

of Arizonans and learned first-hand of the significant water issues raised by the transfer of federal land into private ownership. I want to thank all of the citizens that offered their time, expertise, and interest and provided us with valuable information on these issues. In large measure because of their efforts, I am more keenly aware that one of the most crucial challenges facing Arizona is the wise management of its water resources, particularly as we endure extended drought coupled with rapid population growth. Therefore, I am pleased that in addition to facilitating the Northern Arizona land exchange, this bill includes a number of new provisions to address water supply concerns associated with the exchange.

First, in order to ensure that current water users and water rights holders are not adversely affected by increased future water demands, an agreement was reached to remove an 820 acre parcel of federal land in the Verde Valley, where the long-term availability of water supplies is uncertain and current problems exist. On the remaining 2000 acre parcel of federal land in the Verde Valley, a maximum water use limit of 300 acre-feet per year has been established along with other land and water use restrictions.

Further, this bill includes a new title which supports the creation of a Verde River Basin Partnership to advance sound water resource decision-making at the state and local level in Northern Arizona.

The development of a sound, long-term watershed management plan requires the involvement of all the stakeholders with water supply responsibilities and interests and a foundation of knowledge about available resources and existing demands. We are fortunate to have an existing model of collaborative science-based water resource planning and management with the Upper San Pedro Partnership in the Sierra Vista subwatershed of Arizona. In my view, the establishment of a similar, cooperative body in the Verde Basin will be a vital step in assuring the wise use of our limited water resources.

Again, I want to thank all of the parties involved in this legislation during the past several years.

VETERANS HEALTH PROGRAMS IMPROVEMENT ACT OF 2004

Mr. GRAHAM of Florida. Mr. President, I rise today to applaud the passage of H.R. 3936, which is essentially a conference report on various veterans' health care measures. This bill will go far in giving the Department of Veterans Affairs, VA, the tools it needs to continue providing high-quality health care to our Nation's veterans. Though the bill contains many important provisions, I would like to draw attention to just a few of its key ones.

H.R. 3936 would authorize specialized centers to improve the rehabilitation services available to veterans suffering

from multiple combat injuries. The centers would focus on all aspects involved in the development of improved rehabilitation programs, including through research, education, and clinical activities. These comprehensive centers are designed specifically to fill the gap that currently exists in the treatment of the complex injuries that result from modern conflict. Due to technological advancements in warfare and body armor, as well as improvements in battlefield medical care, an increased number of service personnel are surviving wounds that probably would have been fatal in previous wars.

The centers would be part of a larger collaboration effort between the Department of Veterans Affairs, VA, and the Department of Defense, DoD, in order to improve the rehabilitation process and treatment of these service members once they have returned from overseas. The initiative as a whole truly represents the way in which VA health care is evolving with changes in the areas of warfare and health care delivery.

The Veterans Health Programs Improvement Act of 2004 also would require VA to track waiting times for specialty care services and subsequently issue to Congress a report on any such waiting times of more than 3 months. VA has been suffering from a severe shortage of specialty care physicians. This shortage has led to significant increases in the time it takes for veterans to get appointments for specialty services like audiology and ophthalmology.

This compromise legislation would also provide a fix for the way VA per diem payments to State homes for veterans are handled, as they relate to Medicaid. Recently, many State homes have become Medicaid-certified to secure eligibility for payment for any veteran who qualifies under the Medicaid program. However, Medicaid officials determined that VA per diem payments made to State homes for the care of veterans are "additional payments" made on behalf of an individual patient. Thus, VA's per diem payments must be reimbursed to the Medicaid program. This provision would specify that per diem payments made by VA for the care of veterans in State homes will not be used to offset or reduce any other payment made to assist veterans in securing health care services. The impact of this change will be felt in many States across the country, including my home State of Florida.

Mr. President, I am proud to have contributed to legislation that is so vital to the continued provision of quality health care to our Nation's veterans. I thank my colleagues in both Chambers of Congress for their support of this measure.

VETERANS' BENEFITS IMPROVEMENT ACT OF 2004

Mr. GRAHAM of Florida. Mr. President, as ranking member of the Com-

mittee on Veterans' Affairs, I am proud to announce the passage of S. 2486, the Veterans Benefits Improvement Act of 2004, by both Chambers of Congress.

This bill, which I shall call the compromise agreement, is the final version of a veterans omnibus bill. The compromise agreement will improve and expand a host of veterans benefits, including: survivors benefits for spouses with dependent children; housing benefits; and educational benefits for Guard and Reserve members, veterans, and spouses of veterans killed on active duty.

It is very appropriate that at a time when our airmen, soldiers, sailors and marines are in harm's way, that we remember the sacrifices that those before them have made on behalf of this great Nation by improving and expanding veterans benefits for our Nation's bravest and their families.

I will briefly highlight some of the more important provisions. For further explanation of the proposed legislation please see the Joint Explanatory Statement, which accompanied the passage of the bill.

Dependency and indemnity compensation is a monthly benefit paid to eligible survivors of service members who died on active duty, and of certain veterans. A larger monthly benefit is paid to surviving spouses with children under the age of 18. Under this legislation, dependency and indemnity compensation for survivors, with dependent children, of spouses killed on active duty would be increased by \$250 a month, for 2 years, beginning on the date when entitlement to benefits begins. A VA contracted study found that spouses with children had a higher level of unmet need than spouses without children. This provision is included to further aid the transition of surviving spouses with dependent children. We must make every effort to make certain that the families of service members who paid the ultimate sacrifice have their needs met.

Owning a home of one's own is the American Dream. This legislation would make that dream a reality for more of our veterans by increasing the maximum amount of the VA home loan guaranty. The current VA loan limit of \$240,000 restricts beneficiaries from using the guaranty because it is insufficient to cover median housing prices in many parts of the Nation. Section 403 of the compromise agreement would increase the maximum VA loan amount to \$333,700. It would also index the loan limit to 25 percent of the conforming loan limit for a single-family residence as set by Freddie Mac. This would allow the loan limit to continue to rise with the cost of housing inflation automatically. This change, coupled with the reinstatement of the VA adjustable rate mortgage loan program and improvement of the hybrid adjustable rate mortgage loan program will allow many more veterans to be able to purchase a home.