average. The Chicago Regional Office average for the year ending September, 1993 was 155.9 days. The national average was 188.7 days.

2. Non-service Connected Pension- This benefit is paid to veterans who served 90 or more days of active military service, at least one day of which was during a period of war and their discharge was under conditions other than dishonorable. Payments are made to qualified veterans to bring their total income, including other retirement or Social Security income, to an established support level.

The Chicago Regional Office average days to complete an original pension claim also compares favorably with the national average. Our average for the year ending September, 1993 was 106 days. The national average was 118.5 days.

3. Education - Our education workload comprises approximately 5% of our total workload. The majority of our education processing involves claims under the Montgomery GI Bill (Selected Reserve), also referred to as Chapter 106.

4. Dependency and Indemnity Compensation (DIC) - Payments to surviving spouses, unmarried children under age 18 and certain parents of service personnel or veterans who died from: (a) a disease or injury incurred or aggravated in line of duty while on active duty or active duty for training; or (b) an injury incurred or aggravated in line of duty while on inactive duty training; or (c) a disability compensable by the VA.

At the end of September, 1993, the Chicago Regional Office had 137 (DIC) cases pending with 20 cases pending over 180 days. Our average days to complete was 103.4 for the fiscal year ending September, 1993. The national average was 102.2 for the same period.

5. Non-service Connected Death Pension - Payments to surviving spouses and unmarried children under age 18 - or until age 23 if attending a VA approved school - of deceased veterans with wartime service. The benefit is based on need and is not payable to those with estates large enough to provide maintenance.

At the end of September, 1993, the Chicago Regional Office had 204 non-service connected death pension cases pending with 13 cases pending over 180 days. Our average days to complete for the fiscal year ending September, 1993 was 72.1. The national average was 66.7 for the same period.

Approximately 24% of our workload involves reopened claims. These include claims related to service connection, line of duty or similar basic entitlement factors and claims for increase.

At the end of September, 1993, Chicago had 3,140 reopened cases pending with 386 cases pending over 180 days. Our average days to complete was 99.8 for the fiscal year ending September, 1993. The national average was 123.6 for the same period.

For the fiscal year ending September, 1993, compensation and pension pending claims averaged 13,774 monthly. The average monthly pending in fiscal year 1992 was approximately 11,000. The increase in the pending workload is attributable to budget reconciliation work, especially in the area of income verification match. The increase also reflects changes in processing claims due to COVA decisions.

Mr. Chairman, in discussing our office's operation, I would be remiss were I not to briefly bring to your attention our Loan Guaranty activity. In September our Loan Guaranty Division received national recognition for having sold the largest number of properties in the Central Area over the last three years. Other operations showed comparable strength. Our Loan Guaranty claims processing time is currently less than four days. This is measured against a Central Office standard of 30 days. In terms of property management, sales stand at 120% of acquisitions for the last fiscal year. We have only five 12-month properties.

Mr. Chairman, the Chicago Regional Office has explored veterans' job training and business and economic opportunities for veterans and I can report the following to be true for the Illinois veteran.

1. The business and economic opportunities for veterans in the Chicago area are about the same as for non-veterans. However, the number of veterans entering the job market for the first time is increasing due primarily to the downsizing of the military services. Consequently, competition for jobs is keen. We are optimistic that SMOCTA (Service Members Occupational Conversion Training Act) will enhance veterans' opportunities to find on-the-job training opportunities which will lead to long term employment.

2. Although we do not have local information, national trends are regularly reported by the U.S. Department of Labor, Bureau of Labor Statistics. The Bureau of Labor Statistics recently reported that, through the year 2005, the services industry will experience the fastest growth of all industries. Retail trade and government are expected to be second and third in terms of the growth of jobs over the same period.

3. According to the Bureau of Labor Statistic, areas of the service industry with the fastest growth are expected to be social services (59%), engineering and management (52%), business services (45%), and health services (44%). Specific jobs expected to show rapid growth between now and the year 2005 are paralegals, medical assistants, home health aides, radiologic technicians, and data processing equipment repairers.

4. When providing vocational counseling, we are conscious of these growth areas in the economy. When giving occupational advice to veterans we keep these trends in mind. As appropriate, we make veterans aware of the advantages of a career in one of these occupations.

Mr. Chairman, I, too, share your concerns on the issues of homeless veterans. I am pleased to summarize the Chicago Regional Office's initiatives as follows:

The Veterans Benefits Administration (VBA) has several benefits programs to offer assistance in the problems of the homeless and to prevent homelessness, including disability compensation, pension, and education. Additionally, we provide a major service which has clearly reduced the number of cases of homeless veterans. This program works to identify and assist veterans and other VA beneficiaries who are totally disabled due to mental or physical disabilities placing them at personal and/or financial risk, and increased risk for homelessness. On the individual's behalf, the program determines the best possible fiduciary (third party payee) to manage the veteran's or beneficiary's funds, and to provide for his or her well being. Once a fiducicary arrangement is established, there is a constant monitoring and review of the utilization of funds. Through the program, some 125,000 beneficiaries are protected from the risk of homelessness. The Chicago VA Regional Office has responsibility for 3,800 beneficiaries.

Staff in VBA regional offices regularly visit shelters and other places where the homeless are known to gather, in an effort to contact homeless veterans. Outreach efforts involve explaining eligibility for benefits, preparing applications, and responding to questions. The VBA has designated homeless coordinators who maintain regular contact with service providers and the Veterans Health Administration (VHA). These coordinators are responsible for implementing an extensive outreach program to homeless veterans which includes providing veterans benefits counseling in homeless shelters, participating in community task forces, and maintaining active liaison relationships with appropriate social service agencies. The Chicago Regional Office is an active member of the Interagency Council on the Homeless. During fiscal year 1993, we made 112 shelter visits in outreach efforts to homeless veterans. In addition, some 280 homeless veterans were provided needed support and assistance during visits to the regional office. The Chicago VARO played a significant role in successfully coordinating the first Chicago Stand Down, a cooperative effort for one weekend to provide services of VA and other local, state, and federal agencies to address the immediate needs of homeless veterans in a protective environment.

Mr. Chairman, other programs and initiatives which are utilized and dedicated by the Chicago Regional Office to assist homeless veterans include:

Expedited Claims - On behalf of the VBA, and in cooperation with VHA and the National Personnel Records Center, the Regional Office is an active part of an established system for expediting benefits claims processing for homeless persons, particularly when physical examinations and medical records are required.

VA Acquired Properties For Homeless Providers - VA is able to sell, at a discount, forclosed properties to non-profit organizations and other government agencies that agree to utilize them to shelter or house homeless veterans. During fiscal year 1993, the Chicago Regional Office had contact with 14 homeless providers who indicated varying degrees of interest in this program.

Directing Payments - The requirement that a VA beneficiary have a permanent address has been suspended. Mr. Chairman, we can report that payments may now be directed to VA facilities, or even direct deposited to designated financial institutions, where the veteran can receive his or her check.

Demographic Data - The Regional Office is actively participating in a special information collection effort underway to better understand and assess the homeless clients who are being assisted by the VBA, and to compare and share this data with VHA.

Outreach Priority - The Regional Office actively supports the VBA effort to continue to identify services to homeless veterans through three outreach priorities; pending active military separations, homeless, and the elderly.

In summary, Mr. Chairman, I would like to assure you and your Subcommittee that every effort is being taken by the staff of the Chicago VBA Regional Office to provide quality services in a compassionate and caring manner. I would again like to thank you for the opportunity to present this data to you and your Subcommittee and I invite any questions which you may wish to ask to clarify anything I said.

STATEMENT OF

MICHAEL ELLIOTT

CHIEF
ARCHITECTURAL AND ENGINEERING DIVISION
NATIONAL CEMETERY SYSTEM

FIELD HEARING

HOUSE VETERANS' AFFAIRS
SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

CHAIRMAN LANE EVANS

NOVEMBER 6, 1993
CHICAGO, ILLINOIS

Good morning, Mr. Chairman, members of the Subcommittee, other speakers and guests.

I'm pleased to be with you this morning to represent VA's National Cemetery System and to discuss plans for the possible construction of a new national cemetery in the Chicago area.

At the very beginning, let me emphasize that VA Secretary Jesse Brown has taken every opportunity to express his support for a national cemetery for the veterans of the Chicago area. In May of this year, Secretary Brown said: "I am reiterating VA's commitment to construct a new national cemetery for the more than one million veterans of this region ... America's veterans have earned access to an honored resting place. I am taking steps to ensure there is no further delay in this vitally needed national cemetery."

We have made considerable progress since the Secretary's statement and I'll touch on that later in my presentation.

First, let me note that the National Cemetery System (NCS), along with the Veterans Health Administration (VHA) and the Veterans Benefits Administration (VBA), comprises the three operating agencies of the Department of Veterans Affairs.

NCS provides burial space for veterans and eligible spouses and dependents. There are 114 cemeteries in the system and last fiscal year more than 67,000 veterans were interred in those facilities. In addition, NCS maintains these cemeteries as national shrines in honor of those who gave their lives for their country and all those who served. NCS is also responsible for administering grants for establishing or expanding state veterans cemeteries; furnishing headstones and markers for veterans graves; and, administering the Presidential Memorial Certificate Program.

To accomplish our primary mission of providing burial space, NCS seeks to: 1) open new cemeteries when feasible; 2) keep active cemeteries open by phased development of available land, 3) extend the service life of existing cemeteries by acquiring adjacent land and developing additional capabilities for interment of cremated remains; and 4) encourage states to apply for grants to develop or expand state veterans cemeteries.

The State of Illinois has six national cemeteries. Five are "open." That is, they have unused grave sites available. Nationally, 59 NCS national cemeteries are open and 55 are closed. In Illinois, Alton National Cemetery is closed and only accepts interments of eligible family members of those already buried.

The "open" national cemeteries are: **Camp Butler National Cemetery** in Springfield with about 4,800 gravesites (projected to close in FY 2000); **Danville National Cemetery** with about 7,600 gravesites (projected to close after FY 2030); **Mound City National Cemetery** with about 1,000 gravesites (projected to close after FY 2030); and **Rock Island National Cemetery** in Moline with more than 10,000 gravesites (projected to close in FY 2027).

The other "open" national cemetery in Illinois is **Quincy National Cemetery**, but with only a few gravesites available, it will close very soon. However, a State Veterans Cemetery, **Sunset Cemetery**, in Quincy complements our continued efforts to serve veterans in the Quincy area. With more than 10,000 gravesites available, current projections indicate that the cemetery will remain open beyond the year 2030.

Also very close to the greater Chicago area in neighboring Wisconsin is **Wood National Cemetery** in Milwaukee. **Wood National Cemetery** has about 2,100 gravesites available and is projected to close in FY 1995.

In response to Public Law 99-576, VA, in a 1987 Report to Congress, identified ten geographic areas of the country most in need of a new National Cemetery. Chicago was identified as number one on the list in terms of need. Congress appropriated funds in FY 1988 to conduct an Environmental Impact Statement (EIS) and VA studied three sites: Cissna Park, Fort Sheridan, and, Grant Park. The EIS identified the northern portion of Fort Sheridan as the preferred site in October 1991.

Under provisions of the Base Closures and Realignment Act, the Department of the Army sought fair market value for the Ft. Sheridan land. Army appraised the land at more than $35 million. VA offered $6.9 million and negotiations failed to reach an agreement. In May of 1993, The Deputy Secretary of Defense wrote Secretary Brown and said: "In view of the great disparity between your offer and the appraised fair market value of the Fort Sheridan property, it does not make sense to begin negotiations all over again."

Secretary Brown determined that further negotiations over Fort Sheridan would only cause unacceptable delay in providing a cemetery to the veterans of the Chicago area. It was at that time that he directed NCS to review alternatives and expedite the process of bringing a new national cemetery to the veterans of this area. To summarize the situation: the Department of the Army owns Fort Sheridan and has told us that they will not transfer the land to us at a price we can afford. Other excellent sites are available and to avoid further delay, we are moving ahead with the process.

In June NCS staff visited the Cissna Park and Grant Park locations. Following Secretary Brown's guidance, several other sites in the Chicago area were also explored. One of these places, located at the Joliet Army Ammunition Plant is referred to as "Hoff Woods." The Hoff Woods site had recently became available after plans to construct a research facility were terminated by the Department of Army. When VA's original site search began in 1988, some sections of the Joliet Army Ammunition Plant were considered but found unsuitable for construction of a national cemetery. Based on these recent visits, however, an expedited Supplemental Environmental Impact Statement (SEIS) was undertaken to include the Joliet "Hoff Woods" site. The draft SEIS was released on October 8.

The Cissna Park site is a 200-acre rectangular parcel of farmland 95 miles south of the Loop. Illinois Route 49 borders the site, located across from Cissna Park High School, on both the east and south. Approximately 632,000 veterans live within 75 miles of Cissna Park.

The Grant Park site near Manteno, located on the Kankakee-Will County line, is a 270-acre, rectangular parcel of farmland on road 1200 North and 800 East, five miles east of Interstate 57. It is approximately 45 miles south of Chicago's Loop. Surrounding lands are devoted entirely to farming. VA estimates that more than 818,000 veterans live within 75 miles of the Grant Park site.

The Hoff Woods site is a 1,000-acre section of land contained within the Joliet Army Ammunition Plant reservation. It is approximately 52 miles south of the Loop and has extensive frontage along State Route 53 on the east and Hoff Road on the north. The parcel is rolling woodland and grassland that was not used for arsenal activities. More than 854,000 veterans live within 75 miles of the site.

The SEIS summarizes the advantages and disadvantages of each site but does not recommend a preferred alternative. The draft SEIS will be available for public comment through November 22. Copies were provided to the offices of the Illinois congressional delegation and other interested parties. The preferred alternative will be announced in a final SEIS to be published after VA officials and consultants have considered comments on the draft SEIS.

Let me once again emphasize that VA is committed to providing a national cemetery to the area's veterans with as little delay as possible. We hope to complete this project and be able to dedicate a new national cemetery, a national shrine for this area's veterans, by November of 1997, just four years from now.

This concludes my prepared statement. I'll be happy to address any questions you may have. Thank you.

STATEMENT OF
JOAN CUMMINGS, M.D.
DIRECTOR, VAH HINES, HINES, ILLINOIS
BEFORE THE HONORABLE LANE EVANS
CHICAGO, ILLINOIS
NOVEMBER 6, 1993

Mr. Chairman, Congressman Gutierrez and other speakers and guests - Good morning and thank you for this opportunity to discuss plans for addressing veterans' access to VA health care and the utilization and organization of VA health care resources in metropolitan Chicago.

As you are aware, the VA has a long history of providing a continuum of services to eligible veterans through its community-based clinics, outpatient facilities, hospitals, nursing homes and domiciliaries, as well as through contractual relationships with community providers. These services are provided through networks of facilities each responsible for delivering health care to veterans within a designated geographic area.

The Chicago metropolitan area network, of which I have the privilege of serving as chairperson, has four VA medical centers (Lakeside, West Side, Hines, and North Chicago) with a population of nearly 900,000 veterans. Together, the Chicago VA's have 2,600 acute, psychiatric, and extended care beds and accomplish over 850,000 outpatient visits. Programs range from primary care to nationally respected blind and spinal cord rehabilitation centers. Each of the medical centers is affiliated with at least one medical school and multiple allied health education programs.

This network has been involved in evaluating the provision of existing services within the geographic area and future needs, with the operating premise that unnecessary duplication of service is to be avoided. It is imperative that VA, in general, and the Chicago area, in particular, be prepared to meet the health care needs of eligible veterans by delivering high quality service in the most appropriate and cost-effective setting possible.

VA executives in Chicago have recognized that program and facility integrations could be undertaken that would lead to

cost-saving consolidations of the delivery system infrastructure. Although four parallel, self-contained organizations have remained, the medical center Directors and Chiefs of Staff have sought opportunities for realizing their integration objectives. Recent VHA directives regarding "networks" appeared to Central Region and Chicago executives to provide the enabling philosophy while the Facility Development Planning (FDP) might serve as a vehicle for implementing integration. With the guidance of the Central Region's Director, the Chicago executives elected to plan their future facilities collectively -- as a network -- rather than individually. Before the "right" mix of facilities could be determined however, the executives needed to agree on a strategic approach, or set of assumptions and goals, that would guide the delivery of care in the future.

The fundamental goal was to design a health care delivery system that would enhance service to veterans while minimizing the costs and inefficiencies inherent in operating four hospitals with similar missions located in close geographic proximity. To achieve this goal, the traditional role of the hospital as the focal point of patient care was challenged, as were the relationships among the medical centers. The Chicago executives agreed that patients must be identified with a primary care provider, not a specific facility, to achieve a successful managed care system. In addition, primary care sites must be developed as the entry points into this system. Primary care providers coordinate the utilization of services and ensure that appropriate care is received in a timely manner.

The executives also agreed that better organizations of ambulatory care services -- including enhanced communication among providers and the ability to alter referral patterns as needed -- was essential. If possible, the VA's ambulatory care services should be configured independent of the medical centers. Further, and in line with national trends, incentives should be created to "manage" patients in ambulatory settings and to encourage the most efficient and productive use of all resources.

Using the organizations of large HMO and multi-specialty group practices such as Kaiser Permanente and the Harvard Community Health Plan as models, the Chicago Network has proposed restructuring outpatient programs under a **Director for Managed Care and Ambulatory Services**. As a new executive position within the Network, this individual would have responsibility and authority for all ambulatory care facilities and services, including primary and specialty care clinics located in the medical centers and satellite clinics, and for managing 1,000,000 ambulatory care visits projected for Chicago.

Most important among this Director's duties would be the distribution of primary care resources to the multiple primary care sites and the coordination of access into specialty clinics and hospital inpatient services. Access to specialty and hospital services will follow typical referral patterns so that both patients and providers can establish convenient and familiar relationships with specialty facilities. However, the referral patterns can be altered if needed to maximize resources and access. The Managed Care Director would be supported in these efforts by a Chief of Staff and Associate Director.

The **Chicago Area Network Management Council** is proposed as the oversight and decision-making body and will be composed of all the Medical Center Directors, the new Director of Managed Care and Ambulatory Services, the Chiefs of Staff, and a Network CEO. A Dean representing the affiliated medical schools and a Veterans Service Officer representing consumers also will be members of the Council.

The Network Management Council is viewed as having new latitude for recommending resource allocation and distribution. Increased discretionary authority is considered to be critical if the Network is to resolve issues quickly and efficiently. In a new and highly competitive managed care environment, the VA must be prepared to respond

to local practice patterns and community needs. Proposed membership and responsibilities are:

- Membership - The Network CEO, all Network Directors, VBA Regional Director, Director of Managed Care and Ambulatory Services, Chiefs of Staff, Dean representative, and VSO representative.

- Controls local services and new veteran workload within national eligibility guidelines.

- Makes recommendations for managing, distributing, and redirecting resources to priority services.

- Controls clinical practice patterns, professional services, and quality of care.

- Establishes priorities and allocates graduate medical education resources.

While details related to medical education, administrative staffing, and other implementation factors remain, the Network is taking an aggressive approach and anticipating the support of Department of Veterans Affairs officials. The Chicago Network believes that its new, highly flexible organization and focus on ambulatory care will position it not only to better serve its veteran constituency, but also to become an active competitor in the delivery of health care in Chicago. The Chicago executives also believe they have proposed a prototype for health care delivery that may serve as a model by VAs in other areas.

Expanding veteran access to primary care services is identified as the Network's highest priority. The next highest priority is to ensure that all services, including inpatient beds, are configured for future flexibility. The Network approached these priorities by first defining the Network's service area and then setting targets for beds and ambulatory care workload to meet future needs of the Network's veterans. Using data from the Patient Treatment File, the Central Region prepared information on the multiple

utilization patterns -- both inpatient and ambulatory care -- of the roughly 77,450 different veterans currently served by Network providers.

The basic operating assumption under this proposal are summarized as follows:

- All patients are Network patients and are not identified as patients of a specific facility, but identified by physician provider.

- All resources flow through the Network, including resident allocation.

- Primary care sites are the entry points into the Network.

- Network organization and components must be able to expand and contract. New Network participants are possible.

- Facilities will be developed to meet the Network integration strategy.

The Network executives concluded that the Network's future delivery system would evolve from trends apparent in today's health care environment which are:

- A continuing transition from inpatient to ambulatory care services.

- A continuing decrease in lengths of stay and in the provision of care on a "short stay" basis.

- Increasing utilization of less institutional settings and efforts to admit patients to the lowest level of care (e.g., admission to an assisted living facility rather than to a skilled care nursing home).

In addition, increased management flexibility in providing services to veterans is imperative. Some current regulations are unnecessarily restrictive. For example, use of community nursing home funds to contract for alternative home care or day treatment programs is an excellent opportunity to provide

non-institutional alternatives for long term care, but implementation (for day treatment and homemaker/home health aides specifically) is limited to service-connected veterans. These programs should be available across-the-board to minimize inpatient stays in hospitals and/or nursing homes. To expand availability, however, would require legislative action. In addition, such alternatives need not be limited to home health aides nor day treatment - any alternative which maintains an individual's health status in his/her home environment is preferable to institutional care. These alternatives may include Meals on Wheels, basic home maintenance such as yard cleaning and snow removal, Life Line technology, etc.

As you know, it is the professional staff in the field who know the patient and the community and can best determine the appropriate level of care and the resources needed to provide that care. Then you and VA officials must hold those professionals accountable for how those resources are used in terms of total expenditures and the quality of the service.

Again, thank you for the opportunity to discuss our plans for veteran services in the Chicago metropolitan area. It is imperative the VA be an active participant in national healthcare reform efforts which include shifts from inpatient, tertiary care to outpatient, preventive and primary care and that we meet veteran needs with high quality services provided through cost-effective means.

STATEMENT OF
PHILIP MEYER, MSW, TEAM LEADER
CHICAGO HEIGHTS, ILLINOIS VET CENTER
BEFORE THE HONORABLE LANE EVANS
CHICAGO, ILLINOIS
NOVEMBER 6, 1992

Mr. Chairman, Congressman Gutierrez and other speakers and guests. Good morning and thank you for the opportunity to appear before you on behalf of Readjustment Counseling Service - the Vet Center Program.

My name is Philip Meyer. I am a Team Leader at the Chicago Heights Vet Center located in the far south suburban area of Chicago. There are four (4) Vet Centers located in the greater Chicago area. My Vet Center is in Chicago Heights; one is located in Oak Park; one is in Chicago proper on 63rd Street; and one is located in Evanston, Illinois. All four Vet Centers are supported by their local VA Medical Center. We are extremely fortunate in the Chicago area. Our catchment area covers approximately 440 square miles and encompasses eight (8) counties in northern Illinois. Veteran and family visits last year at all four Vet Centers exceeded 12,800 and we also had over 2,000 new veteran clients come into the four centers from the conflicts of the Vietnam Era, Lebanon, Panama, Grenada, Persian Gulf, etc. There are more than 400,000 Vietnam Era and other conflict veterans in this catchment area and our desire is to outreach to each and every one of these men and women veterans about our services.

The Vet Centers, as you know, were begun in 1979 by an Act of Congress and were, in the beginning, a short-term remedy to address the problem of Vietnam veterans, specifically Post Traumatic Stress Disorder (PTSD) and readjustment issues.

Since that time, we have added several dynamic and very successful services such as vocational and employment assistance programs, counseling and groups for individual family members and significant others. Also, there is a very collaborative effort in the area of benefits and social service referrals both to the VARC's in the area and social service agencies. In the greater Chicagoland area, the four Vet Center teams enjoy a very unique and dynamic relationship with the VA Medical Centers and their staffs, but also with the state and local veterans agencies and the city and private

agencies, as well. Additionally, each Vet Center team has an Outreach Specialist who interacts with service organizations, local community projects, and efforts which is a very dynamic part of that community's efforts to address problems such as homeless, AIDS/HIV, and outreach to women veterans.

Recently, thanks to Congress, we can now outreach to women veterans who have been traumatized by sexual assault or harassment in the military. The Readjustment Counseling Service, in this Region, is fortunate in that we have hired ten new Woman's sexual trauma counselors just to address this problem and readjustment issues of female veterans. There is also a very active and effective Contract Fee Program that I oversee in seven counties in Northern Illinois, which the VA monitors along with me. This program is specifically set up to address the readjustment issues of rural veterans who cannot or do not live in the area or do not have the resources to get to a Vet Center or VAMC for help.

Lastly, the four Vet Centers were active participants in a very successful STAND DOWN in the Chicago area in 1993. It was the first in the Chicago area, helping over 300 veterans and family members receive benefits, information, referrals, and follow up. The cooperation of the three (3) VA Medical Centers - Hines, Westside and North Chicago - was excellent in supporting this event. I know I speak for all the Team Leaders in this area and their staff in saying we feel our efforts in helping the veterans in the Chicagoland area is the most rewarding and satisfying job we have or will ever have. The mission for all of us is to try to help each veteran and family member or significant other readjust back into society and become productive and feel self-worth to themselves and in their communities.

Thank you again, and I will be pleased to answer any questions.

STATEMENT OF JAMES WEBB
REGIONAL VETERANS AFFAIRS OFFICER
REGION V, CHICAGO
HEARING BEFORE THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS AFFAIRS
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

CHICAGO, IL
SATURDAY, NOVEMBER 6, 1993

MR. CHAIRMAN, MEMBERS OF THE SUBCOMMITTEE, I THANK YOU FOR YOUR INVITATION TO ADDRESS THIS SUBCOMMITTEE ON VETERAN SERVICES IN METROPOLITAN CHICAGO. I AM PARTICULARLY PLEASED TO HAVE THE OPPORTUNITY TO APPEAR BEFORE YOU ON BEHALF OF ADMINISTRATOR ERSKINE B. BOWLES AND INFORM YOU OF THE SMALL BUSINESS ADMINISTRATION'S ACTIVITY ON BEHALF OF VETERANS AND VETERAN BUSINESS OWNERS.

SBA PROGRAMS FOR VETERANS

IN 1974, THE CONGRESS MANDATED THAT THE SBA GIVE SPECIAL CONSIDERATION TO VETERANS IN ALL ITS PROGRAMS. SINCE THEN, THE AGENCY HAS ISSUED REGULATIONS AND ESTABLISHED AN OFFICE OF VETERAN AFFAIRS INTENDED TO ASSURE THAT VETERANS ARE ACCORDED EVERY OPPORTUNITY TO PARTICIPATE IN ALL OF THE AGENCY'S PROGRAMS. WE RECOGNIZE THAT AMERICAN VETERANS ARE SPECIAL AND WE INTEND TO DO ALL WE CAN TO HELP VETERANS WITHIN OUR AVAILABLE RESOURCES AND SCOPE OF OUR POLICIES.

SBA HAS ESTABLISHED A NATIONAL ADVISORY COMMITTEE ON VETERAN BUSINESS AFFAIRS WHICH ADVISES THE AGENCY ON VETERAN POLICY AND PROGRAMS. THIS COMMITTEE HAS REPRESENTATION FROM EACH OF THE VETERAN ORGANIZATIONS WHICH HAVE EXPRESSED AN INTEREST IN PARTICIPATING IN THIS CAPACITY.

WHILE THE NATIONAL OFFICE PROVIDES GUIDANCE AND SUPPORT, MOST AGENCY SERVICES ARE DELIVERED BY THE LOCAL OFFICES. THE CHICAGO SBA DISTRICT OFFICE PROVIDED APPROXIMATELY 18.3 MILLION DOLLARS IN LOANS TO 82 VETERAN ENTREPRENEURS IN FY 1993. NATIONALLY, THROUGH ITS DIRECT AND GUARANTEED LOAN PROGRAMS, SBA

PROVIDED 848.1 MILLION DOLLARS TO 4,134 VETERAN BUSINESS OWNERS IN FISCAL YEAR 1993. AS OF MARCH 31, 1993, SBA'S LOAN PORTFOLIO INCLUDED APPROXIMATELY 18,500 BUSINESS LOANS MADE TO VETERANS THROUGH OUR GUARANTEED AND DIRECT BUSINESS LOAN PROGRAMS. THIS IS APPROXIMATELY 15 PERCENT OF THE TOTAL NUMBER OF SBA LOANS AND REPRESENTS ROUGHLY 2.6 BILLION DOLLARS OR 14% OF THE TOTAL DOLLARS OUTSTANDING.

WE ALSO HAVE BEEN INVOLVED IN PROVIDING TRANSITION TRAINING WHICH ENABLES MILITARY PERSONNEL RETURNING TO CIVILIAN LIFE TO EXPLORE BUSINESS OPPORTUNITIES. MORE RECENTLY WE HAVE BECOME AN ACTIVE PARTNER IN THE TRANSITION ASSISTANCE PROGRAM (TAP) WHICH IS JOINTLY ADMINISTERED BY THE DEPARTMENTS OF LABOR, DEFENSE AND VETERAN AFFAIRS. ALL TAP PARTICIPANTS ARE PROVIDED MATERIAL REGARDING ACCESS TO SBA PROGRAMS.

ADDITIONALLY, SBA CONDUCTS WORKSHOPS, CONFERENCES AND TRAINING SEMINARS ON A FREQUENT BASIS IN THE CHICAGO METRO AREA AND IS WILLING TO RESPOND TO ANY REQUEST FROM THE VETERAN COMMUNITY TO DEVELOP AND DELIVER TRAINING THROUGH OUR PRIMARY RESOURCES OF THE SMALL BUSINESS DEVELOPMENT CENTER NETWORK AND THE SERVICE CORPS OF RETIRED EXECUTIVES. THIS TRAINING ADDRESSES BUSINESS RELATED TOPICS AND ASSISTS VETERANS IN SOLVING THEIR BUSINESS PROBLEMS. NATIONALLY, SBA TRAINS AND COUNSELS ABOUT 100,000 VETERANS ANNUALLY THROUGH ITS BUSINESS DEVELOPMENT PROGRAMS. IN THE CHICAGO AREA, SBA CONDUCTED 22 BUSINESS CONFERENCES SPECIFICALLY FOR VETERANS DURING FISCAL YEAR 1993. OVER 1,600 VETERANS ATTENDED.

SBA ALSO OFFERS ASSISTANCE TO THE VETERAN COMMUNITY IN THE AREA OF FEDERAL PROCUREMENT, THROUGH REGISTRATION IN THE PROCUREMENT AUTOMATED SOURCE SYSTEM (PASS). OVER 70,000 VETERAN OWNED BUSINESSES ARE CURRENTLY REGISTERED IN PASS. THIS REPRESENTS 30% OF THE TOTAL PASS REGISTERED FIRMS.

I AM ENCLOSING AS AN ATTACHMENT TO MY TESTIMONY A VETERANS INFORMATION BOOKLET WHICH IS ISSUED TO EVERY VETERAN IN THE CHICAGO METRO AREA WHO CONTACTS OUR DISTRICT OFFICE. THIS BOOKLET WAS DEVELOPED BY THE CHICAGO SBA VETERANS AFFAIRS OFFICER, STAN

MAGIERA, WHO IS VERY ACTIVE IN VETERANS ACTIVITIES THROUGHOUT ILLINOIS. ALSO INCLUDED ARE FLYERS AND SCHEDULES BRIEFLY DESCRIBING SOME OF THE ACTIVITIES THAT HAVE BEEN CONDUCTED EITHER BY SBA, SBA RESOURCES OR UNDER THE AUSPICES OF THE AGENCY.

A NEW INITIATIVE WAS UNDERTAKEN IN FY 1993. THE SBA AND SEVERAL OTHER FEDERAL AGENCIES HELD CONGRESSIONAL BRIEFINGS FOR EVERY SENATOR AND REPRESENTATIVE FROM ILLINOIS TO EXPLAIN OUR PROGRAMS AND ANSWER ANY INQUIRIES THEY MIGHT HAVE. THIS INITIATIVE WAS WELL RECEIVED AND WILL BECOME AN ANNUAL EVENT.

ONCE AGAIN, I THANK YOU FOR INVITING SBA TO PARTICIPATE IN THIS HEARING. I LOOK FORWARD TO WORKING WITH THIS COMMITTEE ON ANY WAYS WE MIGHT IMPROVE THE ECONOMIC CONDITION OF AMERICA'S VETERANS AND THE DELIVERY OF OUR SERVICES TO THESE VALUED CUSTOMERS. I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU HAVE.

ATTACHMENTS:
SBA VETERANS HANDBOOK
WORKING WITH VETERANS TO BUILD AMERICA
CHICAGO AREA TRANSITION TRAINING SCHEDULES (FY-93 & 94)
CONGRESSIONAL BRIEFING ANNOUNCEMENT
PRESS RELEASE-NATIONAL VAO AWARD WINNER
BROCHURE-SEMINAR ON DOING BUSINESS WITH THE CITY OF CHICAGO
BROCHURE-WOMEN VETERANS AWARENESS CONFERENCE
BROCHURE-TIOGO VETERANS EVENT
BROCHURE-VETERANS BUSINESS OPPORTUNITY CONFERENCE

SBA

U.S. Small Business Administration
Office of Veterans Affairs

Veteran's Handbook

The Business of SBA

The U.S. Small Business Administration (SBA) is a small, independent federal agency created by Congress in 1953 to assist, counsel and champion the millions of American small businesses which are the backbone of this country's competitive free enterprise economy.

The mission of SBA, simply put, is to help people get into business and to stay in business. To do this, SBA acts as an advocate for small business. At the direction of Congress, the agency espouses the cause of small business, explains its role and contributions to our society and economy, and advocates programs and policies that help small business prosper. SBA performs this advocacy role in close coordination with other federal agencies, with Congress, and with financial, educational, professional, and trade institutions and associations.

In addition to its advocacy role, the agency provides the small business community with financial assistance, management counseling, and business training. SBA also helps small firms obtain a fair share of government contracts.

The agency has about 4,000 permanent employees and more than 100 offices in all parts of the nation. To provide efficient service, SBA has delegated decision making authority to its field offices in most of the program areas.

What is a Small Business

SBA generally defines a small business as one which is independently owned and operated and is not dominant in its field. To be eligible for SBA loans and other assistance, a business must fall within a size standard set by the agency. This standard is based on annual receipts, assets, net worth, and/or number of employees, depending on type of industry and SBA program. Specific size standard information is available through your nearest SBA office. Most businesses are considered small by SBA standards.

Where to Obtain Help

In each local SBA office, there is a person designated as the **veterans affairs officer (VAO).** This person should be your initial contact and resource person for information on SBA programs. You can contact the VAO by calling the number listed in the telephone directory white pages under "U.S. Government-Small Business Administration." Ask for the name and extension of the VAO if not specifically listed.

There is an Office of Veterans Affairs under the associate deputy administrator for business development in Washington, DC 20416. This office does not make loans or provide counseling, but was created to monitor SBA's assistance to veterans and address matters of general interest. The staff works closely with national veteran service organizations and other federal agencies in developing and monitoring the delivery of business-related services to veterans.

Veterans' Special Consideration

Veterans of the armed forces have fought to maintain the freedom that has made our country strong. SBA wants veterans to receive the benefits of all of the programs the agency provides. To ensure this, the Administrator announced in a policy statement in May, 1982 that veterans will be given "special consideration" in agency programs. Special consideration involves designing unique management training programs specifically for veterans, processing veterans' loan applications before non-veterans' applications submitted that same day, monitoring loan and procurement activities to measure veteran participation, coordinating training and counseling activities for veterans with other agency departments, and allocating a portion of agency direct loan funds for veterans. So if you are a veteran and are interested in SBA services, call, write or visit the VAO in your nearest SBA office.

Business Development

No one should start a business before attending an SBA pre-business workshop. Most SBA offices conduct these workshops on a recurring basis. Periodically, these workshops are conducted especially for veterans. The VAO can schedule you for a convenient location and time.

The SBA also conducts special business training conferences for veterans which are held across the country. These will be announced in the local media and through national veterans service organization publications.

Your local SBA office can help you with many of your specific business management problems. Each district office has business development officers who can direct you to organizations affiliated with SBA which provide in-depth management training and counseling to small business owners.

The Service Corps of Retired Executives (SCORE), for example, can provide one-on-one management counseling for the veteran. The Small Business Development Center (SBDC) Program, a nationwide university-based counseling and training operation, can provide long-term management assistance to small businesses. SBA also offers a variety of small business management pamphlets. Contact your VAO for information on SBA's business development programs.

Financial Assistance

The Congress has authorized SBA to make loans for business purposes. However, before SBA can consider a loan application, the applicant must show that funding is not otherwise available on reasonable terms. A letter of declination from the bank is required. Remember, these are loans, not grants, and the applicant must demonstrate that the loan can be repaid from the earnings of the business. Veterans who meet SBA loan criteria are placed ahead of non-veterans who apply on the same day. However, if your application is incomplete, you could lose this special consideration.

All veterans must meet the same SBA standard loan criteria as any other applicant. They must show that funds are not otherwise available, show an ability to repay the loan from the earnings of the business, and offer adequate collateral. All veteran owned businesses must also meet agency size standards and not be involved with gambling, speculation, lending or relending, the media except certain cable TV systems, or real property sale or investment.

For eligible applicants, SBA offers a broad range of loan programs. Most of these loans are made by financial institutions and are guaranteed by SBA. Regular business loans are available to veterans on a special consideration basis. These loans can not exceed $750,000, have a maturity of up to 25 years, and have a competitive interest rate.

Congress has authorized a special fund to enable SBA to make direct loans to Vietnam-era and disabled veterans. To be eligible, a veteran must have been discharged other than dishonorably and have served on active duty for more than 180 days, any part of which was duty between August 5, 1964 and May 7, 1975 or have a Department of Veterans Affairs compensated disability of at least 30 percent or have been discharged due to disability.

Veterans who apply for direct loans under this special Vietnam-era and disabled veterans program must meet the lending criteria for regular business loans. The ceiling for a direct loan is $150,000 and no direct loan can be made if a guaranteed loan or other credit is available. The interest rate on these direct loans is the same as for regular business loans. An ability to repay, collateral and other guarantees are required of the veteran applicant.

SBA also administers a Handicapped Assistance Loan Program. Handicapped veterans compete on an equal basis with non-veteran handicapped persons for these loans which have very low interest rates.

Small Business Investment Companies (SBICs)

SBICs are privately-owned investment companies which are licensed and regulated by SBA to provide equity financing and long-term loans to small companies with rapid growth potential. A single SBIC or group of SBICs finance small firms by purchasing their stock (ownership), by purchasing stock with warrants to purchase additional stock, by purchasing debt securities from the small firm, or by making long-term loans.

To qualify for SBIC financing, a small business must be independently-owned, not dominant in its field, have a net worth of less than $6 million and have an after tax average net income of less than $2 million for the preceding two years.

The size of an SBIC loan or equity purchase varies with the size of SBIC assets. No single loan can exceed 20 percent of the SBIC's capital and surplus. Loan maturities usually range from five to 20 years with interest rates based on current average market yields of comparable U.S. government obligations. Vietnam-era veterans may be considered disadvantaged under the Minority Enterprise SBIC program (MESBIC). MESBICs can lend up to 30 percent of their capital and surplus to a single disadvantaged small business. Your VAO will be able to direct you to your nearest SBIC/MESBIC.

State Development Companies (SDCs)

Also known as business development corporations and development credit corporations, SDCs are organized under state law to make equity investments and long-term loans to the small business sector. SDCs borrow funds from the SBA and other members, usually banks, insurance companies, or other financial institutions, and in turn, finance the expansion, growth and modernization of existing small firms.

Long-term loans have maturities of up to 25 years. Any domestic small business is eligible except those involved with gambling or reinvesting of borrowed funds.

The SBA also provides financing to small businesses through local development companies (LDCs) and certified development companies (CDCs). Under both of these programs, small businesses can receive long-term loans to acquire fixed assets and capital. If you own an existing company and want to expand or modernize, ask your VAO about the availability of funding through SDCs, LDCs or CDCs.

Surety Bond Guarantee Program

Small firms sometimes have difficulty in winning commercial contracts for large jobs because of doubts about their ability to meet all contract specifications and schedules. To protect contractors against default by a smaller firm and to enhance small business competitiveness, commercial surety companies bond smaller firms by guaranteeing to pay the contractor if the smaller firm fails to live up to the contract.

In some instances, your surety underwriter might be able to provide you a contract bond under SBA's bond guarantee program. Under this program, SBA guarantees the surety company against any loss sustained on

contracts up to $1.25 million. Any business which had average annual sales receipts of $3.5 million or less for the past three years is eligible. There is a fee of $5 per thousand dollars of contract amount charged to the small business by SBA for participation in this program.

For more information contact your local VAO and ask for a copy of Fact Sheet 21 **Surety Bond Guarantee Program.**

Packaging Applications

The SBA does not prepare loan applications for SBA loans. SBA can provide information on how to prepare a loan package for private financing. Look under **Financing Your Business** in this booklet for more information.

Procurement Assistance

The Small Business Act requires that SBA ensure small businesses receive a fair share of federal contracts and subcontracts.

If you are interested in contracting with the federal government or have encountered problems in this area, a VAO can assist you or get answers to many of your questions. Small business interested in subcontracting opportunities may purchase a copy of the **Small Business Subcontracting Directory**.

Sometimes a small business with the low bid for a government contract is rejected because of uncertainty about whether it can fulfill its contractual obligations. That business can apply for an SBA Certificate of Competency. A determination by SBA can overrule the rejection and win the contract.

SBA also has available the Procurement Automated Source System (PASS) for small businesses interested in procurement opportunities. Under this program, the capabilities of a small business are stored in a computerized data retrieval system and are available to be matched with the needs of a government agency or a prime contractor. Ask your VAO for a PASS registration form.

Advocacy for Veterans

In its advocacy program, SBA maintains contact with the small business community, including trade associations, and represents small business interests with other government departments and the Congress.

What to Consider Before Going into Business

Before trying to start a business, you should try to answer certain questions. If you cannot answer some of the questions, seek assistance from your banker, lawyer, accountant or an SBA veterans affairs officer. Ask yourself:

Why do I want to start my own small business? A good answer might be that you have something of value to sell and there is a good market for your product or service.

What product or service am I selling? Be specific.

How much money will I need to get started? Usually a new business needs enough money to cover expenses for at least one year. Expenses also include your salary as the owner, as well as the repayment of bank or SBA loans.

Who are my customers? Local chambers of commerce, banks or universities have marketing data. SBA also can help with marketing analysis through its Small Business Development Center Program.

What price will I charge? An accountant can help on pricing. SBA field offices can provide publications on pricing strategy.

What federal, state, and local tax laws, and registration and zoning requirements must I meet? A lawyer can explain legal requirements. Often states have business information packets available for the asking.

What skills will I need to operate my business successfully? Check with your VAO on SBA training activities.

What skills do I lack and how can I acquire them? Again, check with SBA on the training schedule in your area.

Financing Your Business

Borrowing money is something nearly all business owners do at one time or another. To be a successful loan applicant you will need to convince a lender that you are a reasonable risk. You need to explain how you will use the loan, how much you need to borrow, and how you will repay it.

Generally, business owners borrow to finance a start-up, an inventory build-up, accounts receivable, the expansion of facilities or the purchase of another company. But regardless of why you want to borrow, lenders always want to minimize their own risk. They will not lend you money unless you can convince them you are able to repay the loan. Banks do not make grants and SBA's loan program does not make grants. All loans received through SBA must be repaid, and no loan will be approved without showing an ability to repay.

One way lenders reduce their risk is to require borrowers to put some of their own money into the business. In other words, the borrower should have significant equity or "risk" in the business. For example, if you want to purchase land for future expansion, a bank often will make a commercial mortgage loan only after a 20 percent to 25 percent (sometimes more) down payment (equity investment) by the owner. The bank will then finance the balance.

Traditional lenders, such as banks, are not the only sources of funding available to small businesses. Newer entrants into the financial field, such as commercial finance companies, venture capital firms, local development companies, and life insurance companies, also should be considered. Ask the VAO at your local SBA office for information about these various funding sources.

There also are alternatives to borrowing. Trade credit, selling stock, and equipment leasing are a few. Leasing, for example, is a method of acquiring capital without going to the bank. The advantage of leasing is that it does not tie up your cash. The disadvantages are that capital will cost you more than the outright purchase cost and that it has no resale or salvage value since you do not own it.

Lending Criteria

What specifically do lenders look for from a prospective borrower? A financial institution's lending policies fall into three general areas: they assess a borrower's personal and business history, they employ a risk reduction program, and they consider potential disqualification factors.

Lenders investigate the:

- personal credit record of the borrower;
- financial history of the business;
- growth of the business;
- profitability of the business;
- physical condition of the facilities and equipment; and
- experience of the key managers.

To reduce risk, lenders require some of the following:

- an equity pledge by the owner to the lender;
- a personal assets pledge by the owner to the lender;
- the cosigning on the loan by all principals or guarantors; or
- a lien on all assets and personal property of the owner(s).

In other words, some form of collateral will be required by a lender. This can include your own personal property.

Factors that might cause a loan application to be turned down include:

- prior business bankruptcy
- a bad debt record
- low company earnings
- low value of secured collateral
- management inexperience
- unfavorable liquidity, debt and profitability ratios
- a criminal record

How to Apply for a Loan

Those already in business should:

1. Prepare balance sheets for the past three years listing all assets and all liabilities of the business. Also prepare a projected cash flow sheet for the upcoming year.

2. Have earnings (profit and loss) statements for the past three years. Prepare a detailed listing of key financial ratios including: current ratio, return on investment, debt to equity, inventory turnover, sales to receivables and the operating ratio.

3. Prepare a current personal financial statement of the owner or each partner or stockholder owning 20 percent or more of the corporate stock in the business.

4. List collateral to be offered as security for the loan, with an estimate of the present market value of each item.

5. State the amount of the loan requested and the exact purposes for which it can be used.

6. Take this material to your banker. Ask for a direct bank loan and if you are declined, ask the bank to make the loan under SBA's Loan Guarantee Plan or Immediate Participation Plan. If the bank is interested in an SBA-guaranteed or participation loan, ask the banker to contact SBA's veterans affairs officer or loan officer for discussion of your application. In most cases of guaranteed or participation loans, SBA will deal directly with the bank.

7. If a commercial bank loan, SBA-guaranteed loan or a participation loan is not available, obtain a letter of decline (two letters in cities of 200,000 or more) and write or visit the VAO at the nearest SBA office about other financing options. SBA has 110 field offices which often send loan officers to visit many smaller cities as needed. To speed matters, make your financial information available when you first write or visit SBA.

Those wanting to start a business should:

1. Describe the type of business you plan to establish. Give the name of the firm, its location, its product, its facilities, its legal structure and its business goals.

2. Describe your experience and management capabilities. If there are other key personnel, give their backgrounds also.

3. Prepare an estimate of how much you or others have to invest in the business and how much you will need to borrow. Explain how the loan will be used and how you plan to repay it.

4. Prepare a current balance sheet listing all personal assets and all liabilities.

5. Prepare a detailed projection of earnings (profit and loss state-

ment) for the first year the business will operate. Explain on what these projections are based: what your market is, what price you will [illegible] you will do, [illegible] your pro[illegible] your competition is.

6. List collateral to be offered as security for the loan, indicating your estimate of the present market value of each item.

7. Follow steps 6 and 7 for those already in business.

A Final Word

If you have any questions about SBA's veterans or other programs, contact your local VAO. Your VAO can provide information on local special programs for veterans only. SBA district offices often conduct pre-business workshops, disabled veterans conferences, procurement and other specialized conferences just for veterans. Some SBA offices have received grants for intensive entreprenuerial training programs and for computer-based business planning programs exclusively for veterans. If you have any small business questions, call the SBA Answer Desk at **1-800-8-ASK-SBA**.

Information Resources

The SBA offers an extensive selection of publications on most business management topics, from how to start a business to exporting your products.

This information is listed in *The Small Business Directory*. For a free copy write: **SBA Publications, P.O. Box 30, Denver Colorado 80201-0030.**

SBA has offices throughout the country. Consult your telephone directory under "U.S. Government" for the office nearest you. SBA offers a number of programs and services, including training and educational programs, counseling services, financial programs and contract assistance. Ask about:

- **Small Business Development Centers (SBDCs)** which provide [illegible]tance, counseling and train[illegible] prospective and existing [illegible]ess people.

- **Service Corps of Retired Executives (SCORE)**, a national organization of volunteer business executives who provide free counseling, workshops and seminars to small businesses.

- **Small Business Institutes (SBIs)**, located on more than 500 college campuses, where business school students and faculty provide counseling to small business clients.

- **SBA On-Line**, SBA's National Bulletin Board System, gives your modem immediate access to data on the agency's services, publications and business development programs and other business data 24-hours-a-day. Dial **1-800-859-INFO** for 2400 baud modems or **1-800-697-INFO** for 9600 baud modems.

- **Business Information Centers (BICs)** offer "one-stop" management and technical assistance, counseling, materials, information on the latest business trends, and access to high-tech business software and data bases.

For more information on SBA development programs and services, call the SBA Answer Desk at **1-800-8-ASK-SBA** or fax to SBA at **(202) 205-7064**. For the hearing impaired, the Office of Veterans Affairs' TDD number is **(202) 205-5988**. The agency TDD number is **(202) 205-7333**.

Other Resources

There are many additional sources of small business help available to veterans from federal, state and local governments and the private sector. For [illegible], federal agencies and mil[illegible]ns have local procur[illegible]tatives who can help you sell to [illegible]vernment. They can be contacted by looking up the agency or [illegible] under "U.S. G[illegible] me[illegible]one di[illegible] Loc[illegible] offices of fe[illegible] such as the Department o[illegible]erce, the Bureau of Census and [illegible]ment of Agriculture can provide a wide range of statistical data useful for marketing. The IRS conducts tax workshops throughout the country which are very useful for small business owners.

Most state governments have an office of development which can provide detailed business start-up information often in the form of a *business start-up kit*. The kit will cover such areas as permits and licenses, local codes and regulations, state financial assistance, and tax requirements.

Local chambers of commerce, colleges and universities, libraries, veterans' business resource councils, and trade and professional associations can also assist veterans with start-up and management information. Check your telephone directory or your local VAO for information on these resources.

One final idea — don't overlook the reference section of your local library. It contains a great many useful publications such as the *Commerce Business Daily, Catalog of Federal Domestic Assistance, Statistical Abstract of the US, Statistics of Income, Census of Industry, County Business Patterns, Survey of Current Business*, and *Business Conditions Digest*. These publications provide very useful economic, procurement, grant and statistical information.

OVA 1993
90-00.50

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TRANSITIONAL TRAINING
GREAT LAKES, IL
T.A.P SEMINARS

28 SEPTEMBER - 1 OCTOBER 92	SEPARATION
13 - 16 OCTOBER 92	RETIREMENT
26 - 29 OCTOBER 92	SEPARATION
16 - 19 NOVEMBER 93	RETIREMENT
07 - 10 DECEMBER 92	SEPARATION
11 - 14 JANUARY 93	RETIREMENT
25 - 28 JANUARY 93	SEPARATION
08 - 11 FEBRUARY 92	RETIREMENT
22 - 25 FEBRUARY 93	SEPARATION
08 - 11 MARCH 93	RETIREMENT
22 - 25 MARCH 93	SEPARATION
05 - 08 APRIL 93	RETIREMENT
19 - 22 APRIL 93	SEPARATION
10 -13 MAY 93	RETIREMENT
24 -27 MAY 93	SEPARATION
07 - 10 JUNE 93	RETIREMENT
18 JUNE 93	RETIREMENT
12 - 15 JULY 93	RETIREMENT
26 - 29 JULY 93	SEPARATION
09 - 12 AUGUST 93	RETIREMENT
23 - 26 AUGUST 93	SEPARATION
13 - 16 SEPTEMBER 93	RETIREMENT
27 -30 SEPTEMBER 93	SEPARATION
12 - 15 OCTOBER 93	RETIREMENT
25 - 28 OCTOBER 93	SEPARATION
15 - 18 NOVEMBER 93	RETIREMENT
06 - 09 DECEMBER 93	SEPARATION

FY 94
Schedule

TRANSITION ASSISTANCE MANAGEMENT PROGRAM
FAMILY SERVICE CENTER
GREAT LAKES, IL

October 1, 1993

Mr. Herb Barnett
600 Rambier Lane
Highland Park, IL 60035

Dear Mr. Barnett:

1. The following dates are for SCORE representatives to brief the TAMP retirement class at the Family Service Center, Building 42, Great Lakes IL:

* 16 Nov 93	* 9 Aug 94
* 7 Dec 93	* 7 Sep 94
* 11 Jan 94	* 18 Oct 94
* 15 Feb 94	* 15 Nov 94
* 8 Mar 94	
* 5 Apr 94	
* 10 May 94	
* 7 Jun 94	
* 12 Jul 94	

2. If you have any further questions, please contact Jerry Smith or Don Colton at 688-3895, extension 435 or 436.

Rochelle Wheeler
ROCHELLE WHEELER
Transition Assistance
Program Manager

JERRY Smith
~~708-688-3161~~

*- This schedule to be expanded in Mid year.

NEWS

U.S. SMALL BUSINESS ADMINISTRATION

300 SOUTH RIVERSIDE PLAZA, CHICAGO, ILLINOIS 60606-6617

RELEASE: IMMEDIATE
CONTACT: Roy A. Olson, 312/353-5000

CHICAGO SBA EMPLOYEE NATIONAL WINNER

A veteran executive from Oak Forest has been honored by the Small Business Administration as the federal agency's finest Veterans Affairs Officer in the nation.

Stanley J. Magiera was chosen from more than 100 SBA offices across the United States.

Magiera, a business development specialist with SBA, assists veterans throughout Illinois who are involved in small business or who are contemplating entrance into this vital area of the economy.

"Stan has exhibited a dedication which far transcends the requirements of his position," said Robert H. Newtson, SBA's Regional Administrator. "The agency, the state of Illinois, and the veterans community are privileged to have an individual of this caliber working in their behalf."

Magiera, 69, is a veteran himself, having served with the Army infantry in World War II and having earned the Bronze Star and the Combat Infantry Badge.

He has been in federal service since 1976 and with SBA since 1982.

Before joining the federal government, Magiera held a number of executive roles in the private sector dating back to 1946.

The City of Chicago, Department of Purchases, Contracts & Supplies
and
The Commission on Human Relations, Advisory Council on Veterans Affairs

In cooperation with the
Department of Economic Development
Illinois Department of Commerce and Community Affairs
U.S. Small Business Administration, Chicago District Office
Department of Veterans Affairs, Regional Office, Chicago
Veterans Business Resource Council of Metropolitan Chicago
present....

A Seminar on Doing Business with the City of Chicago For the Veteran Business Owner

Saturday, November 16, 1991
8:30 am - 11:00 am

State of Illinois Building
Lower Level, Auditorium
100 W. Randolph Street
Chicago, Illinois

Members of Planning Committee

Raymond C. Adamore, M.S
Brig. Gen. (Ret.) Frank Bacon
Rev. George Baker
Frank C. Bottigliero
Bill Brandon
Brig. Gen. James Carroll
Tracy G. Cohen, RPA
Ald. Lorraine L. Dixon
Tom Duncan
Carson Gallagher
Carmen Gonzalez
Julio Gonzales
Alfred Grajek
Randy Granath
Barry Green
Sol Griffin
John Hamparsonian
James Harvey

Cong. Charles A. Hayes
Joseph Hernandez
Ida Hindmon
Shaheena Jones
Angela Kubat
Richard ~~Lesniewicz~~
~~Al Lynch, MOH~~
Stan Magiera – SBA

Dolores J. Marchant
Frank A. Marchant
Regi Mari
~~Melody M. McDowell~~
Sam McGrier – SBA
~~Curtis Middleton~~
Tom Miller
Ingrid Nolan
Richard Nolan
Raymond Olson
Ignacio F. Palad
Emil V. Panganiban
Babette Payton
Ken Plummer
George Schwandt
John Smith
Sen. Margaret Smith
Judge(Lt.Col.Ret.)
Earl E.Strayhorn
Henry A. Swan, CLU
Leo Thompson
Ruven Turk
Dorothy Wilkens
~~Capt. JoAnn Williams~~
James Webb – SBA
~~James Balcer~~

SBA participated

Over 800 Women Attendees

IDES
ILLINOIS
DEPARTMENT OF
EMPLOYMENT
SECURITY

1993 Women Veterans Awareness Statewide Conference

On April 29, 1993, federal and state agencies, community groups, veterans organizations will come together to inform women veterans on state and federal benefits, health care issues, small business development and more. As a community resource, you are invited to participate in the conference.

The conference will be held at the Congress Hotel, 520 South Michigan Avenue, Chicago Illinois, on April 29, 1993, from 11:00 a. m. to 9:00 p. m., and is co-sponsored by the Illinois Department of Employment Security and the U.S. Department of Labor.

With your participation, women veterans will have the opportunity to speak directly with local community resources and federal and state agencies in an effort to obtain information on benefits available to them. We want to show our appreciation for their dedication, commitment and sacrifices!

Enclosed is a registration form to be completed and returned by . If you have any questions regarding the conference, please feel free to call Pat Winfrey at (312) 793-6824 or Ms. Lane Knox at (312) 684-5500.

We know this event to be enjoyable as well as educational. We hope you will be able to join us on the 29th.

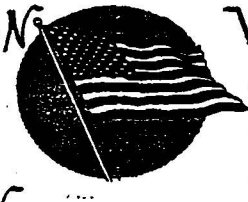
JIM EDGAR, GOVERNOR
LOLETA A. DIDRICKSON, DIRECTOR
401 SOUTH STATE STREET
CHICAGO, ILLINOIS 60605-1289
312/793-5700

L-9 (REV. 11-92) STOCK NO. 4245

Extended 4 pm

Chicago-metro

ATTENTION Veterans....



ATTENTION VETERANS

IDES ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY

VETERAN JOB/INFORMATIONAL SEMINAR WILL BE HELD

FRI., APRIL 30, 1993 - 9:00AM - 12 NOON

TIOGA VFW POST # 2149

25 NORTH YORK Rd.

BENSENVILLE, ILLINOIS

Representatives from Federal, State, & County Veterans Programs as well as Private sector Employers will be in attendance.

Informational & Entitlement Packets will be available. Learn about benefit entitlements & employment Opportunities...

Hope to See You There!

CHICAGO-METRO

Moraine Valley Community College's Small Business Development Center and
The Honorable William O. Lipinski
U.S. Congressman, Third Congressional District, Illinois

Present

Business Opportunities Conference
with a Special Invitation to Veterans

Objective

If you are thinking about starting your own small business, this free conference is for you. At the request of Congressman Lipinski, the United States Small Business Administration (SBA) and Moraine Valley Community College's Small Business Development Center have joined forces to provide this opportunity to veterans and other interested individuals. Learn how federal programs from the SBA can help you start your own business. Your local bank will explain how it can work with the SBA to obtain financing for your new business venture. Come find out what training and resources are available to help you in every aspect of starting your own business.

Speakers

The Honorable William O. Lipinski
United States Congressman
Third Congressional District, Illinois

Jeff Williams, Founder
Creative Marketing Solutions
Entrepreneur Trainer

George J. Peterson, President
First Colonial Bank Southwest
Burbank, Illinois

Stan Magiera, Director
Business Development/Veterans Affairs
U.S. Small Business Administration

Hilary Gerog, Director
Small Business Development Center
Moraine Valley Community College

Who Should Attend

Area residents who are thinking about starting a small business

What You Will Learn

Developing Your Business
Financing Your Business
How the SBA Can Help You
SBDC Services

Date: Friday, May 7
Time: 9 a.m. to Noon
Location: Moraine Valley Community College
Center for Contemporary Technology, Fogelson Theater
10900 S. 88th Ave., Palos Hills

For more information or to register, call (708) 974-5413.

Moraine Valley Community College
10900 South 88th Avenue
Palos Hills, IL 60465-0937

93-246

STATEMENT OF RICHARD A. MOCK
REGIONAL ADMINISTRATOR
VETERANS' EMPLOYMENT AND TRAINING SERVICE
U.S. DEPARTMENT OF LABOR
BEFORE THE HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATION
NOVEMBER 6, 1993

Mr. Chairman, Members of the Subcommittee. My name is Richard A. Mock. I am the Chicago Regional Administrator for the Department of Labor's Veterans' Employment and Training Service (VETS). The Chicago Region (Region V) includes Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. Appearing with me today is Samuel Parks, the Illinois VETS Director. I want to thank you for providing me with the opportunity to discuss veterans' employment and training programs with you today.

In your letter of invitation, you have requested that the Department discuss the provision of employment and job training services to Chicago area veterans. Of immediate interest, the Glenview Naval Air Station is involved in the current downsizing efforts of our military. On November 2, a number of Federal agencies, including representatives of the Department's Illinois VETS office, met with local government officials to discuss the Glenview Naval Air Station. At that meeting, VETS staff discussed the programs and services available for soon-to-be released service members, including:

- Employment placement services
- Job Training opportunities
- Counseling
- Veterans employment under federal contracts
- Employment within the federal government
- Labor Market information

VETS RESPONSIBILITIES

VETS' major responsibility is to administer grants and monitor employment and training services for veterans. Our major grantee in Illinois is the Illinois Department of Employment Security (Job Service). In addition, VETS administers veterans' training programs under the Job Training Partnership Act (JTPA) IV-C program. We also have responsibility for providing direct assistance to veterans in enforcement of the Veterans Reemployment Rights (VRR) law. A fact sheet discussing VETS duties is provided as attachment 1.

1. Local Employment Service Office

Generally, a veteran needing employment and training services, reports to an employment interviewer in a Local Employment Service Office, commonly known as a LESO. At the LESO, state agency staff

deliver placement services, job training opportunities, counseling and provide employment information to veterans. In addition, specialists assigned to the LESO, under the Local Veteran Employment Representative program (LVER) and Disabled Veteran Outreach Program (DVOP), have special responsibilities for services to veterans to help meet their employment needs. The DVOP/LVER programs were created under sections 4103A and 4104 of Title 38 U.S. Code Chapter 41 to provide additional assistance to eligible veterans.

In the Chicago Metropolitan area there are 26 LESO's that provide employment services and 34 DVOP and 26 LVER specialists that further assist veterans in securing employment and training assistance. During the program year ending in June 1993, 11,882 veterans were placed in jobs, or otherwise obtained employment, through the assistance of the Job Service. A detailed report reflecting State and Regional accomplishments is provided as attachment 2.

2. Job Training Partnership Act (JTPA)

The Job Training Partnership Act (JTPA) IV-C program for veterans provides funding for a second program that meets the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated. With recent downsizing, VETS has increased emphasis on providing services to recently separated veterans. In this area our grantee, the Cook County President's Office of Employment and Training, completed a 15-month IV-C program. This VETS grant award was established at $100,000 to place 65 veterans in on-the-job training. Although we have not received a final report yet, the program appears to be meeting its objectives.

3. Service Members Occupational Conversion and Training Act

A third veterans program available to recently separated veterans is the Service Members Occupational Conversion and Training Act, commonly known as SMOCTA. This program was established by P.L. 102-484, Title XLIV, subtitle G, and $75 million was appropriated. SMOCTA was created to provide an additional means for the Secretary of Defense to manage the reduction in military personnel and to assist those members of the Armed Forces affected by the downsizing. Jobs created under SMOCTA are to be stable and long term. The Department of Veterans Affairs (DVA), the Department of Labor and State Employment agencies are responsible for implementing SMOCTA. The program focuses on disabled veterans, long-term unemployed veterans, and recently discharged veterans whose primary or secondary military occupational specialty is not readily transferable to the civilian work force.

One hundred eighteen (118) eligible veterans from the Chicago Region have applied for the SMOCTA program as of October 15 (55%

are from the Chicago Metropolitan area). Also, 15 employers have applied for participation but none have been approved by DVA to date. When final employer approval of the program is provided, employer needs will be matched with the veterans' interests and capabilities. The training in such jobs is to be a minimum of six (6) months and a maximum of eighteen (18) months. Case management will be provided by LESO veterans staff.

4. Transition Assistance Program

The fourth program for veterans, the Transition Assistance Program, commonly known as TAP, was established by P.L. 101-510 in November of 1990. This law charged the Secretary of Labor, in conjunction with the Secretaries of Defense and Veterans' Affairs, with providing employment and training information to servicemen and women within 180 days of separation for military service. The TAP clientele has been extended to include the spouses of military personnel. The aim of the program is to provide the veteran-to-be with the skills to decrease the time unemployed and to provide him/her with information to make suitable educational or career choices.

There is one TAP site in the Chicago metropolitan area at the Great Lakes Naval Base. The Great Lakes Naval Base TAP program recorded the following accomplishments in Fiscal Years 1992 and 1993:

	FY '93	FY '92
1. Number of Workshops conducted:	26	24
2. Total number of participants served:	1022	597
Retirees:	427	275
Separatees:	498	245
Spouses:	66	45
Other:	31	32

Currently, the State of Illinois is developing a TAP program that will parallel the training provided by the federal program. This program will be administered by LVER's and DVOP staff in the LESO's. Based on early results from a similar program in Ohio, it is expected to provide meaningful assistance to veterans seeking employment assistance.

5. Centralized Applicant Referral Service

The Centralized Applicant Referral Service (CARS) was recently installed in Illinois by the Illinois Department of Employment Security, the U.S. Office of Personnel Management and VETS.

CARS is a tremendous aid to VRA eligible veterans and 30% disabled veterans by matching qualified veterans seeking federal employment with federal agencies currently recruiting for available positions. As of October 29, two hundred fifty four (254) veterans have

applications in file. Also, 12 veterans have been placed in employment through the CARS program in the last six months. We expect that thousands of veterans and many federal managers will benefit from this program in the years ahead. We believe it will be especially helpful to federal agencies seeking to hire highly qualified women and minorities who are being released from military service due to downsizing. A fact sheet is provided as attachment 3.

6. Veterans Reemployment Rights

Direct services are provided to Chicago area veterans and members of the Guard and Reserves through the Veterans Reemployment Rights program, which is authorized by Title 38 U.S. Code, Chapter 43. The purpose of this program is to ensure that eligible persons (Veterans, Reservists and Guardspersons) do not lose their jobs and other employment benefits because of their military service.

During FY 1993, VETs obtained the following results:

	Chicago	Illinois	Region
Cases Opened	56	79	367
Cases Closed	60	84	360
Claims granted/settled	38	48	179

A detailed report regarding State and Regional accomplishments is provided as attachment 4.

7. Chicago "Stand Down"

Finally, a fairly recent initiative for homeless veterans in the Chicago area was the Chicago "Stand Down." A Stand Down is an organized event involving government agencies and volunteers in their combined effort to help homeless veterans return to the mainstream. State Director Sam Parks co-chaired this event with representatives of the DVA. Federal, state, local government entities worked with the City of Chicago to hold a Stand Down for homeless veterans on August 20 - 22, 1993 at Humboldt Park. Approximately 250 homeless veterans attended the Stand Down and were provided services that included medical and dental services, legal assistance, clothing, and counseling. Also provided was information on various benefits available to veterans, such as, V.A. benefits, employment services, public assistance, housing and Social Security.

The Illinois Department of Employment Security, Veterans Employment Representatives, reported 12 direct job placements and 52 referrals to job interviews.

Job Service veteran representatives were available for the entire three day affair. They made certain that each veteran present was

registered with the job service. Although, many of the veterans did not have an address, the Veteran Representatives were able to obtain a point of contact so employment services could continue to be provided following the Stand Down. Due to the success of the program, Chicago is planning to have two Stand Downs in FY '94.

Thank you for providing me the opportunity to discuss the Department of Labor's VETS programs. We would be happy to answer any questions you might have.

###

U.S. Department of Labor
Program Highlights

Fact Sheet No. OASVET-90-1

VETERANS' EMPLOYMENT AND TRAINING SERVICE

The U.S. Department of Labor's Veterans' Employment and Training Service (VETS) has at least one office in every state and regional offices in 10 cities: Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, Kansas City, Denver, San Francisco and Seattle.

These VETS offices:

-- Monitor and oversee veterans' employment and training services carried out by employment service--or Job Service-- offices.

-- Administer veterans' training programs under the Job Training Partnership Act (JTPA).

-- Protect the reemployment rights of veterans, including those who are on temporary active duty with the National Guard or Reserves.

The state VETS directors provide technical assistance to the state Job Services, which offer referrals to job training, counseling, job search and other help to veteran applicants. These offices can give veterans information about where to obtain assistance regarding unemployment compensation for recently separated servicemembers, veterans' reemployment rights, and tax credits available to employers who hire veterans.

Among the services administered and monitored by VETS is the Local Veterans' Employment Representative (LVER) program, under which there is a professionally-trained person in each State employment, or Job Service, office to work directly with veterans.

Also, VETS administers the Disabled Veterans' Outreach Program (DVOP), providing specialists in State employment service offices and other locations to develop employer and community support for hiring disabled and other veterans.

Under the veterans' reemployment rights law, a veteran has a right to return to the civilian job he or she left to go on active duty and to any increased wages and other benefits that would have accrued. Members of the National Guard and Reserves have similar rights to their old jobs when returning from active duty.

For more information about any of these programs, contact any office of the Veterans' Employment and Training Service (VETS), listed under U.S. Government, Department of Labor, in phone books in cities where VETS offices are located.

...

Attachment #

SERVICES TO VETERANS PY '92 THROUGH THE REPORTING PERIOD ENDING 6/30/93

	ILLINOIS	REGIONAL TOTAL	ILLINOIS % OF REGIONAL TOTAL
Total Applicants (excluding youth)	815,954	3,050,818	26.75%
Total Number of Non-Veteran Applicants	703,162	2,543,960	27.64%
Total number of non-veterans who were placed or obtained employment	70,519	246,384	28.62%
TOTAL VETERANS	115,387	516,351	22.35%
% of Veterans to Total Applicants (excluding youth)	14.14%	16.93%	
Number of Veterans who were placed in employment or who obtained employment	23,870	87,777	27.19%
Number of Veterans who received Some Reportable Service	88,047	356,985	24.66%
Number of Veterans who were Counseled	3,046	15,573	19.56%
Number of Veterans who were Referred to Training	8,556	16,286	52.54%
Number of Veterans who were Placed in Training	991	2,818	35.17%
Number of Veterans who were Referred to Employment	38,577	177,555	21.73%
% of Veterans Referred to Employment	33.43%	34.39%	
% of Veterans who were Referred to Employment who were Placed/Obtained Employment	61.88%	49.44%	
PLACEMENT RATE OF VETERANS	20.69%	17.00%	
PLACEMENT RATE NON-VETERANS	10.03%	9.69%	
% of total Veterans who Received Some Reportable Service	76.31%	69.14%	
% of total Veterans who were Counseled	2.64%	3.02%	
% of total Veterans who were Referred to Training	7.42%	3.15%	
% of total Veterans who were Placed in Training	0.86%	0.55%	
NUMBER OF DISABLED VETERAN APPLICANTS	3,379	23,854	14.17%
Number of Disabled Veterans who were either Placed or who Obtained Employment	1,027	5,283	19.44%
% of Disabled Veterans who were Placed/Obtained Employment	30.39%	22.15%	
NUMBER OF VIETNAM-ERA VETERAN APPLICANTS	39,645	192,758	20.57%
Number of Vietnam-era Veterans who were either Placed or who Obtained Employment	8,131	30,693	26.49%
% of Vietnam-era Veterans who were Placed/Obtained Employment	20.51%	15.92%	
Total Applicants (including youth)	961,114	3,550,900	27.07%
Number of U.I. Claimants	717,335	1,981,545	36.20%
% of U.I. Claimants to Total Applicants	75%	56%	
Number of U.I. Claimants who were either Placed or Obtained Employment	61,402	158,660	38.70%
PLACEMENT RATE UI CLAIMAINTS	8.56%	8.01%	
% OF TOTAL VETS IN REGION	22.35%	100.00%	

ATTACHMENT #4

CARS

CENTRALIZED APPLICANT REFERRAL SERVICE

The CARS Program was designed to assist veterans in finding employment with the Federal government within the State of Minnesota. If you belong to one of the following groups, you may be eligible for participation in the CARS program:

* 30% or more service connected disabled veterans

* Veterans who served during the Vietnam era, on active duty for more than 180 days, all or part which occurred after August 4, 1964, and have other than a dishonorable discharge

* Post Vietnam era veterans who served on active duty for more than 180 days and have other than a dishonorable discharge

NOTE: The 180 days active service does not apply to (1) veterans separated from active duty because of a service connected disability, or (2) reserve and guard members who served on active duty under (10 U.S.C. 672 a, d, or g; 673 or 673 b) during a period of war, such as the Persian Gulf War, or in a military operation for which a campaign or expeditionary medal is authorized.

CARS is designed to:

* Target veterans only

* Train veterans on how to complete an SF-171, Application For Federal Employment, from start to finish

* Refer qualified veterans to Federal agencies as openings occur

It will be necessary to attend an SF-171, Application For Federal Employment, preparation workshop. The workshops are conducted by Veterans' Representatives at the State Job Service Offices in most Minnesota cities. The CARS Program will not retain, process or refer the SF-171, Application For Federal Employment, unless you have attended a workshop.

Some of the benefits for veterans seeking Federal employment and using the CARS Program are:

* Your SF-171, Application For Federal Employment, is maintained on file for future Federal employment consideration

* Qualified candidates are linked to available Federal jobs within Minnesota

* Veterans' preference in examinations and in appointments

* Job retention preference

* Credit for military service

* Test requirements can be waived

* Filing applications after examinations have been closed

For additional information regarding the CARS Program, contact a Veterans' Representative at the Minnesota State Job Service Office nearest you.

Attachment T

10/28/93

VRR CASE MANAGEMENT CUMULATIVE REPORT--SEPTEMBER 1993

	ILLINOIS	REGIONAL
PREVIOUS FY:		
CASES CARRIED OVER	17	55
CASES STILL OPEN	0	0
TECHNICAL PRESENTATIONS	84	249
TOTAL CASES OPENED (YTD)	79	367
RES/NG CASES OPENED (YTD)	62	248
DS/DS CASES OPENED (YTD)	10	23
TOTAL CASES CURRENTLY OPEN	12	62
NO. NOW OPEN OVER 120 DAYS	0	10
AVERAGE. NO. OF DAYS OPEN	44	45
TECH. PRESENTATIONS (YTD)	7	44
T/A PUBLIC INQUIRIES	8	1583
FEDERAL EMPLOYEE INQUIRIES	19	59
NO. OF DS/DS DEBRIEFINGS	0	1
# OF TROOPS AT DEBRIEFINGS	0	100
NO. OF EMPLOYERS BRIEFED	0	0
NO. OF INQUIRIES PER DS/DS	1	12
TOTAL CASES CLOSED YTD	84	360
CLOSED 0-30 DAYS	38	181
31-60 DAYS	22	74
61-90 DAYS	16	54
% CLOSED IN 90 DAYS	90%	86%
CLOSED 91-120 DAYS	5	22
% CLOSED IN 120 DAYS	96%	92%
OVER 120 DAYS	3	29
$ AMOUNT/COMPLIANCE	35957	86603
$AMOUNT/LITIGATION		54000
SETTLEMENTS (YTD)	7	35
WITHDRAWALS (YTD)	4	36
CLAIMS GRANTED (YTD)	41	144
ADMIN. CLOSED (YTD)	8	22
NOT ELIGIBLE (YTD)	0	10
LACK MERIT (YTD)	24	107
REFERRED TO DOJ (YTD)	0	6
VALID CLAIMS	0	4
NOT RECOMMENDED	0	1

Attachment
[illegible]

The Honorable Lane Evans
Chairman
Subcommittee on Oversight
and Investigations
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Statement of Rick A. Baier, President, Village of Cissna Park concerning a hearing on November 6, 1993, before the House Veterans' Affairs Subcommittee on Oversight and Investigations.

Cissna Park, Illinois has been vying to be chosen as the site for a National Cemetery to serve Northeastern Illinois since the project began - more than eight years ago. The community has worked hard to convince the Department of Veterans Affairs (DAV) that it would make an excellent location for a National Cemetery and has survived the drawn-out selection process. Cissna Park was, earlier this year, one of two finalists for the cemetery site (the Joliet site was just recently added to the list, even though the deadline to apply for selection was many years ago). Cissna Park has met or exceeded all of the requirements set by the DAV in their original advertisement for site selection and would provide a proper setting for National Cemetery, not only in the 90's, but will remain the respectful, caretaking community appropriate for our veterans in the next century as well. The only major objection to Cissna Park seems to be the opinion of some that the location is too far from the major population centers of Northeastern Illinois.

A close look at the growth patterns in Northeastern Illinois shows that the population of the area is shifting to the south - toward Cissna Park. People are tired of the hustle and bustle of urban America and are moving out of these areas in dramatic numbers. Along with this population shift, transportation improvements are being made to help those who do live a distance away to commute to and from the area. The Cissna Park site is located on Illinois Route 49 (slated for widening and resurfacing in 1994) which has direct and easy access to Interstate 57. An Amtrak stop is

just minutes from the area and a new international airport is being planned to the north.

The Village of Cissna Park is pastoral, farming community with a population of 805 located in Iroquois County. Cissna Park has a very stable business district and is one of the economic centers of Iroquois County, due in part to the honest and hardworking men and women who own and run the businesses and also due to the support of the entire area. The people of Cissna Park are proud of their community and show this pride by supporting the businesses, schools and community projects. Cissna Park is a "caretaker community." In essence, this community has taken care to preserve and maintain its traditional values and hospitality. It is virtually without a crime problem and the people believe in keeping their town and homes clean and liveable. Many residents of the area live here and commute long distances. They live here because they want to bring up their families in a quiet, safe and productive environment.

Though strong economically, Cissna Park is not overcommercialized. There are no noisy, pollution providing factories in the community. Recreational facilities, golf courses, restaurants and other forms of entertainment are nearby. Two new motels from major chains have recently located in Iroquois County, There are many churches of all denominations in Cissna Park and throughout the area. Kellart Lake, a recreation and residential center about a mile north of the cemetery site, has been growing steadily with many of the residents there coming from the northern population areas of the state.

The area tends to be very patriotic as shown by the strong Cissna Park American Legion Post 527 which has a membership of approximately 300. Post 527 recently completed a $40,000 remodeling project of their Legion Home, which had the support or the entire community. The Legion Home serves as a community center for many of the area's others organizations - Boy Scout Troop 157, Claytonville 4-H Club, Homemakers Extension Association, Legion Auxiliary, church groups, etc. - and is now entirely handicapped accessible. The Legion supports many of the area's community projects including the local recreation commission, economic development, swimming lessons, Boy and Girl Scouts, and also sponsors the annual Old Settlers Reunion which draws thousands of people from throughout the country. Post 527 hosts an impressive Memorial Day service each May which is attended by hundreds from the area. In 1993, Post 527 reached an all-time high membership for the 30th consecutive year. The Post has an award-winning Color Guard and Rifle Team which would provide proper military honors at services held a the National Cemetery.

Cissna Park is the only site endorsed and recommended by the American Legion Department of Illinois as an appropriate location of a National Cemetery in Resolutions 33 and 35 at their State Convention held July 18-21, 1990. Cissna Park has also been endorsed by many legislators, communities, organizations and individuals throughout Illinois including: United States Senator Paul Simon; Congressman Tom Ewing; the Iroquois County Board; the Illinois Funeral Directors Association; the Illinois Chapter of Pheasants

Forever; Cissna Park American Legion Post 527; and Hoopeston Veterans of Foreign Wars Post 4828.

In a place where the school system is the largest employer, a National Cemetery employing from 12-33 people would have a definite economic impact on the entire area. The traffic flow provided by those visiting the cemetery would help the existing businesses in Cissna Park to prosper and expand, and the project would encourage other forms of rural development in Illinois which is a priority of the current administration.

World-renowned Bork Nursery and Onarga Nursery are located just 15 miles from the Cissna Park site and could provide all the landscaping needs of a National Cemetery.

Cissna Park Community Unit School District No. 6 provides youth with excellent opportunities both in academics and extracurricular activities. The high school graduation rate, which is the percentage of students entering the ninth grade who graduate after four years, was 100% while the state average was only 81.4% according to the School District Report Card. Cissna Park students performed above state averages in all areas but one and also scored higher than the state average on the ACT (American College Test). The Future Farmers of America Chapter (FFA) and the Music Department have been ranked first in the state several times and are consistently in the top five each year.

In these times of resource scarcity and economic restraints, the Cissna Park site consists of over 200 acres, and is gently rolling, with no buildings or other structures, and is currently being farmed. Municipal water and sewer services are available and the site is easily accessi-

ble via Illinois Route 49. The cost to prepare the Cissna Park site would be minimal compared with the Grant Park site which is not located on a major highway and does not offer water and sewer service, or the Joliet site which would have to have extensive areas of forest removed. The U.S. Fish and Wildlife Service has filed an official objection to the Joliet site with the Department of Veterans Affairs because many trees would have to be cut down and the natural woodlands and grasslands there would be destroyed. The U.S. Fish and Wildlife Service would like to acquire the Joliet site as a wildlife preserve. The Environmental Impact Statement also indicates that construction of a cemetery at Joliet could have a negative impact on several species of endangered birds.

After over eight years of spending millions of taxpayers' dollars on this selection process, it is time to make a decision. The Department of Veterans Affairs has stated they will select a site in the spring of 1994.

The Village of Cissna Park, its citizens and the surrounding area are literally unanimous in support of locating a National Cemetery in the community. Throughout this eight year process, Cissna Park has been ready and willing to accord the veterans of the United States Armed Forces the honor that they have earned and deserve.

Sincerely yours,

Rick A. Baier, President
Village of Cissna Park
Cissna Park, Illinois 60924

The Honorable Lane Evans
Chairman
Subcommittee on Oversight
and Investigations
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Statement of Ralph Walder, Commander of Cissna Park American Legion Post 527 concerning a hearing on November 6, 1993, before the House Veterans' Affairs Subcommittee on Oversight and Investigations.

Cissna Park Legion Post 527 has approximately 300 members, in a community of approximately 800 residents, a fact of patriotic participation that few towns can claim. Our Post has had an all time high membership for 30 consecutive years, which is remarkable for a small post of our size considering that other Posts and VFW's in our county have been declining in membership over the past several years.

Over the past several years our new members have been moving out of the Chicago area and the suburbs and have been purchasing property, and retiring in our community along with taking part and becoming active in our Post and the community.

Our present facility was built in 1970 with approximately 3,000 square feet. This past year we undertook and completed a building addition of approximately 2,700 square feet. Our facility is now fully handicapped accessible. In remodeling we included storage areas for county veterans' and auxiliary wheelchairs and crutches which we store and issue out to persons in need of those appliances. We can now very easily and comfortably seat over 200 people in our facility and do so about every month as our building is used by various organizations throughout our community and neighboring communities.

We have an outstanding drill team as part of our Post. There are approximately 30 members in our drill team and honor guard which attend and participate in various military and social functions throughout the county, along with providing military funeral rites for veterans in our Post and for others that do not have an honor guard.

We are very easily accessible from the Chicago area and suburbs, on Interstate 57. We are within an approximate two hour drive from Hines Veterans Hospital in Chicago, and within 45 minutes of the VA home in Momence, Illinois. We are located approximately 15 miles West of the Illinois/ Indiana state line and therefore are readily accessible for the residents of Indiana as well as for residents of Illinois.

We have sufficient acreage for a National Cemetery as well as additional acreage adjacent to the proposed site for further expansion if it deemed necessary or was needed at a later date. We have a very quite peaceful community which would be in character for a National Cemetery of this magnitude. The residents, members of our Legion Post and the surrounding communities are all endorsing our site over the other proposed sites of Grant Park and Joliet. There have been numerous studies over the past seven years which evaluated all sites and reflected that our community and our site has passed munster with every inspection. Our Cissna Park shines because of our commitment to veterans who, like this American Legion Post, are an integral, vital part of a care-giving community. Our veterans want this cemetery in a respectful place.

Our veterans want this cemetery in Cissna Park. Lets move forward without further delaying the process and selecting Cissna Park as the site for the Northeastern Illinois National Cemetery.

Sincerely yours,

Ralph Walder, Commander
Cissna Park American Legion
Post 527

The Honorable Lane Evans
Chairman
Subcommittee on Oversight
and Investigations
U.S. House of Representatives
335 Cannon House Office Building
Washington, D.C. 20515

Statement of James L. Tungate, Attorney for the Village of Cissna Park concerning a hearing on November 6, 1993, before the House Veterans' Affairs Subcommittee on Oversight and Investigations.

I write on behalf of the Cissna Park Economic Development Board, as Village Attorney for Cissna Park, and most importantly, as a member of the Cissna Park Community where my wife and I live and raise our children.

Veterans deserve the very best cemetery that we can provide. It is our collective, final and perpetual salute.

"Very best cemetery" must mean a site that will remain respectful, peaceful and dignified beyond our own lifetimes. It needs a special place where visitors are welcomed, their religious needs are fulfilled and their minds are at ease that their loved ones will always be honored. A Veteran Cemetery must be all that, and more, for it is also a special place to honor all veterans, not just those who are buried there. Cissna Park is that special place for the very best cemetery in Northeastern Illinois.

In other submitted testimony you will learn of the extremely high percentage of Cissna Park participation in the American Legion. A phenomenal number - over 300 - are members of the American Legion in a town of some 800. That makes Cissna Park a special place.

For almost eight years; two Secretaries and one Acting Secretary of Veteran Affairs; uncounted changes in administrative and staff personnel; various public hearings in Chicago and at Fort Sheridan; about a million dollars in two Environmental Impact Studies and responses to those studies; endorsements from political, civic, veteran and special interests; sending a delegation of citizens to Washington in 1993 to encourage action - through all of this unusually lengthy and complicated selection process, the veterans and residents of this whole area of Illinois have strongly and

steadfastly supported Cissna Park for the cemetery. That makes Cissna Park a special place.

Choosing Cissna Park fulfills many admirable goals at one time: honoring veterans, hiring veterans and saving a woods. Our veterans need jobs in rural Illinois. A dozen jobs for veterans in Chicago/Joliet probably means very little. A dozen jobs for veterans in Cissna Park is absolutely an answered prayer for those veterans and their families. That makes Cissna Park a special place. Choosing Cissna Park means thousands of trees in the Joliet Arsenal Hoff Woods will not be leveled and destroyed, while the flat to gently rolling land in Cissna Park is ready for development. That makes Cissna Park a special place.

The VA's Environmental Impact Study states that a cemetery would have no economic impact on Joliet. The people of Cissna Park commissioned their own economic study by an independent organization which found almost a million dollars a year in direct and indirect benefits to the Cissna Park economy resulting from the cemetery. That makes Cissna Park a special place.

It is the Cissna Park site that has been endorsed by the State of Illinois American Legion. While various political forces have promoted first Fort Sheridan and now the Hoff Woods for a site, the organized veterans of Illinois have consistently chosen Cissna Park. That makes Cissna Park a special place.

Cissna Park has played David to the Goliath of Fort Sheridan and some fourteen other sites. After seven years, the selection process had sifted down to two sites when the rules were changed, and the process reopened to accommodate

the Joliet Arsenal, previously rejected for its environmental pollution. The veterans are still supporting Cissna Park, and the people of the community want you to know of their love and support for veterans. The Cissna Park site is supported by ordinary veterans, veteran's groups and, just as importantly, the people who live there. How many communities actively work eight years to locate a cemetery in its town? That makes Cissna Park a special place.

This is not a Chicago cemetery project and never has been. It is a Northeastern Illinois cemetery. The cemetery in Cissna Park assures a place of perpetual care and respect away from urban strife in decades ahead. The cemetery in Cissna Park means jobs for veterans in a rural economy. The cemetery is Cissna Park means the government has heeded its veterans, ordinary citizens and common sense. We hope these voices can be heard through this Subcommittee Hearing, and you too, will help make Cissna Park a special place.

Sincerely yours,

James L. Tungate
Attorney for Village
of Cissna Park

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSES

Statement of
Joseph F. Guido
National Service Officer
Disabled American Veterans
to
Honorable Lane Evans (D-17th)
Member House Veterans Affairs Committee
Mr. Chairman, Subcommittee on Oversight and Investigations
December 20, 1993

Mr. Chairman and members of the Subcommittee:

In reference to your request of November 12, 1993, the following are responses to additional questions resulting from the hearing of November 6, 1993 in Chicago, Illinois.

1. **What are the most serious problems veterans face obtaining health care benefits and services from Chicago area facilities?**

   a. Eligibility to VA medical care and extent of that medical care.

   In the past, eligibility standards have changed to the extent that it is impossible for a veteran to plan for his medical care as he gets older. It is necessary that if and when eligibility standards are changed, they remain in place and are not subject to periodic changes.

   b. Length of time it takes to be seen by the appropriate VA physician or technician on date of appointment.

   Frequently, the necessary treatment or testing takes all day. Parking is insufficient at Lakeside, Westside and Hines VAMC, so veterans arrive well before their appointment times in order to obtain parking spaces. This causes long lines and waiting times. At some facilities, unscheduled veterans are seen with scheduled appointments on a first come, first served basis. This increases the bottleneck that occurs in morning clinics. If the unscheduled veteran is non-emergent, the veteran should be seen later in the day.

   Appointments in speciality clinics take too long to schedule. We believe there is a significant number of follow-up appointments that can be handled by the General Medical Clinic rather than specialty clinics. Some specialty clinics schedule all morning appointments yet work thru out the day, thus causing some veterans to wait all day for treatment.

   Overbooking (in the morning) is still a problem. Historically, this has occurred because of patients that fail to show for appointments. However, typically, it is new patients that fail to appear and this can be traced to excessively long waiting times at clinics. Six months is not uncommon. The great majority of veterans do show for their appointments because they do take so long to reschedule.

   Clinics need to extend their hours to include weekends and evenings. There should be complete clinic staffs and not skeleton crews. Without providing additional working hours, waiting time between clinic appointments will not decrease. These deficiencies feed on one another and cause the daily problems which exist. In addition to shortage of parking spaces, there is a shortage of physicians, nurses and other supporting staff, as well as examining rooms.

   c. Scheduling of Appointments for Treatment and/or necessary testing procedures takes too long.

In out-patient care, the time between the initial visit due to acute illness and the follow-up visit which provides the treatment and/or necessary testing is too long. As a result, some veterans attempt to resolve this problem by seeking emergency room care, or obtain care somewhere else.

d. Lack of patient/doctor familiarity.

Veterans, in most cases, desire to see the same physician and support staff as they continue to receive care at VA facilities. This is also the desire, in most cases, of VA care takers. This familiarity fosters proper medical care. Without this environment, veterans are less likely to return to the VA facility. Patients become tired of going over the same medical history during follow-up visits with different physicians. This lack of continuity causes unnecessary apprehension for patients, wastes valuable time and may contribute to unnecessary follow-up appointments.

e. Undiagnosed psychiatric problems.

Homeless veterans and older veterans with undiagnosed psychiatric problems complicate both medical treatment and efforts to provide social reintegration and vocational training. This is an ever growing problem.

Unfortunately, VA health care has reached a point where it cannot do any more without substantial funding increases. Without this support, the necessary improvements will not be forthcoming.

The existence of the "Chicago Network" is essential to improvement in VA health care in the Chicago area.

2. What are the most serious problems veterans face obtaining VA benefits and services from the Chicago Regional Office?

a. obtaining service medical records
b. adequacy of examinations and delay in examinations
c. development of claims
d. back log at BVA
e. back log at Rating Boards

a. Obtaining service medical records.

Currently, military separating points forward compensation claims of servicemen being discharged to the VA Regional Offices (RO) in the state of the military installation. The claims are then forwarded to the appropriate RO based upon the veterans residence.

These claims should be sent directly to the RO where the veteran resides.

VA should assume control of service medical records (SMR) for all branches of service. Currently, the Army is the only service branch involved in this program. This would expedite the furnishing of SMRs to the Rating Boards.

There is a large backlog of claims awaiting a response from the Army and Joint Services Environmental Support Group (ESG).

The ESG does the research for Post Traumatic Stress Discrder (PTSD) cases that need verification of stressors. The VA should consider assigning VA personnel to assist the ESG. This would reduce the backlog as well as provide insight into the research process. This could result in improved methods of development in researching increasing numbers of PTSD cases.

b. Adequacy in Examinations and Delay in Examinations.

Processing time of claims are delayed when examinations are inadequate for rating purposes. There are a number of reasons for this. Since Vietnam there seems to be a growing feeling among VA physicians that examinations are considered a intrusion of their time as medical care providers. It is important they understand the vital part they play in veterans receiving compensation benefits. Examinations are simply not as detailed as they used to be. Physicians are asked to use a Physicians Guide (PG) which is a cumbersome reference to use without continuous study. Also, there is an insufficient number of PGs in the field. It would be beneficial if the Rating Boards could, thru AMIE (Automated Medical Information Exchange), customize examinations by selecting the information to be furnished consistent with the needs of the VA Rating Schedule of Disabilities. To an extent this is now being accomplished, however the information is in paragraph or summary form rather than a series of individual questions such as seen in Social Security Consultative Examinations.

An alternative would be to contract out examinations to clinics that routinely perform examinations for evaluation purposes.

There is a reluctance on the part of some Rating Board members to return examinations as inadequate under provisions of 38 CFR 4.1, 4.2, 4.70. A routine review of examinations over the last 25 years will show they have decreased in detailed information. It may be that some Rating Boards are finding it more difficult to identify inadequate examinations because they have grown accustomed to the less detailed examinations.

We believe better communications should exist between the Chicago area VAMCs and the regional office regarding several issues. The AMIE system is not being used as designed in most cases. C&P examinations are to be processed in the computer at the hospitals and printed at the RO for use in disability claim decisions. Instead, in the majority of the cases involving VAMCs in the Chicago area, the examination reports are handwritten by the physicians and sent by courier to the RO. Many of these examinations are difficult to interpret, even by experienced Rating Specialists, and are, of course, delayed due to courier delivery. Since the close-out date by the hospital is entered into the computer at the time the examination is signed off by the examiner, it is not the date it is received by the RO; as it would be, if AMIE were used as designed. Thus, the timeliness statistics are not correct.

Authority should be given to the regional office to correct veterans addresses in medical center computers. Currently, computer security at the medical centers do not allow the regional office to update the veterans address. It is not infrequent that hospitals have an old address on the veteran. Currently, regional office personnel must handwrite the new address under the "remarks" section of the examination request. This can be overlooked by hospital personnel, resulting in examination notifications being sent to incorrect addresses which delays the claims process. Our office submits many requests by veterans for rescheduling of examinations and we know this is a continuing problem.

c. Development of cases.

Development of cases is slow to begin and fragmentary thru out. Proper development must take place as early in the claim process as possible. Since most veterans do not know the information necessary to properly develop and present their claim, the initial response from the VA is important. It needs to be timely, informative, and relevant. It needs to be in common sense language.

A standard letter package for this purpose can be developed for this purpose.

Currently, a combination of development clerks, adjudicators and rating specialists are involved in development of cases. It is not uncommon that a Target Pending Issue Screen (PINQ) will show back and forth movement between the rating and adjudication for this reason. We believe the rating technician position; that exists at some pilot ROs is the best answer. This must, however, be a highly trained position. Good development is a specialized skill as can be demonstrated by any review of Board of Veterans Appeals (BVA) remand decisions.

e.f.

Back-log at the RO Rating Boards and BVA are in great part dependent on each other. Considering resources such as Judicial Review Conference Calls, Decisions Assessment Documents, West's Veterans Appeals Reporter, C.O. Memoranda, and simply acting on many BVA remanded cases, I find it extremely difficult to believe Rating Board personnel cannot identify a case that hasn't been fully developed prior to it being forwarded to BVA for final disposition. Considering the fact that cases arriving at the BVA will take fifteen (15) months before a decision is made, one would believe every effort would be made at RO to be as sure as possible the case is fully developed and all issues are accounted for. I believe an acceptable remand rate would be about equal to the percentage of BVA allowances for a given RO. Substantively, both types of errors should occur with equal frequency.

3. If VA health care is going to be more consumer-oriented and responsive to veterans, VA needs to know what changes veterans want. How is VA obtaining this information today and how could VA obtain this information more effectively?

I am not aware of any ongoing programs to solicit this type of information from veterans. Certainly, a type of survey form or questionnaire at the various points of treatment in VA facilities would be a starting point. VA voluntary Service Personnel with assistance from veterans service organizations should be contacted to provide input. Scheduling open meetings at the medical centers itself should prove effective.

4. What changes should be made in VA's claim adjudication process to reduce the remand rate and what remand rate would be acceptable?

We have heard that down-sizing large offices into small workable units, that would include rating specialists, adjudicators, authorizers VSD clerks, etc. will improve the final product outcome (self-directed work teams). This will eliminate the assembly line approach of claims processing that exists in large offices thus encouraging a team concept. Based upon a number of years of working with government agencies, I believe it will be easier to take claims processing personnel out of the assembly line than it will be to take the assembly line out of claims processing personnel. We believe this is a good approach to problems of large offices. It will, however, take a substantial supervisory effort to establish the appropriate mind-set necessary to make this system work. This is necessary to prevent a large bureaucracy from becoming many small bureaucracies.

To reduce RO back log, we believe single signature rating authority should be established on a permanent basis, however, with that authority should accompany enhanced quality review controls.

5. What types of claims development assistance not provided now, should VA offer to veterans?

As explained in answer to question #2, a standard package of letters and bank of paragraphs which would include information specific to the veteran's diagnostic codes can be used to provide additional information. Also, advising the veteran to provide information on how the disability effects his vocation or employment status should be solicited.

The phone inquiry unit is not able to provide the veteran specific information on his case when an inquiry is made. Unfortunately, it is not uncommon that Target shows no pending issues when in fact a claim is in process. The down-sizing of large offices referred to in answer four (4) can help solve this problem if the team includes someone to assist veterans when they inquire as to the status of their claims.

QUESTIONS SUBMITTED BY
HONORABLE LANE EVANS, CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON VETERANS' AFFAIRS

OPPORTUNITIES FOR IMPROVING VETERANS SERVICES
IN METROPOLITAN CHICAGO

ANSWERS GIVEN BY MR. CARL DI GRAZIA
DEPARTMENT OF ILLINOIS SERVICE OFFICER
VETERANS OF FOREIGN WARS OF THE US

1A. What are the most serious problems veterans face obtaining VA health care benefits and services from Chicago area facilities?

The most serious problems facing veterans today in obtaining VA health care are the long waits and slow-moving lines which can be attributed to many years of inadequate budgeting. A drastic shortage of nurses, practitioners, physicians' assistants, and other support personnel presently exists in the VA system.

1B. What changes or improvements would you recommend to eliminate each of these problems?

One of our recommendations is to assure adequate spacing for the doctors by providing them with more than one examining room so that they do not have to sit around and wait for records to be brought to them or for the veteran to undress and dress himself. This procedure would enable the doctor to tend to more patients. In the private sector, doctors have at least 2, 3, or 4 examining rooms and there is no waiting once the doctor enters the room. He can proceed immediately to examine the patient and go on to the next case.

2A. What are the most serious problems veterans face obtaining VA benefits and services from the Chicago Regional Office?

There is a tremendous backlog of cases which i s partially blamed on the Board of Veterans Appeals remanding many of the cases back to the originating office. Another problem which recently presented itself deals with the law requesting cross matches between the Department of Veterans Affairs (VA) and the Social Security Administration (SSA) for obtaining information on a veteran and his beneficiaries, such as the Social Security numbers -- this law is 38 USC 5101. With the amount of backlog that the Adjudication Division is experiencing, we feel that to place this extra burden on them is defeating their purpose of trying to keep abreast of the current workload. The Adjudication Division was required to suspend development of compensation and pension cases so that they could conform with this law (38 USC 5101).

2B. What changes or improvements would you recommend to eliminate each of these problems?

I certainly believe that the local Adjudication Office should properly develop all their compensation cases. Consequently, the Board of Veterans Appeals would have no reason to remand a case back to the originating office for additional information, such as inadequate medical evidence or not taking proper steps to secure the required records. The cross matches that have been ordered by Congress are without a doubt needed. However, this is not the time to burden the VA with this type of additional work. As such, this law (38 USC 5101) does not result in any monetary gain or loss to the veteran. We also feel that additional personnel are needed, such as Adjudicators and Rating Board members, to try and complete the claim work within a reasonable amount of time.

3. **If VA health care is going to be more consumer-oriented and responsive to veterans, VA needs to know what changes veterans want. How is VA obtaining this information today and how could VA obtain this information more effectively?**

Local VA Hospitals should set up committees to work with the private health sector in securing information as to how they proceed with their health care programs. VA employees should also be trained to be courteous and responsive to veterans' needs. This waiting period of 3, 4, or 5 months to see a specialist is ridiculous and an insult to the veteran population. If we are to be competitive, we must show concern for the veteran and offer him the best possible medical care he can receive.

4. **What changes should be made in VA's claim adjudication process to reduce the remand rate and what remand rate would be acceptable?**

To place Adjudicators under pressure to work "X" amount of cases per day is part of the problem. In other words, if an Adjudicator has a minimal standard that he/she must meet, the individual is put under pressure to obtain this goal. This creates errors resulting in a large number of remands which have been occurring. A program was recently initiated at the Chicago Regional Office which placed 2 or 3 Adjudicators in the Rating Board for the purpose of developing cases prior to being rated. This has helped and hopefully it will also lower the number of remands. I believe that a rate of 15% for remands is acceptable, and I feel that this can be accomplished if some of the pressure is taken off the Adjudicators and the Rating Board members.

5. **What types of claim development assistance not provided now should VA offer to veterans?**

The VA should offer the veteran their full cooperation and assist him in any way possible to secure the needed data for his claim. In addition, they should advise the veteran the proper procedure in securing his medical records from the private provider for his medical care. The Social Security Administration should also be requested to furnish their most recent examination of the claimant if available. We also believe that proper development should start at the time the claim is filed and that processing should not be delayed until the claim is 3, 4, or 5 months old.

ILLINOIS SERVICE REPRESENTATIVE PROGRAM
VIETNAM VETERANS OF AMERICA
536 S. CLARK ST. RM 461
CHICAGO, ILLINOIS 60605
FAX (312) 353-5937
PHONE (312) 353-2613

March 30, 1994

Committee on Veteran Affairs
355 Cannon HOB
Washington, DC 20515

Dear Committee:

In response to your fax, on March 30, 1994.

1. What are the most serious problem veterans face obtaining VA health care benefits and services from Chicago area facilities?

   a. Waiting period to see a doctor is four to five months longs. Poor service and non professionalize staff.

   b. What changes or improvements would you recommend to eliminate each of these problems?

   c. Remove restrictions on health care.

   d. Entitlement, to free, health care regardless of service - connected or non - service connected.

2. What are the most serious problem veterans face obtaining VA benefits and services from Chicago Regional Office?

   a. The long periods of time involved with the claim process for benefits. Constant restart of claim process do to lost paper work.

   b. What changes or improvement would you recommend to eliminate each of these problems?

   c. To hire additional personnel in every department in VA Regional Office. Include the necessary increase in the budget to hire qualify and dedicated service providers.

3. If VA health care is going to be more consumer - oriented and responsive to veterans, VA needs to know what changes veterans want. How is VA obtaining this information today and how could VA obtain this information more effectively?

   a. VA request the receiver of services to provide

documentation for his claim. The majority of time the documentation is in service health records or other military files. Request data from those file first. Then request of the service member to provide any missing documentation to support his claim.

b. Survey by questionnaire all veterans who are presently on file at all VA Hospitals and Regional Offices, as to problems and changes they would like to see improved.

4. What changes should be made in VA's claim adjudication process to reduce the remand rate and what remand rate would be acceptable?

a. No reductions should take place.

b. The present zero per cent to one hundred per cent should be increased to ten per cent, starting January 1995.

5. What types of claims development assistance not provided now, should VA offer to veterans?

a. Complete assistance in processing claims. Including request and resourcing of all inquiry for evidence in supporting of veteran's claims.

encl:
Questionnaire

Sincerely,

Julio Gonzales

Julio Gonzales
Director
VVA Service Rep

JG/jm

POST HEARING QUESTIONS
FOR
HEARING HELD
NOVEMBER 1993
prepared by
Allen J Lynch
Chief Veterans Advocacy
for Illinois Attorney General
Roland W. Burris

HOUSE VETERANS' AFFAIRS SUBCOMMITTEE
ON OVERSIGHT AND INVESTIGATION

1. What are the most serious problems veterans face obtaining VA health care benefits and services from Chicago area facilities?
What changes or improvements would you recommend to eliminate each of these problems?

Answer:

The problems veterans face in VA health care are numerous. The extraordinary time it takes to be admitted. The 3 to 6 hour wait to obtain presciptions. The months and months of waiting to get a clinic appointment , only to be told it's been changed. Then there is the officious attitude of some staff. The complaints from veterans and some employees are numerous on the "drill sergeant" like attitude of some staff members. Veterans complain of dirty filthy wards and treatment areas. Then there is the perception that medical schools actually run the VA and to be admitted the veteran must have a disease or disability that the medical school wants to treat.

If the VA is to survive the transition from our current health care delivery system to the national health plan changes must be made now. I would recommend that a management study be accomplished. This study should determine if current medical staff are being properly utilized. Information that I get from some staff members is that many full time physicians are not actually working full time for the VA. It's been alleged that many physicians spend fewer than 4 hours a day working for the VA treating veteran patients. The rest of the time is spent teaching at a medical school or serving in some other capacity. If the primary function of the VA Medical Center is to care for the veteran patient then any function that does not directly impact that goal should be carefully reviewed.

There needs to be developed a system where by veteran patients can have input into the type of treatment they receive and the problems they face. Only those who have to wait for the presciptions or deal with an arrogant physician can fully address those problems.

I recommend that a patient advocacy program be developed. This program should not be an actual part of the hospital but should fall under the regional medical center director or higher position. The purpose of this position is to act on the veterans behalf in solving problems that occur in treatment.or the obtaining of treatment.

2. What are the most serious problems veterans face obtaining VA benefits and services from the Chicago Regional Office?
What changes or improvements would you recommend to eliminate each these problems?

Answer:

Of the claims for veteran benefit cases that I handle, the major problem is that of the Regional Offices failure to follow the law as written in CFR 38 and USC 38 and their failure to follow their own regulations. If we view a remand or an award of benefits from the Board of Veteran Appeals (hereinafter BVA) as a claim that was not properly developed and adjudicated at the regional office level . Then we should expect that if the Regional Office was properly following the law and VA regulations that the remand rate

should be low. According to a report dated February 3, 1993 for the first quarter of fy 93 the Chicago Regional Office had 13.6% of the cases appealed to the BVA awarded. 56.5 % remanded back to the Regional Office for further development. That means that the Chicago Regional Offices error rate in case development and processing is 70.1% ! If you or I were working on an assembly line and had that type of error rate we'd be fired on the spot and not even the union could help. But in the VA this type of ineffectiveness is accepted if not encouraged. The national error rate for processing claims is 14.9 % allowed by BVA and 52.9% remanded back to the Regional Office by BVA or a 67.8% error in processing rate at the Regional Office level. This report doesn't include those cases awarded or remanded by the U.S. Court of Veteran Appeals.

Recommendations

1. The Regional office must be given a set standard concerning awards and remands by both the BVA and the court. There should be certain incentives for not exceeding an error rate and disincentives for execing an error rate. The report entitled BVA dispositions by VA field Stations should be renamed to reflect that it is a report on how well the regional office is processing cases. Further the report should list by type the reasons for overturning a regional office decision.
2. Time standards must be changed to allow adjudication and the rating board to properly review a case. Many times veterans are subjected to an almost endless series of developmental letters requesting the same information over and over again. Even though the requested information has been previously submitted usually with the initial claim. This is because of time standards that push an adjudicator to move the case of his/her desk as fast as possible so that an end product code can be given. Most veterans would rather wait for a claim to be carefully processed than to have to endure an endless series of developmental letters and remands from BVA as is now the case. Some cases are remanded by BVA several times before a decision is finally reached.
3. A management study should be accomplished to determine how existing staff could best be utilized to augment Adjudication in times of excessive delays in case processing. Further explicit guidances should be initiated to standardize the adjudication of claims. If you look at the claims awarded by regional offices around the country for the same type of benefit there is a wide disparity between regional offices. Many veterans leave Illinois and get a mailing address in Wisconsin because that regional office allows more claims and usually at a higher rate than the Chicago Office.

3. If VA health care is going to be more consumer-oriented and responsive to veterans, VA needs to know what changes veterans want. How is VA obtaining this information today and how could VA obtain this information more effectively?

Answer:

Today the VA uses a consumer survey that is run basically by the VA. This is like the fox guarding the hen house. The survey is basically a feel good for those who just want to know what's good about the system. A patient satisfaction survey should be conducted by an independent third party. This survey should include patient interviews by personnel trained in benign interview techniques.

The VA should adopt a quality assurance program that encourages hospital staff to seek out problems with patient care and develop solutions to fix them. This type of

program has been used successfully by our auto industry and other private business. If the VA is to survive it must become acutely aware of patient concerns. The VA can no longer ignore problems or pretend they don't exist. A good example of this is the extraordinary waiting lines for prescriptions. Veterans have complained about this problem for years but the VA has all but ignored the problem. Those long waits still exist even after years of complaining by veterans.

4. What changes should be made in VA's claim adjudication process to reduce the remand rate and what remand rate would be acceptable?

Answer:

The VA must standardize it approach to claims adjudication. There is a system wide disparity in claims approved by regional offices. It's well known that if a veteran has a claim adjudicated in Wisconsin he/she stands a better chance of being successful than if that exact same claim is adjudicated in Chicago. This is especially true in the adjudication of PTSD claims. The Regional Office in Chicago has a well deserved reputation of being one of the toughest regional offices in the country. Many of the cases I and other Service representatives work on involve multiple remands for development. Adjudication simply doesn't apply the laws and regulations established by the congress and central office. This is because Central office has allowed this type of practice to continue.

If Chicago and other regional offices are ever to effectively process claims. Central Office must lead the way. They must establish a method of claims review for those claims that have been the victim of multiple remands. They must establish a set of strict guidelines for the adjudication of claims. They must "reinvent" the rating board and procedures for referring cases to BVA. Lastly there must be put in place a system of incentives and disincentives for effective case processing and the lack there of. Individual adjudicators and rating board members should be held responsible for their mistakes in claims processing. Especially if their mistakes cause undue hardship on the veteran.

I believe that a remand rate of less than 10% is acceptable. However any program to reduce the remand rate should include a period of training and steady but gradual implementation. Each regional office should develop a quality assurance program made up of those who do the work to review claims processing procedures and develop solutions to make the processing more effective. Time standards should be changed to allow proper case review.

5. What types of claims development assistance not provided now, should the VA offer to veterans?

Answer:

I believe that laws and regulations as written are adequate for the processing of claims. The problem is that the VA doesn't follow the intent of the law. Nor do they follow there own regulations. There seems to be an attitude in the adjudication of claims that allows and even encourages adjudicators to disregard the law and regulations. One almost gets the feeling, especially after reviewing what appears to be a very good case, that the adjudicator is thumbing his nose at the veteran. Again this is purely the fault of central office, by their inaction to correct the problems in case processing they in effect condone

this type of disregard for law and regulation. They are responsible for the high remand rates simply because they have taken no action on their own to correct the problem.

Paralyzed Veterans of America
Responses to Questions
Submitted By
The Honorable Lane Evans
Regarding the
Subcommittee on Oversight and Investigations
House Committee on Veterans' Affairs Hearing
Chicago, Illinois
November 6, 1993

QUESTION 1: The Subcommittee understands PVA conducted focus groups in Chicago on veterans health care and the VA. What did PVA learn from these focus groups?

ANSWER: The Chicago focus group was one of a series of focus groups conducted by PVA in various locations across the country. The purpose of the focus groups was to help ascertain the perspective of the veteran community as to the current condition of VA health care as well as veteran expectation of what type of health care VA should provide in the future. The main lesson learned from this experience is that perception and expectation of a health care system varied greatly due to the location of the medical facility. The perceived quality of the VA system has been undermined by years of negative press reports and a declining revenue base which has affected the efficient delivery of services. However, overall VA still maintains basic respect as a necessary component to meet the needs of veterans, particularly in meeting specialized needs such as spinal cord injury care. PVA is in the process of completing its final summary of all the focus groups. A copy will be available for distribution soon.

QUESTION 2: What are the most serious problems veterans face obtaining VA health care benefits and services from Chicago area facilities?

ANSWER: The problems facing Chicago veterans in obtaining health care are not dissimilar from problems facing veterans in most areas serviced by VA medical facilities - Lack of clear entitlement to a comprehensive range of services, and, a health care system that is consistently under-funded even to meet current eligibility requirements.

QUESTION 3: What are the most serious problems veterans face obtaining VA benefits and services from the Chicago Regional Office?

ANSWER: Serious problems which we have identified at the Chicago Regional Office are not unique to Chicago or necessarily problems of the Office's making.

One problem in delays involves verification of military service. If a veteran no longer has his discharge papers, there may be substantial delay in obtaining the necessary information. The same is true of lost service medical records. The problem is especially acute for veterans whose records were destroyed in the 1973 National Personnel Records Center.

Significant problems are encountered by veterans who obtain education benefits based on reserve service with short periods of active duty. The problem involves principally post-Vietnam era veterans including those who participated in Desert Storm. The difficulties appear to be related to linking between Department of Defense and VA computers.

Alternative sources for obtaining service records require long delays in acquisition. These records are difficult to locate. Regional Office personnel may not always be aware of alternative sources to obtain the information.

The decisions of the Court of Veterans Appeals state that VA must take particular care in deciding cases where records have been lost by VA or other Federal Agencies. Despite Court decisions, there remains a reluctance to give full credit to secondary evidence submitted in support of the claims.

Letters to veterans requesting information or records are difficult to understand. In some instances, the information requested is not relevant to the veteran's claim. The result is that the veteran's response may be inadequate or he may not answer at all.

What changes or improvements would you recommend to eliminate each of these problems?

Secretary Brown is now considering recommendations from his "Blue Ribbon Panel" on changes in VA's adjudication process. It is our belief that Secretary Brown should be given the opportunity to act on these recommendations before we make further comment.

QUESTION 4: If VA health care is going to be more consumer-oriented and responsive to veterans, VA needs to know what changes veterans want. How is VA obtaining this information today and how could VA obtain this information more effectively?

ANSWER: Consumer satisfaction is not a main priority for most VA medical facilities. Consumer satisfaction will be one of the major priorities for VA medical centers in a reformed competitive health care environment. Competition over patients and dollars is a primary challenge for the private health care sector. Private sector facilities utilize a wide variety of common practice marketing tools gauged to assess consumer satisfaction and to promote their own health care product within their communities. VA will have to adopt the same goals and means to achieve those goals.

PVA, however, is concerned that, unlike the private sector, VA will have limited resources to assess and promote competitive mechanisms, being prohibited from utilizing appropriated funds for this process.

QUESTION 5: What changes should be made in VA's claims adjudication process to reduce the remand rate and what remand rate would be acceptable?

ANSWER: This question brings to mind the adage: "If there is no time to do it right, when will there be time to do it over." We cannot over-emphasize our belief that first and foremost is the need for adequate training of Regional Office personnel. Correct and complete development of claims by the Regional Office will reduce the number of appeals returned by the Board of Veterans' Appeals and the reversals directed by the Court of Veterans Appeals. This in turn will reduce the Regional Office workload of pending claims.

Second is VA's need to recognize that its way of doing business for over 50 years is finished. A comment heard from Regional

Office personnel by Service Officers in more than one region is: "this is the way we have always done it." VA must address this misguided perception.

VA - to its credit - has undertaken a number of experiments in processing of claims at the Regional Office level. The experience gained from these projects deserves attention before undertaking precipitous action. One project at the Chicago Regional Office which assigned adjudicators to develop cases before rating shows promise.

Third, this Committee must continue to monitor closely VA's progress in reducing the backlog of cases. While we believe that VA is addressing the problem, we fear the loss of momentum in making the real changes necessary to reduce the backlog. VA must focus greater attention and resources in reducing its backlog. Time is of the essence.

This Committee's commitment to real change and reducing the time necessary to process benefit claims is heartening. The approach we see at present is for this Committee to continue its oversight powers to assure that there is no slowing in VA's move to meaningful change. This Committee's continuing public scrutiny can shorten dramatically the wait for appropriate reform. It is our continuing desire to assist the Committee in every way possible.

QUESTION 6: What types of claims development assistance not provided now, should VA offer to veterans?

ANSWER: The duty of VA to assist veterans in the development of their claims has been the subject of a number of Court of Veterans Appeals decisions. These decisions in many instances are far reaching in effect but are not being implemented in the manner contemplated by the Court or affected veterans. At present, proper implementation of the principles contained in 38 C.F.R. § 3.159, as interpreted by the Court, should be the first goal to assisting veterans in the development of their claims.

Chairman Evans to AMVETS

QUESTION 1. What are the most serious problems veterans face obtaining VA health care benefits and services from Chicago area facilities?

A. Problems:

- The long waits and slow moving lines.
- The length of time between follow-up visits.
- A drastic shortage of nurses, practitioners, physicians' assistants, and support personnel in the VA system.
- The need for more diagnostic equipment of the latest technology.
- Lack of courtesy and respect provided to veterans and their families.

B. Solutions:

- The indisputable solution is adequate funding to overcome the many years of inadequate funding.
- Increase pay scale for medical personnel to ensure the most qualified personnel are hired and retained.
- Increased emphasis on hiring veterans, including military medical personnel, who might tend to be more "attuned" to the nature of military service, military injuries, and the requirements of veterans and their families.

- Assure adequate space for the doctors. Add more examining rooms. In the private sector the doctors have at least 2, 3, or 4 examining rooms and there is no waiting once the doctor enters the room. The doctor can proceed immediately to examine the patient and then go directly to the next case.

- Greater coordination and communication with veterans service officers and their organizations.

QUESTION 2. What are the most serious problems veterans face obtaining VA benefits and services from the Chicago Regional Office?

A. Problems:

- Tremendous backlog.

- Amount of time it take to obtain service/medical records from the military services. Often when received by VA the records are incomplete, especially when the veteran served in more than one service or had broken service.

- The difficulty in obtaining other medical records from civilian or foreign medical facilities. An additional obstacle arises when medical records are in a foreign language. Often such medical evidence, which many times would fully substantiate service-connection, is ignored because it cannot be understood.

- Lack of sensitivity to veterans and their problems.

B. Solutions:

- Adjudication team concept in handling claims at the regional office. Less emphasis on individual development actions and more on total claim development.

- Increased VA use of cross-matching with IRS and SSA.

- Proper and complete development by the regional office.

- Change date of VA benefit/entitlement award to coincide with the month in which claim was submitted.

- Additional trained personnel are needed as Adjudicators and Rating Board members.

- Increased emphasis on Military Services to provide VA with "all" information in a timely manner. Increased use of FAX and computer communication to transmit DD-214s, etc., from records centers to VA.

- Military Services must begin conducting a higher quality of separation physicals and benefits counseling. Military doctors should review all clinic and treatment records during separation physical exams.

- Increased emphasis on hiring veterans.

- Increase entry-level qualifications and pay/GS rating for VA employees hired as counselors, hearing officers and adjudicators.

- Use "next case" or oldest case first, instead of terminal-digit assignment of cases. Cases are assigned to rating and adjudication units by groups of numbers (based on VA claim number), rather than by date of claim or urgency of the case.

- Establish a procedure for automatic transfer of service medical records to VA upon separation of servicemembers.

QUESTION 3. If health care is going to be more consumer-oriented and responsive to veterans, VA needs to know what changes veterans want. How is VA obtaining this information today, and how could VA obtain this information more effectively?

- Majority of veterans service officers in the Chicago area are not aware of any VA effort to obtain this information.

- VA medical centers should set up committees to work with the private sector medical facilities to secure the information to learn how they are proceeding with their health care programs.

- VA employees should be trained in courtesy and to be responsive to the veterans' needs.

- It is ridiculous for veterans to wait 3, 4, or 5 months to be seen by a specialist. If VA is to be competitive, all VA employees must show concern for the veteran and offer the best possible medical care.

QUESTION 4: What changes should be made in VA's claim adjudication process to reduce the remand rate and what remand rate would be acceptable?

- Placing adjudicators under pressure to work "x" amount of cases per day is part of the problem. If the adjudicator has a minimal standard that he/she must meet, the individual is put under pressure to attain that goal. This creates errors and, therefore, causes remands.

- In addition, a program was started at the Chicago Regional Office recently which placed 2 or 3 adjudicators in the Rating Board for the purpose of developing cases prior to being rated. This has helped and, hopefully, it will also lower the number of remands.

- The trial program being done in New York VA should be closely monitored. The program combines the Veterans' Service Division, Adjudication, and various components of other divisions into 12-member "Self-Directed Work Teams" (SDWT). These teams are assigned a case from start to finish. From the initial interview to the final action of rating decision, the claims folder never leaves the team.

- With proper development done at the regional office, the goal should be to achieve a 0% remand rate. While this is not absolutely possible, it is a proper Total Quality Management goal that will require adjudication personnell to be trained, retrained and properly motivated.

QUESTION 5. What types of claim development assistance not provided now should VA offer to veterans?

- VA requests should be clearly written in language simple enough for veterans to understand. Often VA requests for information go unheeded because of confusion or uncertainty on the part of the addressee.

- The veteran should be advised of the proper procedure to secure medical records from private health care providers.

- When available, VA should request and receive medical evidence from most recent examination of veterans from the Social Security Administration.

- Proper development should start at the time the claim is filed and not when the claim is 3, 4, or 18 months old.

QUESTIONS SUBMITTED BY HONORABLE LANE EVANS
CHAIRMAN, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
HOUSE COMMITTEE ON VETERANS' AFFAIRS

OPPORTUNITIES FOR IMPROVING VETERANS SERVICES IN METROPOLITAN CHICAGO

BENITO JUAREZ HIGH SCHOOL
CHICAGO, IL

NOVEMBER 6, 1993

QUESTION FOR MR. SAMUEL L. HOLMES, DIRECTOR
CHICAGO REGIONAL OFFICE, VETERANS BENEFITS ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS

Question: Please provide your personal views on legislative and regulatory changes needed to improve the quality and increase the speed of claims adjudication. If given a clean slate, what procedures would you change to improve the quality and increase the speed of claims adjudication and what changes would you make?

Answer: A comprehensive review of regulations, policies and procedures is in order. Many current guidelines needed at implementation have now outlived their intended purposes (i.e.: annualization of income, eligibility verification reports (EVR) processing and the certified copies requirements).

We endorse the use of single member decisions for ratings and single signature awards.

We encourage and welcome the development of a more streamlined procedure when asking for information in cases pending verification of income or dependency status.

Assuming the slate is clean, we must either believe the information provided by the claimant from the onset through completion or we must install stricter verification procedures from the inception throughout the entitlement period. We can then use the journeyman positions as designed, for adjudicating and processing claims, rather than for claims development and for clerical projects.

We eagerly await the results of the Blue Ribbon Panel on Claims Processing. The customer focus and varied interests brought together on this panel have been needed for some time to truly change the methods we use.

QUESTIONS SUBMITTED BY HONORABLE LANE EVANS
CHAIRMAN, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
HOUSE COMMITTEE ON VETERANS' AFFAIRS

OPPORTUNITIES FOR IMPROVING VETERANS SERVICES IN METROPOLITAN CHICAGO

BENITO JUAREZ HIGH SCHOOL
CHICAGO, IL

NOVEMBER 6, 1993

QUESTIONS FOR DR. JOAN E. CUMMINGS, CHAIRPERSON
VETERANS HEALTH ADMINISTRATION CHICAGO NETWORK
DEPARTMENT OF VETERANS AFFAIRS

Question 1: During 1993, what specific actions has the Chicago Regional Office taken to put veterans first? Describe the results of each action taken.

Answer: In 1993, we began publishing a newsletter which is distributed to a wide range of social service agencies, financial institutions, nursing homes and fiduciaries involved in caring for, and overseeing the affairs of veterans who are deemed incapable of handling their affairs. This newsletter addresses current issues related to veterans benefits and has been well received and is considered an invaluable source of information.

Our commitment to the Quality Improvement Process and the acknowledgment that the needs of the customer come first have led to changes in employees' performance standards with an emphasis placed upon timely processing of claims.

A designated drop point was established in our mailroom to provide homeless veterans a secure place to receive benefit checks. This initiative has resulted in a much improved method for delivering payment to our homeless veterans. Another initiative included making arrangements with a nearby currency exchange to cash veterans checks and third party drafts. Our veterans are now able to receive cash immediately from financial institutions since cash maintained by our agent cashier has been reduced.

We continue to maintain our liaison with ten local providers of housing for homeless veterans and their families. Unfortunately, for various reason, no sales have been consummated; five offers having been accepted in the past year.

The sale of a home at 11659 S. Peoria, Chicago to Allied Housing Group is set to close June 17, 1994.

The Chief of Property Management and his staff are now included on various local housing committees, including one chaired by Vincent Lane, Chicago Housing Authority Commissioner.

We are nearly operational in the Electronic School Attendance Certification Program called VACERT. The implementation of this process will result in significant improvements in service to veterans whose education benefits and whose attendance must be certified.

We have publicized the advantages of refinancing existing VA guaranteed loans from high interest rates to the current lower rates. These efforts have resulted in 2,709 refinanced loans during FY 1993.

We have concentrated efforts on contacting veterans whose loans are in default. We conclude that our 14% decline in defaults compared to this same time last year is attributable to these efforts.

Providing the highest quality service to veterans is our priority at the Chicago Regional Office. We believe that our mission has always been to "put veterans first". We have enthusiastically implemented the Secretary's initiative "Putting Veterans First". Placards and buttons distributed as part of the campaign are displayed and are highly visible to veterans and beneficiaries who visit our office. They serve as a reminder that veterans are our reason for being here and that their needs are paramount to us.

During the past year, we have modernized our operations through the installation of personal computers. In addition, we have developed and enhanced software applications which allow us to more effectively and efficiently provide service to veteran claimants and beneficiaries.

Question 2: What changes are needed to improve the quality and timeliness of the Chicago Regional Office claims adjudication decisions? What obstacles does the Chicago Regional Office face providing better services to veterans?

Answer: Our need in this area is to promote or hire quality, highly motivated employees and to provide them with the best training available.

While new programs have been implemented and existing programs have had legislative changes that render them more complex, the work force is shrinking -- we are asked to do more with less. These changes have occurred at a time when it has become increasing difficult to recruit the most desirable candidates. The Federal pay schedule is no longer competitive with the state's or private industry. In addition, some of the checks and balances inherent in bureaucracy make it difficult to accomplish tasks in the most expeditious manner possible. We are hopeful that initiatives emerging from the efforts to reinvent government will allow for the maximum use of available resources.

Question 3: What will VA do to improve claims development and reduce remands to the Chicago Regional Office due to incomplete or inadequate claim development?

Answer: By noting landmark decisions and trends in remanded cases from the BVA, we are trying to change our procedures so we are routinely developing and notifying the claimant in a manner consistent with the remands. In the long run, the remand rate should decrease.

We anticipate that the complete implementation of our ADP initiatives, including automated development; on-line reference materials; COVERS (Control of Veterans Records); Automated Medical Information Exchange (AMIE) enhancements; a PC letters package and the rating board automation system will improve our claims development capabilities.

Question 4: What goals have been set for improved services to veterans and what actions will the Chicago Regional Office take during 1994 to achieve each of these goals?

Answer: Some of our short range goals include improving the pending workload by using results developed through the Quality Improvement Process. We will complete classroom training of our Veterans Claims Examiner trainees and recruit candidates for a new training class to replace those fully trained employees who leave, are promoted or reassigned.

Our long range focus is directed toward the development of team performance and the implementation of self-directed work teams. We believe that the team approach will place a direct responsibility on all employees to strive toward the goal of timely processing of claims.

Another goal for 1994 includes increasing by 20 percent the number of veterans rehabilitated in 1993. In addition, we will increase our use of contract service providers, those who work with our "difficult to place" veterans and provide employment services.

We plan to provide the necessary training and related equipment that will allow our outbased Veterans Benefits Counselors to process Eligibility Verification Reports for the Regional Office.

Long range goals include increasing the outreach activities of outbased Veterans Benefits Counselors and the continued implementation and use of the VACERT program.

Question 5: How can VA provide more timely vocational rehabilitation services to veterans?

Answer: The Chicago Regional Office administers a very active and effective Disabled Transition Assistance Program (DTAP). Service members awaiting discharge from active duty due to disability attend a briefing on vocational rehabilitation and their medical records are forwarded to VA for expedited handling. This early intervention has proven to be very successful and, in fact, many service members complete the entire evaluation, planning and approval process prior to their official separation from the military.

Despite the fact that Chicago's timeliness for processing applications for vocational rehabilitation is reasonable in comparison with other stations, we continue to strive for improvement. We have identified 45 days as our goal for completion of applicant status. We believe that this is a valid expectation for our veteran customers. We have established a Quality Improvement team to identify delays and possible improvements in this area. The team is working to gather baseline data and to identify cases that fall outside of timeline parameters. We believe that this team will be successful in bringing about continuous improvement in the processing of Chapter 31 claims.

Question 6: According to VA, "since the introduction of AMIE, timeliness of VA examinations has improved dramatically. Coordination between VA medical centers and the regional office continues to be exceptional".

However, according to other testimony submitted to the Subcommittee, "the AMIE (Automated Medical Information Exchange) system is not being used as designed in most cases." Please respond to this criticism.

Answer: Our experience shows that AMIE is functioning as designed. Access to and use of AMIE is unnecessarily cumbersome. It is an excellent tool, but system access needs to be streamlined so that needed information can be more easily requested.

Cooperation and understanding between the regional office and the medical centers plays a significant role in the successful use of AMIE. In order to improve the coordination of AMIE between the regional office and the medical centers, liaison responsibilities were assigned to two of our employees. Nine visits to medical centers were made between July 1992 and September 1993. These visits allowed for an excellent opportunity for an exchange of information that proved to be helpful to us in resolving many procedural problems involving the use of AMIE.

The quality of each C&P examination has greatly improved. We can now routinely add, delete or expand on each examination request as additional information is received. Quality of examinations is further enhanced because of the formatted output generated for each specific examination. These formats allow the examining physician to provide necessary medical information to properly rate each disability case.

Since the implementation of AMIE the occurrence of lost C&P exams has become non-existent. Service to our service-connected veterans has also been enhanced. A report is generated daily notifying us of each service connected veteran admitted to a medical center. This procedure allows us to immediately start a review of each case for possible increase in benefits as well as control for paragraph 29 benefits for admissions of 21 days or more.

Question 7: Please comment on the testimony given the subcommittee that 15 employers in the State of Illinois have applied for participation in the Service Members Occupational Conversion and Training Act program, but none has been approved by the Department of Veterans Affairs.

Answer: At the time of the hearing we had 14 approved programs from seven employers in Illinois. As of June 8, 1994, we have 72 programs and 51 employers approved to participate in SMOCTA. We have issued 702 certificates of eligibility, placed 30 veterans in approved programs and do not have any applications pending.

Outreach to prospective SMOCTA employers is being extended in an effort to correct any deficiencies noted in the proposed training programs.

Question 8: Provide VA's timetable for completion and dedication of a new national cemetery in the Chicago area by November 1997.

Answer: Currently, the Supplemental Environmental Impact Statement (SEIS) addressing three alternative sites for the Chicago area national cemetery is underway. The Draft SEIS comment period concluded on November 22, 1993, and VA is incorporating the comments received. A Final EIS is expected in June 1994 and the Secretary of Veterans Affairs will be legally free to execute a Record of Decision by July 1994.

Upon the Secretary's decision, we could commence with master planning utilizing FY 1991 appropriated funds. VA is currently negotiating with the selected Architectural/Engineering firm on its fee. The next step is the preparation of contract documents, which will require funding for an estimated $18.8M construction project in FY 1996. Commencement and completion of construction is subject to budgetary action.

Question 9: Discuss VA's plans to acquire additional acreage for the Camp Butler and Quincy National Cemeteries.

Answer Camp Butler National Cemetery is scheduled to utilize all unoccupied available full-casket gravesites around the year 2002. Undeveloped, privately owned, agricultural land exists adjacent to the cemetery. NCS will explore the availability of this land for acquisition as the need for expansion of the cemetery approaches. If this land were acquired and developed, Camp Butler National Cemetery would be expected to provide burial space for casketed remains beyond the year 2030.

Quincy, on the other hand, has no contiguous land available for expansion. It closed to full-casketed interments in January 1994. There is an open State Veterans Cemetery in Quincy with extensive space for burial of veterans. Continuation of burial service at the national cemetery was never considered feasible and expansion was ruled out.

Question 10: Please identify the actions taken by each Chicago area VA medical center during 1993 to put veterans first. Describe the results of each action taken.

Answer: The following activities are examples of the many efforts taken by the VA facilities in the Chicago area to "Put Veterans First" during 1993. Many are ongoing.

Hines VAH

- In an effort to continually improve patient care the Hines VAH is sampling 50 percent of all discharged patients as part of their customer satisfaction program.

- All services within the hospital have developed quality improvement indicators which address customer satisfaction.

- A patient information booth has also been established in the hospital's busiest area. This booth offers information to veterans, including fact sheets and maps to assist patients during their stay.

- Hines VAH is presently establishing a Hospital Based Home Care Program in Joliet, Illinois.

- Hines VAH co-sponsored the first annual Chicago Stand Down for homeless veterans. Veterans were provided medical care, mental health care, and information on benefits available to them.

Lakeside VAMC

- The Lakeside VAMC sponsored numerous consumer centered activities during the year that demonstrate to area veterans and patients that they are number one. These included, offering health screenings during the year at VFW conventions, sponsoring a "consumer week" for 972 veterans, hosting a national salute to hospital veterans on Valentine's Day, hosting a Women Veterans' Day, hosting a myriad of activities on Veteran's Day for patients, sponsoring a one week Arts and Crafts Show, hosting an annual patient clothing drive, sponsoring Black History month activities, and hosting an annual boat trip on Lake Michigan.

- The medical center has a very active Patient Representative program. In 1993 alone, patient representatives made contact with over 14,000 individual veterans and their families.

- The Lakeside VAMC provides transportation for patients commuting from Chicago and Gary, Indiana to the outpatient clinic in Crown Point, Indiana.

- The Chief of Human Resources Management at the Lakeside VAMC interacts with the Native American Education Service College and is an active participant in their town meetings.

- The Lakeside VAMC has also hosted job fairs to enhance employment opportunities for area veterans.

North Chicago VAMC

- The North Chicago VAMC has established a Primary Care Program to provide for better quality and more comprehensive health care to its veteran patients.

- To enhance veteran access to health care in the Rockford area, VA opened a clinic to replace the existing contractual arrangement for primary care services on May 9, 1994.

- The North Chicago VAMC recently opened a new Clinical Addition to enhance patient care and services.

- A Women's Wellness program has been established at the North Chicago VAMC to increase awareness of women veterans health needs. It will also serve as a mechanism to attract more women veterans to the facility for care.

West Side VAMC

- The West Side VAMC established a Courtesy, Attitude, Respect, and Enthusiasm (CARE) training program in 1987. This has resulted in employees making a concerted effort to show these attributes to patients, their families and guests. Secretary Brown's "Putting Veterans First" program compliments this initiative.

- A women veteran's coordinator assists in assuring female patients are well cared for by a primary provider.

- Participation in Congressman Luis V. Gutierrez' local veteran's advisory committee has provided the medical center another source of feedback from veteran's on their health care concerns.

- The West Side VAMC was a co-sponsor of the First Annual Stand Down program for homeless veterans. Over 100 veteran patients were treated by the West Side VAMC health care team for the first time.

- The West Side VAMC has had a Total Quality Improvement (TQI) program for several years. Issues of waiting time, pre-admission testing and streamlining the admission process are current issues being addressed. Waiting times have been reduced. Current efforts include improving the medical record delivery process for ambulatory care appointments, and assuring that physicians are present in the clinic at the start of the visit. When an unforeseen delay occurs, patients receive an explanation at that time, rather than waiting indefinitely. Patients and staff continually offer suggestions for improving patient care.

Question 11: What actions will the Chicago Network take to improve services to veterans? How does the network know what improvements veterans want? What obstacles does the network face providing better services to veterans?

Answer:

Part One The Chicago Area Network has developed several basic assumptions that will compliment a managed care concept. These assumptions are critical to the success of the network as it shifts its focus to ambulatory and primary care. These assumptions include:

- All patients are network patients and are not identified as patients of a specific facility.

- The full scope of primary care will be offered to eligible veterans.

- An integrated network database of patient information will be available to each network facility.

- Resources including resident allocation will flow through the network.

- Primary care sites are the entry point to the network.

- Facilities will be developed to meet the network integration strategy.

The network concept will allow for the concentration of resources to support highly trained teams with excellent clinical skills. This will result in the development of several clinical programs as centers of excellence within the Chicago area. Not only will these programs enhance the level of care provided, but will also improve the perception of the services delivered to veterans.

Part Two

As discussed in greater detail in Question 16, network facilities are soliciting feedback from veterans to identify their needs and improve the Chicago Network's VA health care delivery system. Focused interviews, customer evaluations, increased patient representative involvement, patient satisfaction surveys, Veterans Service Organization indicators, and participation in town forums are a few of the tools the network uses to both identify veterans' needs and to meet those needs through continuous improvement.

Part Three

The network faces the challenges of continuing to improve its health care delivery system. While the network concept will allow the Department to do more within existing resources, the network council's ability to recommend resource allocation and distribution is critical to the network's ability to be a leader in health care delivery.

Question 12: 77,450 different veterans are reportedly now treated by network member facilities.

How many more veterans could the network serve today without additional resources, how many more veterans does the network plan to serve and how will the network encourage veterans to select VA as their health care provider?

Answer: Presently, the network cannot serve additional veterans without an increase in resources. However, the network is examining opportunities for greater efficiency in the delivery of existing services that make it possible to treat additional patients beyond those currently served.

Question 13: What added resources does the network need to be a competitive health care provider?

Answer: To meet veteran health care needs, the Chicago Area Network must deliver high quality services in an increasingly cost-effective manner. To increase efficiency, the Chicago area has recognized that its four hospitals, which are in close proximity and have similar missions, should plan together to eliminate duplication of services and create a viable managed care system. This will result in primary care providers managing the care and services of its patients with four facilities as a resource, rather than one independent facility.

Question 14: Each veteran served by the network will reportedly be assigned to a primary health care provider.

How many veterans now served by network member facilities have been assigned to a primary care provider?

How many FTEE primary care providers will the network need to assign each veteran now served by the network to a primary care provider and how many FTEE primary care providers does the network currently employ? What is the maximum number of veterans who will be assigned to a single primary care provider?

Answer: The Network is in the process of implementing primary care and at this point does not have automated patient data systems that would give the number of veterans assigned to a primary care provider. It should be noted that primary care providers will be assigned randomly; however, many patients require a specialist for the majority of their care. That provider would then become the patient's primary care provider and coordinate any other treatment that is medically necessary.

At a ratio of one primary care physician to every 500 patients, the Chicago network would require a total of 170 primary care physicians. The ongoing shift in emphasis from inpatient to outpatient care will allow us to dedicate a greater proportion of our resources in primary care and eventually reach this target.

Question 15: Please identify the legislative and regulatory changes needed for the network to be competitive.

Answer: The enactment of the President's health care reform proposal will provide adequate authority for VA to be competitive and improve care to veterans.

Question 16: In addition to veterans selecting a non-VA health care program, how will the network know if veterans aren't satisfied with the care or service they receive from the network and how will these problems be taken more seriously by the network?

Answer: The Chicago Area Network now has in place many avenues to know when patients are not satisfied with the care or service they receive, e.g., patient representatives, patient satisfaction surveys, and veterans service organization indicators. These programs will continue. The network plan provides for a Director of Ambulatory Care Services, who will also institute methodologies to monitor patient satisfaction. The network will continue to conduct focused interviews and customer evaluations with patients. At Hines, 50 percent of patients discharged are surveyed. Further plans to satisfy patient needs include participation in town forums, more frequent meetings with the patient groups and veterans service organizations, and encouraging veterans groups to hold their meetings at VA facilities. At West Side VAMC, enhanced patient satisfaction surveying has allowed the facility to determine how many of its internal medicine patients would choose to remain if given the choice of where to receive care. From these surveys, areas for improvement are being identified.

The network is exploring expansion of clinic locations as a way of improving access to and timeliness of outpatient services.

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

DEC 28 1993

Honorable Lane Evans
Chairman
Subcommittee on Oversight
and Investigations
Committee on Veterans' Affairs
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Enclosed are responses to additional written questions you sent us as a part of the field hearing held by your subcommittee on November 6, 1993. The hearing, held at the Benito Juarez High School in Chicago on Opportunities for Improving Veterans Services in Metropolitan Chicago, included testimony from Mr. James Webb, the Small Business Administration's Regional Veterans Affairs Officer for the Chicago area.

In addition, please find a corrected copy of the transcript of Mr. Webb's statement.

Please let me know if you need anything further.

Sincerely,

Kris Swedin
Assistant Administrator for
Congressional and Legislative Affairs

RESPONSES TO QUESTIONS SUBMITTED BY
HONORABLE LANE EVANS, CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

OPPORTUNITIES FOR IMPROVING VETERANS SERVICES
IN METROPOLITAN CHICAGO

BENITO JUAREZ HIGH SCHOOL
CHICAGO, ILLINOIS

NOVEMBER 6, 1993

Question 1. How many veterans who come to SBA for financial assistance do not receive either a direct or loan guarantee? Where do veterans who don't receive a direct loan or loan guarantee turn for financial help and how does SBA assist these veterans obtain financial help?

Answer. SBA does not maintain statistics on the number of veterans who request information on our financial assistance programs. However, over 100,000 veterans receive agency sponsored training and counseling annually and financial information is disseminated at most of these sessions.

SBA does collect data on the number of veterans who actually submit an (accepted) application for a direct or guarantee loan. During FY 1993, 6,090 veterans applied for a guarantee loan and 994 applied for a direct loan. Of those 7,084 applications, 4,094 were approved. The 2,990 applications which were not approved were either declined, being screened, withdrawn, in processing or pending when the fiscal year ended on September, 30, 1993. During FY 1993, for every one veteran loan declined 5.3 were approved.

Unpublished research by the Office of Veterans Affairs in 1991 indicated that the average ratio of loans approved to loans declined during FY 1988, 1989, 1990 was approximately the same for veterans as for non-veterans. In other words, veteran status does not affect the probability of the veteran's loan application being approved or declined. (All data derived from Veterans Loan Application Status Report, MIS-M87, various years.)

Veterans who do not receive financial assistance from SBA are provided a written explanation, in the form of a letter of decline, of the shortcomings of their loan application. The veteran also is counseled on the weaknesses of the application and supporting business plan. Both the Service Corps of Retired Executives and the Small Business Development Centers can assist the veteran in rethinking and rewriting the business plan.

The veteran further is presented with information on sources of financing other than traditional commercial lenders. For example, financing can come from venture capitalists, state and local governments, Community Development Corporations, the sale of stock or entering into partnership agreements. Each source of financing has its pros and cons. SBA's job is to help the veteran with working through the various options.

Question 2. How does SBA provide information to those veterans who aren't able to attend SBA conducted or sponsored meetings and/or conferences?

Answer. All SBA field offices will gladly mail program information to veterans who call in. There is a toll free number to the SBA Answer Desk which operates 24 hours-a-day. The Answer Desk also is accessible for the hearing impaired. For veterans who have computers and a modem, SBA has a 24 hour-a-day electronic bulletin board called SBA On-Line. This free service provides a wide range of information including program

descriptions, local economic data, conference schedules, publications, and a mail exchange.

In the Chicago area, SBA conducts seminars at VA Medical Centers for veterans who are there receiving treatment. SBA materials and briefings are made available to local veteran service organizations and county veteran service officers for distribution to their veteran clients. In the Chicago region there is a new emphasis on creating what will be called Veterans Business Advisory Councils. These councils will act as conduits to feed information to SBA on the business needs of the local veterans' community.

Question 3. What obstacles does SBA face providing better services to veterans? How can SBA improve services to veterans without spending more?

Answer. To some extent, existing funding levels do limit the amount of local outreach. Travel, advertising and printing budgets are very tight and limit the number of meetings the local VAO can attend, the number of publications which can be developed and distributed and the number of training conferences SBA can sponsor.

However, with program support from the central office and the Administrator, the Regional Administrators and the District Directors, some of these obstacles can be overcome--the veterans program does get its share of the agency's limited resources. SBA also is producing better information for veterans and agency personnel and is getting that information to veterans more effectively than before. For example, SBA now has a chapter on entrepreneurship in DOL's TAP Participant's Manual. This manual goes to tens of thousands of active duty military about to be discharged due to downsizing. This is done at no cost to SBA.

The keys to improving services to veterans are leveraging outside resources, developing quality information, and ensuring that veterans are aware of and utilize all agency programs. I feel this is done quite effectively in Chicago and across the country.

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

DEC 22 1993

The Honorable Lane Evans
Chairman
Subcommittee on Oversight
and Investigations
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is in response to your letter of November 12, 1993, containing follow-up questions to the subcommittee field hearing for improving services to veterans, held in Chicago on November 6, 1993.

Enclosed are the Department's responses to the three specific questions posed in your letter. Also enclosed is a copy of the statement made to the Senate Committee on Veterans' Affairs on November 12 by Preston M. Taylor, Jr., the recently confirmed Assistant Secretary for Veterans' Employment and Training. His responses to the Senate Committee's pre-hearing questions are also included.

The enclosed information clearly delineates the Department of Labor's commitment to providing the highest quality employment, reemployment and training services to veterans, guardsmen and reservists. If we can provide any additional information or be of any other assistance, please do not hesitate to contact us immediately.

Sincerely,

Robert B. Reich

Robert Reich

Enclosures

Q. What obstacles does the Department of Labor face providing better service to veterans?

A. Currently the Department's Veterans' Employment and Training Service (VETS) is undertaking the task of identifying, addressing and removing obstacles and impediments to the effective delivery of services to veterans. VETS has organized a series of "REINVENTION" workgroups, made up of employees from all organizational and geographic segments, to accomplish this goal. Key areas being reviewed are legislative and regulatory provisions which inhibit more effective delivery of services; redundancy in the review, processing and awarding of grants for providing services to veterans; and implementation of an efficient automated information management system.

Q. How can the Department of Labor improve services to veterans without spending more?

A. By improving and streamlining the current delivery system, effectively coordinating services to veterans within the Department and with other Federal agencies, and having more "front-line" employees involved in delivering services to our veteran customers, the Department can improve overall services with existing resources.

Q. What improvements in Department of Labor services to veterans are needed most?

A. The Department believes that by "REINVENTING" the current way of doing business (as identified above) and putting more employees where they are most needed, on the "front-line", we will be addressing the pressing needs of disabled veterans, homeless veterans, and servicemembers who are transitioning from the military, as well as protecting the reemployment rights of veterans, guardmembers and reservists.

STATEMENT OF
PRESTON M. TAYLOR, JR.
BEFORE THE SENATE COMMITTEE
ON VETERANS' AFFAIRS

November 19, 1993

Mr. Chairmen and Distinguished Members of the Senate Veterans' Affairs Committee. It is a privilege and an honor to have been selected by Secretary Robert Reich and nominated by President Clinton to serve as the Assistant Secretary of Labor for Veterans' Employment and Training.

I am grateful to the Senators from my home state of New Jersey, Senator Bill Bradley and Senator Frank Lautenberg, for the support they have given me during this nomination process. I would also like to express my gratitude to Secretary Reich, Deputy Secretary Thomas Glynn, Assistant Deputy Secretaries Steve Rosenthal and Betty Bolden, the various veterans' organizations and the many citizens across the country who have supported me. Last, but not least, I am most appreciative of the support of the members of my family.

I am pleased to have with me today my wife and our daughter. Our son, Christopher, unfortunately, could not take time off from his job to be here. I would like to take this opportunity to introduce my wife, Audrey, and our daughter, Cinthia, to the Committee. (Introductions.)

If confirmed by the Senate for this position, I will always strive to conduct myself and the business of the agency in a manner befitting the trust that the Committees, the Secretary and the President have placed in me.

As you know from my resume, for the major part of my adult life I have been involved with the military, both the regular active duty components and with the National Guard and Reserve forces

that protect our Nation. In addition, for the past five years I have also dealt very heavily with veterans' issues. As Deputy Adjutant General for Military and Veterans Affairs for the State of New Jersey I have worked very closely with veterans. We operate three veterans' nursing homes, 18 veterans' service offices and a veterans cemetery. From my personal experience I know the values as well as the rigors of military service. Those of us who live in freedom and liberty within the United States enjoy the highest standard of living anywhere at any time only because of the dedicated service and patriotic sacrifice of countless numbers of brave men and women. These men and women who answered our country's call to preserve democracy and defend the precious freedoms guaranteed in our constitution are one of our Nation's most valuable resources--our veterans. I, therefore, staunchly believe that all veterans, reservists, Guardmembers and their dependents deserve our gratitude and our respect. I staunchly believe all veterans have earned a measure of special assistance from the United States Government upon separation from active duty to facilitate their catching up with their non-veteran peers in the civilian work force; I think that the decision-makers throughout the Federal-State employment, training and re-training services delivery system must be guided by that principle, and that the Department of Labor must provide leadership in this area.

I also staunchly believe it is absolutely essential that this Nation, through the U.S. Department of Labor, continue to protect the reemployment rights of veterans, reservists and Guardmembers who are called to active duty to defend our national security. As we downsize the regular components of our military forces, our dependency on the Reserves and National Guard increases. It is vital to our nation's security, therefore, that we continue to ensure that individuals willing to face the potential perils involved in being a reservist or Guardmember are not also in

danger of losing their civilian jobs or associated benefits due to their being called to active duty.

We are in the beginning stages of what historians will cite as a seminal period in American government; re-inventing government to better serve its customers at less cost. We are also experiencing an economic transformation from a National to a global economy. And, we are facing a major reduction in the size of our Nation's regular Army, Navy, Air Force and Marine Corps. As you know, I am a former federal civil servant. I can say from personal experience there is much we can and should do to reduce the cost of government and improve customer services. I have read the National Performance Review in its entirety. I think it is an invaluable guide toward achievement of those goals. I believe the Veterans' Employment and Training Service can make adjustments consistent with the recommendations of the National Performance Review that will ensure better service to our customers, veterans and employers, within the veterans' employment and training programs.

The Veterans' Employment and Training Service has already formulated a re-structuring and down-sizing plan that would achieve a reduction of 35 positions by FY 1999, which is in accord with the 12% reduction called for by the President. This plan would cut deeply into the Veterans' Employment and Training Service's management and administrative overhead at the national and regional office levels, but maintain the staffing levels of the front line workers in the state and area offices at about 96% of the current level. The Office of the Assistant Secretary for Veterans' Employment and Training would be retained. This plan would enable VETS to continue its high level of field activities for veterans, reservists and Guardmembers.

I think that the Veterans' Employment and Training Service has been an effective advocate and catalyst for veterans' employment and training services. Furthermore, I think it has done an exemplary job of handling Veterans' Reemployment Rights inquiries, complaints and investigations. On average, cases are resolved in less than two months. Nearly all are settled without litigation. That is good service to our customers; the protected individuals and their employers.

However, it is also apparent to me some of the existing programs and policies are not as efficient or effective as they might be, and we need to improve that situation. The Department is working on a "workforce investment strategy" that encompasses comprehensive worker adjustment services, one-stop career centers, and a national labor market information system. The goal of this strategy is to improve the productivity of the Federal-State system for all its customers, meaning both individuals and employers. You may be assured the Office of the Assistant Secretary for Veterans' Employment and Training is working closely with the Employment and Training Administration in the development of that package. If I am confirmed I will ensure veterans' interests will be represented in the formulation and execution of that and other future initiatives. Work is already underway in the Veterans' Employment and Training Service to assess the contemporary needs of veterans, reservists, and Guardmembers, and to develop program policy and delivery system proposals to efficiently meet our goals.

It appears to me the Federal Government does not have a coherent policy regarding employment and training services for veterans. For example, the federal statute requires that State Employment Service Agencies give priority to <u>all</u> veterans for <u>all</u> services. However, veterans are <u>not</u> accorded special priority under other Department of Labor statutes, such as the Dislocated Workers and Job Training Partnership Act programs. Therefore, at the local

level, where policy is put into practice, there is no clear Federal standard against which to plan and to measure the adequacy of employment and training services to veterans. My highest priority in the next six months, if I am confirmed as the Assistant Secretary for Veterans' Employment and Training, will be to produce for the Secretary's consideration a coherent and viable policy regarding employment and training services for veterans, and an accompanying proposal outlining the means to implement such a policy at the local level.

In keeping with the spirit of the National Performance Review, we must be clear to our grantees both what are our expected results, and what standards we will use to measure them. At the same time, VETS and other grantors, such as the Employment and Training Administration, must provide increased flexibility to our State and local partners so they can meet the nation's goals.

I also understand the importance of communication and cooperation between the Department of Labor, its affiliated state and local government agencies and other service providers, such as the Departments of Defense and Veterans Affairs, veterans' service organizations, the National Association of Governors, employers' associations and labor unions. If confirmed, I will ensure that existing lines of communication are maintained and strengthened, and where none exist, that such lines are established and maintained.

Mr. Chairman, members of the Committees, I am ready to accept the challenges that will be faced by the next Assistant Secretary of Labor for Veterans' Employment and Training. I am excited about the prospect of being part of the reinvention of the Federal Government, and believe that my personal and professional experiences have prepared me to succeed in that position. I am well versed in Total Quality Management (TQM) principles and techniques, having been responsible for the successful

institution of TQM within the New Jersey Department of Military and Veterans Affairs. I bring to the job the experience and the ability to manage structural and attitudinal changes within an agency, the ability to foster effective teamwork, and the understanding that an agency must continually strive to improve its services to its customers. I look forward to serving the men and women who have served in the Army, Navy, Air Force, Marines, and Coast Guard. They all have been the Americans who have served the cause of democracy, who have opposed tyranny and have defended the cause of human rights for us all.

I respectfully ask for your approval of my nomination, and I await any questions you may have.

Thank you.

PRE-HEARING QUESTIONS OF
PRESTON M. TAYLOR, JR.

Question 1. What is your concept of the nature and extent of the Federal government's obligations to veterans, particularly in the areas of employment and training.

Response:

Except for veterans who are discharged under dishonorable conditions, I believe that every veteran during the course of his or her active duty earns a measure of special employment and training assistance from the Federal government to facilitate his or her re-assimilation into the civilian workforce. I believe that veterans should be guaranteed that they will receive the full array of employment and training services they need following separation from the military. Service-connected disabled veterans should be guaranteed such assistance for life. I also believe that veterans, Reservists and Guardmembers are owed protection by the Government of their rights to reemployment in their civilian jobs, without penalty for their absence, following completion of their active duty.

Question 2A. In 1980, Congress created the position of Assistant Secretary of Labor for Veterans' Employment and Training to establish leadership of the Department's programs for services to veterans at the policymaking level. What are your own views of the purpose and objectives of this position?

Response:

It seems to me that the primary purpose and objective for the Assistant Secretary for Veterans' Employment and Training (ASVET) is to provide to the Secretary of Labor and other appointed leaders of the Department the veterans' perspective on policy matters, with the goal of ensuring that, to the extent possible, all Departmental programs will effectively and efficiently serve veterans and their interests.

Second, the ASVET must ensure that the Veterans' Employment and Training Service administers exemplary and innovative special programs for veterans, and constantly strives to improve those programs and services.

Third, the ASVET must provide leadership in forming effective service provider coalitions with entities outside the Department of Labor, so as to efficiently focus the maximum amount of resources on veterans' employment and training problems.

Question 2B. Please describe your experience and any achievements you may have had that you believe are relevant to your nomination to be the Assistant Secretary for Veterans' Employment and Training.

RESPONSE:

I believe the following relevant experiences and achievements fully qualify me to be the Assistant Secretary for Veterans' Employment and Training: A veteran with six years of active duty in the United States Air Force; a member of the Air National Guard for the past 33 years having risen through the ranks to become a Brigadier General; a master's degree in Human Resource Management; as a supervisor at the Naval Air Warfare Center, Lakehurst, New Jersey, my duties included planning, organizing, staffing, budget generation, funds management and directing and controlling more than 75 Federal employees and contractors.

In my current position as the Deputy Adjutant General for the State of New Jersey, Department of Military and Veterans' Affairs, I am second in command of a department comprised of approximately 3,000 full-time employees and 13,000 part-time Army and Air National Guard troops. The department operates three Veterans' Memorial (Nursing) Homes, a veterans' cemetery and 17 Veterans' Services Offices through the State. As the Deputy, I was appointed as the change agent for the implementation of Total Quality Management (TQM) within the department. TQM is currently working very well and our department is the only state department now practicing TQM.

Question 3A. Recently, serious questions have been raised by the Administration's National Performance Review (NPR) regarding the effectiveness and efficiency of the Veterans' Employment and Training Service (VETS). The NPR report addresses the possibility of improving customer services through a more efficient use of VETS staff. What are your views on the NPR's specific criticism of the prohibition of VETS staff from serving non-veterans?

RESPONSE:

The "specific criticism" by the NPR referenced in this question actually addressed the prohibition against the veterans' specialists employed by the State Employment Service Agencies (SESAs) (under grants administered by the VETS) providing services to non-veterans. It is a fact that the SESAs may not now utilize the full-time Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) program personnel to serve non-veterans without loss of funding for the time spent serving non-veterans; that is because the funds appropriated for those personnel are authorized only for services to veterans.

The NPR report stated that local service center management ought to be allowed to use the veterans' specialists to serve non-veterans when there are no veterans to be served. If there were a situation wherein the service center has literally done

everything it can for the veterans registered there, I would agree with the NPR recommendation. However, I have never seen any credible evidence that there actually are, or have been, local offices that have done everything possible for its veteran applicants. Even when no veterans are sitting in the office waiting to see a veterans' specialist, the veterans' specialists are busy doing such things as contacting employers to develop training agreements, or to get them to list job openings for veterans. Given that the State ES system has been maligned for its low penetration into the employer market, I cannot believe that the veterans' specialists could ever do too much employer relations work.

So, I believe that until we can agree upon and articulate a set of performance standards against which the adequacy of a service center's services to veterans may be gauged, we do not have a rational basis for deciding when to give greater flexibility to that center's management regarding utilization of staff.

Question 3B. Please discuss your opinion of the NPR recommendation to consolidate VETS with the Department of Labor's Employment and Training Administration. What would be the impact of such a consolidation upon the structure and mission of VETS' service delivery system?

RESPONSE:

The NPR proposed to eliminate 210 full-time equivalent positions, including the position of Assistant Secretary for Veterans' Employment and Training and all of the agency's field positions. The remaining positions (75) would be transferred to the ETA; presumably, the Assistant Secretary for ETA would then decide when functions would be assigned to that staff. Services and activities formerly carried out by VETS' field staff would be performed by ETA staff or by staff of the one-stop service centers grantees.

We don't know much more than that regarding the specific vision of the NPR vis-a-vis veterans' services. However, from a briefing provided by the NPR team leader to the House Veterans' Affairs Committee staff in October, we do know how the NPR authors envisioned the Veterans' Reemployment Rights program activities would be handled after VETS' field staff are eliminated: responsibility for answering inquiries from employers and protected individuals (VETS handled approximately 10,000 such inquiries in the past year) would be placed on the one-stop service center staff. They also would be responsible for receiving official claims from protected individuals, identifying prima facie cases of statutory violations, investigating such cases and trying to mediate and settle them without litigation, and maintaining the case records in accordance with Departmental standards for those cases which must

go through the Department's Office of the Solicitor for litigation by the U.S. Attorney of the Department of Justice.

Cases to be litigated would be forwarded from the entities operating the service centers (i.e., the State or local government agency or private sector company) to whatever VRR staff are maintained by the ETA, who would then take over responsibility for the disposition of such cases.

Presumably, other direct services to veterans now provided by VETS field staff, such as investigating complaints by veterans that Federal agencies have violated veterans preference rules in their hiring practices, would be handled similarly.

That is how I understand the Administration's position. As the President's nominee I cannot, nor do I wish to, oppose an Administration recommendation. I also understand in 1976 Congress sought to elevate veterans' employment concerns within the Department of Labor by creating a Deputy Assistant Secretary of Labor for Veterans' Employment. In 1980 Congress elevated this position to a full Assistant Secretary.

I understand that it will take a similar act of Congress to merge VETS into ETA. I know no veteran or veterans organization supporting this proposal. If confirmed as the Assistant Secretary for Veterans' Employment and Training I intend to work vigorously to uphold all veterans' employment and training rights mandated by Congress.

Question 3C. In your opinion, would the recommendation to consolidate VETS eliminate principal concerns raised by the NPR report?

RESPONSE:

As I understand it, the NPR's principal concern is that the Government's programs become as efficient as possible in providing essential services to its customers. So the equation has two aspects--deciding what are the essential services for the defined customers, and deciding the most efficient means to effectively deliver those services.

I think that before any significant changes in the DOL structure, staffing or mandates to the state/local service providers are implemented, we first need to achieve consensus on a national policy regarding what Government will do for veterans in terms of employment and training assistance. From such a policy statement we can determine what services need to be provided, what performance standards should be established for the service providers, and what would be the most efficient means of providing those services at the required performance levels.

So, I think that consolidating VETS under the Employment and Training Administration at this time would not be in accord with the overall thrust of the National Performance Review.

Question 3D. Are there alternative means to achieving these same objectives? If so, please discuss them briefly.

RESPONSE:

The VETS agency is already in the process of reinventing itself. VETS' goals for this year reflect the Administration's desires to streamline operations, reduce red tape, cut costs, reduce regulations, reduce administrative burdens on grantees, and better serve our customers.

The agency has drafted budget plans to achieve a 12% reduction in staffing by FY 1999, which is in accord with the staffing cut called for by the NPR.

I think DOL and VETS can meet the intent and spirit of the NPR recommendation without reconfiguring the Department by taking the actions described above.

Question 4. What do you perceive to be the greatest challenge(s) facing VETS?

RESPONSE:

I think that the greatest challenge will be to develop and implement a viable national policy regarding the nature and extent of Government's employment and training service assistance to veterans for the employment and training service delivery system.

The next greatest challenge will be to reinvent VETS in such a way as to make it responsive to the customers' needs, but at reduced costs.

Question 5. Briefly discuss any plans or goals you have for implementing changes relating to the operation of matters under the jurisdiction of the Assistant Secretary for Veterans' Employment and Training.

RESPONSE:

The VETS agency recently initiated a concerted effort to reinvent itself. The agency has five teams, each comprising a cross-section of the agency's staff, assigned to study and recommend changes to agency policies and procedures, in accordance with the agency's goals for FY 1994.

The teams are involved with (1) the Veterans' Reemployment Rights program operations and changes that would be necessitated if the Uniformed Services Employment and Reemployment Rights Act is enacted; (2) the Job Training Partnership Act, Title IV-C, program; (3) customer satisfaction surveys; (4) the DVOP/LVER program and overall employment and training service delivery system; and (5) VETS internal operations, structure and staffing.

Each team has developed a project implementation plan, and I plan to use their products as guidance for implementing changes.

Question 6. If confirmed, how would you describe your management style? For example, would you tend to require that issues be settled before reaching you and that you be presented with compromise or consensus recommendations, or would you prefer to hear competing views and resolve conflicts yourself?

RESPONSE:

I would describe my management style as participative with emphasis on empowerment; i.e., allowing employees to have greater influence over their work. As part of my style, I view myself as a coach, facilitator, mentor and role model. I believe that most issues can be settled before reaching me because of my commitment to employee involvement. This would be done through employee involvement structures, such as, problem solving teams, project teams and self-managing work teams. These teams (employees) would present the problem (issue) and solicit approval for implementation of their solution. This is my preferred style; however, there will be times when I will be required to make decisions to resolve conflicts after listening to dissimilar views. Finally, I believe that everyone, regardless of his or her position within the organization, should be treated with respect. Employees should be entrusted with their work and complimented when they have done a good job.

Question 7. Please describe any plans you may have for improving the ability of the Veterans' Employment and Training Service to interface with other Department of Labor agencies, such as the ETA, and the individual programs under those agencies such as the JTPA, Apprenticeships, and Job Corps.

RESPONSE:

My highest priority in the area of inter-agency liaison is to improve the interface with the Employment and Training Administration, as well as with all other divisions within the DOL, especially those that may have a direct impact on the delivery of services to veterans. I will expect my Deputy to establish and maintain a close working relationship with the Chief of Staff to Doug Ross, the Assistant Secretary for ETA. I will hold him principally accountable for ensuring that there are

specific VETS and ETA staff identified as agency liaisons in critical operational areas such as employment service operations, JTPA, Job Corps and apprenticeships.

I envision taking a similar approach to other governmental and non-governmental entities, such as the National Governors Association and the veterans service organizations. That is, identifying the VETS staff expected to act as the liaisons, and holding them accountable through the performance management system. By so doing I believe we can fully capitalize on the contributions that such organizations can make to the agency's initiatives.

Question 8. In the October 1993 edition of VETS NET, Acting Assistant Secretary Crandall cited a number of immediate challenges that will face the new ASVET. Specific reference was made to the consideration of a contemporary policy regarding veterans' priority for employment and training assistance. How would you preserve veterans' preference in light of proposed changes to the current structure of service delivery that would provide for a "one-stop service center"?

RESPONSE:

I support the one-stop service center concept, and believe that the concept of priority for veterans is compatible with the "one-stop" concept, as is the concept of having dedicated veterans' specialists staff located in such centers.

The one-stop service center concept envisioned by the DOL would offer to all customers a mix of basic services and intensive services, in recognition of the fact that the applicant population wants and needs such an array. The veterans population is no different from the general public in that respect.

Whether or not this Administration is successful in enacting "one-stop service center" legislation, I think we must recognize that the question "what does veterans preference mean" already is being asked at the local level, as there are many "one stop" service centers now in existence. Presently the nation's policy of priority for veterans for employment and training services applies only to the State Employment Service Agencies' operation; there is no Federal priority for veterans under the Job Training Partnership Act programs or dislocated workers programs, programs commonly represented by staff on-site at existing one-stop centers. So already at the local level where one-stop centers exist, there are conflicting priorities and conflicting interpretations of the Federal mandate for employment and training services for veterans.

That is why VETS' highest priority will be to develop a viable

policy for veterans' employment and training that is compatible with a one-stop service concept, so that the Administration can work with the Congress to enact legislation that will pave the way for a more efficient, customer-friendly, employment and training services delivery system that is guided by a clear statement of the results expected for veterans.

Question 9. Do you feel that the current vision and mission statements of the VETS office adequately reflect today's employment situation for veterans caused by such factors as military downsizing?

RESPONSE:

I believe the vision and mission statements of the VETS office needs to be changed to reflect today's employment situation for veterans in light of current, major downsizing of the military. The new mission statement must clearly state that VETS will provide world class quality services to our country's veterans in the area of employment and training and will ensure veterans' employment emphasis under Federal contracts and will vigorously protect and advance veterans' reemployment rights.

My vision is a VETS organization that leads the way by providing quality services to the veterans of the United States Armed Services. I want VETS to be recognized as the Department of Labor's most effective agency, eager to meet veterans' labor challenges of the twenty-first century.

In addition to changed mission and vision statements, VETS needs to establish goals for the 90's. Such goals will be to institutionalize total quality management throughout VETS; effectively manage resources through comprehensive planning, analysis and programming; develop effective leadership and constantly strive for excellence; our aim will be to completely satisfy the needs of our customers--the veterans.

Question 10. What is your overall assessment of the effectiveness with which the VETS' service delivery system provides long-term, meaningful jobs and training opportunities?

RESPONSE:

The performance standards that VETS has applied to the State Employment Service Agency system specifically relate to long-term placements. Generally speaking, the Employment Service system, which includes the DVOP and LVER staff, achieves higher placement rates in long term jobs for all categories of veterans than it does for non-veterans. However, my assessment, and that of other DOL leaders, is that although many State ES agencies are high performing agencies, many are not, and that is why the overall employment and training service systems needs to be reinvented.

Obtaining appropriate training opportunities for veterans has also been problematic in some areas given the fact that veterans are not a national target group other than within the Employment Service system, and the ES does not control most of the DOL-funded programs that provide training opportunities. I believe that situation would be improved by establishment of a coherent national policy regarding veterans' employment and training that would guide decision-makers at the Federal, state and local levels.

Question 11. What are your views on the appropriateness of Vietnam-era veterans being targeted specifically to receive preference and priority services?

RESPONSE:

If resource limitations were not an issue, I would advocate giving preference and priority to ALL veterans for specialized employment and training services. However, such a position would be irresponsible in light of the costs associated with such a policy, this country's current deficit, and the actual needs of the veteran population. I certainly advocate giving priority for services and special types of assistance to Vietnam-era veterans whose difficulties in the job market are related to disabilities incurred in military service. But, I think that in general, the policy of the Federal government regarding special assistance to veterans ought to be forward looking, aimed at the objective of achieving expeditious assimilation into the civilian work force in secure and well-paying occupations.

Question 12. Do you feel that the current formula for determining the number of DVOP and LVER positions adequately reflects VETS' mission and functions?

RESPONSE:

I believe that not only the formula, but the entire DVOP and LVER program must be examined and modernized. The VETS agency has begun such a review, and expects to have final recommendations early in 1994. VETS' goal in this respect is to be prepared to introduce legislation on this matter no later than May 1, 1994. That would enable the Department to consider the recommendations, concurrently with development of the budget request for FY 1996.

Question 13A. What is your opinion of the Service Members' Occupational Conversion and Training Act (SMOCTA)?

RESPONSE:

The SMOCTA program was the first new employment and training initiative launched nationwide by this Administration. I think the leadership of the Departments of Veterans Affairs (DVA) and

Defense and the Veterans' Employment and Training Service should be commended for the speed and quality with which they implemented the program this past year.

Question 13B. In your opinion, how effectively has SMOCTA been implemented so far?

RESPONSE:

So far, according to data provide by the DVA, more than ten thousand veterans have been certified as eligible for the training program, and 229 have been placed in the on-the-job training positions. Obviously, the placement activity is lagging behind the activity of identifying eligible veterans, but that is to be expected given that most state agencies' staff did not complete their program training until the end of September; thus the more difficult part of the effort, that is, the development of the training agreements with the employers, only commenced within the last ninety days.

Question 13C. Do you intend to propose any program modifications?

RESPONSE:

At this time I would not propose modifications. However, I am aware that VETS and the DVA are currently discussing the possibility of changing an existing rule that prohibits approval of certain occupations for program subsidization. Specifically, rules now prevent apprenticeable occupations from being approved as training positions unless the employer agrees to a full-blown apprenticeship agreement. It seems to be that we shouldn't prevent an employer and a veteran whom the employer wants to hire and train from coming together under this program simply because the position being offered could be approved as an apprenticeship.

In the larger sense, because the program is still in its infancy, so to speak, I think it premature to propose changes to the program design. Since the inter-agency agreement that launched the program was signed last March I think it would be appropriate for the agency to assess the program as of the end of the first year.

Question 14A. In October 1993, the U.S. General Accounting Office (GAO) released a study on the Federal Contractor Program (FCP). The study indicated that the present system to provide employment opportunities with federal contractors has had little impact on the placement of special disabled and Vietnam-era veterans. One concern is that this particular provision is the responsibility of the Office of Federal Contract Compliance and that the role of VETS is minor. What, in your opinion, is the

validity of this conclusion?

RESPONSE:

The GAO study raises several significant questions. One, as you indicated in your question, is whether or not the Federal Contractor Program has a significant positive impact on the employment of special disabled and/or Vietnam-era veterans. Another is whether or not it is critical in the hiring process that veteran applicants are the first referred and interviewed, or if the veteran's chances of being hired are just as good if he or she is among the last applicants seen by the hiring official. Finally, the GAO also asked a vital question, which is whether or not it is appropriate today to have a program that is targeted at Vietnam-era veterans.

That VETS has a relatively minor role in the enforcement of the requirements placed on Federal contractors seems to me to be irrelevant to those issues. The study indicated that the agencies involved in administering the program (the State Employment Service Agencies, the VETS and the DOL's Office of Federal Contract Compliance Programs) have generally performed their respective roles well. So it seems that the organization of the work should not be the initial focus of the Office of the Assistant Secretary for Veterans' Employment and Training, but rather the focus should be on those substantive policy issues.

Question 14B. How would you strengthen the FCP and address the concerns raised by the GAO study?

RESPONSE:

Employers that are Federal contractors must also cope with affirmative action and non-discrimination requirements for minorities and for women, as well as this program's requirements. It seems to me that for the Federal Contractor Program for veterans to be effective, it should be targeted at categories of veterans known to be disadvantaged in the job market, and the Federal government should use the same or a very similar approach to goal-setting and measuring of compliance by subject employers that is used to promote the employment of women and minorities. As I understand the current situation, the Federal government's approach to promote the employment of women and minorities is results-oriented, meaning that employers' workforce compositions are compared to the incidence of those target groups in the population; however, the Government's approach as regards the employment of target group veterans is process oriented, with no benchmarks against which to assess the results. Philosophically, I favor the results-oriented approach.

Question 15A. How effective do you believe the Transition Assistance Program (TAP) has been in meeting its objectives?

RESPONSE:

I think that the Transition Assistance Program has been quite effective. A soon-to-be released study of the program done by a private sector contractor commissioned by VETS indicates that veterans who participated in TAP seminars in the first year of the program obtained their first civilian job three weeks sooner than did their peers who did not attend a TAP seminar. If that continues to be the case (and VETS is having a follow up study being done this fiscal year) obviously TAP is a good investment, because it leads to veterans becoming taxpayers sooner than they would otherwise.

I think that most veterans, empowered by training in job search skills and knowledge of job markets and programs and benefits available to them, can and will successfully re-assimilate into civilian life without intensive Government assistance. The greatest virtue of the TAP approach to assisting veterans is that it is based on that premise.

Question 15B. What is your opinion of TAP's staff levels? Does the program have an adequate staffing resource to accomplish its goals?

RESPONSE:

As I am sure the Committee members know, the Department of Labor provides staff support to the TAP via two means: The State Employment Service Agencies are authorized and encouraged by VETS to assign DVOP and LVER staff the responsibility for delivering TAP workshops; they are the primary TAP staffing resource. Also, VETS augments that staffing by providing, through a contract with CONWAL, Incorporated, TAP workshop facilitators; right now, CONWAL helps support TAP in 18 states.

My understanding is that it is becoming clear that TAP staffing is an issue that must be addressed soon if we are to continue the effort nationwide. Although the 44 states involved in TAP willingly accepted the challenge of implementing TAP at the military installations and absorbing the responsibility as simply an additional duty of the DVOP and LVER program, some now question, in light of overall reductions in DOL funding to them, whey they should continue to devote such staff time to serving individuals who may or may not reside in that State after they leave the military. To put it another way, increasingly the States are viewing the TAP as a program mandate that is not adequately funded by the Federal government, to serve a priority that is the Federal government's, not the Governors'. That is due to the fact that the law authorizing TAP does not mandate that DVOP and LVER staff be required to deliver TAP workshop services.

Therefore, it seems that we have three options: one is to do nothing, but I assure you, ignoring a problem is not my style. Another is to request additional resources, and the third is to identify TAP as an integral component of the DVOP and LVER program that must be supported out of the grant funds. If confirmed, I intend to see that this issue is considered within the agency's on-going review of the DVOP/LVER program and that it is specifically addressed in the recommendations by the workgroups tasked with the assignment.

Question 16A. Please describe the role you envision the Assistant Secretary for Veterans' Employment playing on President Clinton and Secretary Reich's team as they seek to redesign America's employment and training structure?

RESPONSE:

I do not think that this Administration can successfully re-vamp the nation's employment and training system unless it is successful in articulating a viable national policy regarding veterans' employment and training. I believe that to achieve the maximum in efficiency and effectiveness, every service provider involved in the system must be given the clearest possible message by the Department of Labor as to what outcomes are expected for each and every target group identified as a national priority.

I envision my role as the Assistant Secretary for Veterans' Employment and Training for President Clinton and Secretary Reich as being their principal advisor on veterans' employment and training issues during the redesign of America's employment and training structure. This advice will include ways in which VETS can provide higher quality services without loss of productivity. We will be constantly looking at ways to improve internally as we develop better interdepartmental collaboration with the Departments of Defense and Veterans Affairs, and the State Employment Security Agencies. My role will also include providing input as the Department develops new policies aimed at improving job and training opportunities for U.S. citizens.

Question 16B. What, if any, special considerations should be given to veterans in this new structure, and how would you ensure this was accomplished?

RESPONSE:

As I have said previously, I believe that every veteran earns some measure of special assistance to help him or her assimilate successfully into the civilian job market. As I have also said, I think that many, if not most, can successfully compete in the civilian job market given little more than job search skills training, good labor market information and knowledge of the

array of program services and benefits available to them. But I also think that some veterans are especially disadvantaged by their having served in the military, and that they should be provided intensive services. For examples, veterans who incurred or aggravated a disability in the military, and veterans whose military occupational specialties experiences are not transferrable to the civilian workforce, should be provided special assistance by the system. Not only have veterans earned such priority, I believe we must recognize that the Government has already made a huge investment in the training and education of every veteran, an investment that diminishes in value to the individuals, to their potential employers, and to the country if we allow such disadvantaged veterans to languish in the unemployment lines or to bounce from one menial job to another.

As a result of the current military draw down, the largest in more than 50 years, hundreds of thousands of personnel will be forced to leave the service by 1995. There are many uncertainties about where these people will find jobs. Many veterans leaving the military do not have skills that can be converted to the private sector; that is also a major concern of mine.

A total of 130 bases will be closed in the near future. A large percentage of the civilian work force at these bases are veterans and many veterans in the private sector are losing their jobs because of layoffs and restructuring. Therefore, special considerations should be given to veterans in the design of a new employment and training structure and I see VETS as the implementator of new policies and procedures approved by the President and Secretary Reich to benefit those who served our country in uniform.

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