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# FURTHER URGENT SUPPLEMENTAL VETERANS ADMINISTRATION APPROPRIATIONS FOR 1974 (H.J. Res. 1061)

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SECOND SESSION

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**FURTHER URGENT SUPPLEMENTAL VETERANS' ADMINISTRATION APPROPRIATIONS FOR FISCAL YEAR 1974 (H.J. RES. 1061)**

TUESDAY, JUNE 18, 1974.

**VETERANS ADMINISTRATION**

**WITNESSES**

**W. R. MARTIN, DIRECTOR FOR EXECUTIVE REVIEW, OFFICE OF THE ADMINISTRATOR**

**C. R. HOFFMAN, CONTROLLER**

**J. Q. BINFORD, ACTING DIRECTOR, BUDGET SERVICE**

**P. V. WARMAN, DEPUTY GENERAL COUNSEL**

**DEPARTMENT OF VETERANS' BENEFITS**

**O. W. VAUGHN, CHIEF BENEFITS DIRECTOR**

**C. G. GREENLAND, DIRECTOR, BUDGET STAFF**

**J. P. TRAVERS, DIRECTOR, VETERANS ASSISTANCE SERVICE**

**J. T. TAAFFE, JR., DIRECTOR, COMPENSATION AND PENSION SERVICE**

Mr. BOLAND. The committee will come to order.

We are here today for the purpose of discussing supplemental appropriations for fiscal 1974. The pending request includes \$100 million for compensation and pensions, \$77 million for readjustment benefits, and \$2.5 million for general operating expenses.

The compensation and pensions request is occasioned by, as your justifications indicate, changes in the law with reference to increases in disability compensation, additional allowances for dependents, an increase for dependency and indemnity compensation, and for an increase in aid and attendance allowances. The readjustment benefits request is occasioned by Public Law 93-293, effective May 31, 1974, which provides for a 30-day emergency extension of the chapter 34 eligibility period for veterans discharged prior to June 1, 1966. For general operating expenses you are requesting \$2.5 million. Does that sum this up?

Mr. VAUGHN. Yes.

Mr. BOLAND. We are delighted to have with us Mr. W. R. Martin, Director for Executive Review, Office of the Administrator; C. R. Hoffman, Controller; J. Q. Binford, Acting Director, Budget Service; P. V. Warman, Deputy General Counsel; O. W. Vaughn, Chief Benefits Director, Department of Veterans Benefits; C. G. Greenland, Director, Budget staff; J. P. Travers, Director, Veterans Assistance Service; and J. T. Taaffe, Jr., Director, Compensation and Pension Service.

Mr. Vaughn, I understand you have a statement. You may proceed.

Mr. VAUGHN. Yes, Mr. Chairman. I should have started by saying congratulations on the new birth in the household.

Mr. BOLAND. Thank you very much.

#### GENERAL STATEMENT

Mr. VAUGHN. Mr. Chairman and gentlemen of the committee, we appreciate the opportunity to appear today to present the Agency's additional supplemental needs for fiscal year 1974. A total of \$179,500,000 is being requested to support requirements in three programs: "Compensation and pensions," \$100 million; "Readjustment benefits," \$77 million; and "General operating expense," \$2,500,000.

Recently enacted legislation is the primary factor requiring this supplemental request.

The additional \$100 million for "Compensation and Pensions" is related to Public Law 93-295, approved May 31, 1974, which provided a cost-of-living allowance for some 2.2 million veterans in receipt of disability compensation and 375,000 widows, children, and parent cases receiving death compensation and dependency and indemnity compensation (DIC) benefits. This legislation provided a 15- to 18-percent increase and is retroactive to May 1, 1974.

Under the "Readjustment benefits" appropriation, the \$77 million being requested is to support the cost of Public Law 93-293, approved May 31, 1974, which provided a 30-day emergency extension of certain veteran training under chapter 34, whose eligibility would have expired May 31, 1974. It is estimated that 285,000 veteran trainees benefit from this extension. The amount requested considers further extension of eligibility for this group of veterans by providing for advanced payments to those enrolling during the month of June.

The \$2.5 million for the "General operating expenses" appropriation is to be utilized by the Department of Veterans Benefits to assure prompt and reliable service to the veteran population; \$2 million of this will be used to establish a new program—"veterans representative on campus." This program involves the placing of more than 1,300 veterans benefits counselors on college campuses to make veteran-students aware of their VA benefits and to aid in the prompt payment of benefits. A special effort is being made to bring Vietnam era veterans into the program so as to establish as close a rapport to the student-veterans as possible. I might add that our recruitment efforts up to this point have been successful both as to quantity and quality. As of June 7, 20 percent of these projected vet reps are on duty with another 50 percent committed. The Department is working with the Office of Personnel in developing an intensive training program for the vet reps.

About 900,000 veterans are expected to enroll in colleges under the GI bill in September. This program is an integral part of VA's efforts to assure on-time checks and prompt, trouble-free service for each veteran. In order for the program to be fully operational for the fall 1974 school term, it is being implemented immediately.

Let me also point out that these campus veterans benefits counselors will not supplant the university Veterans Affairs Offices funded under the 1972 Education Amendment of the Higher Education Act. The veteran counselors in these offices are university employees who are

not connected with the VA or the VA educational benefit payment system. Their primary responsibility is to build a bridge of understanding between the university staff and the veteran.

The additional \$500,000 is requested, due to the extension of the delimiting period, to utilize educational benefits necessitating the processing of awards for those veterans whose benefits had previously expired and are now eligible. Since this is a one-time requirement, overtime is utilized, rather than recruiting additional personnel.

This concludes my statement. We will be glad to answer any questions you may have on these requirements.

#### NEED FOR NEW PROGRAM

Mr. BOLAND. Why would it not be possible for those employees of the various universities that you just discussed, who are funded under an appropriation from the Department of Health, Education, and Welfare, to do this job?

Mr. VAUGHN. Basically, the law under which their program was established required that they show an increase in the number of students on campus of 10 percent in order to retain a level grant at the school.

The purpose of this grant, the establishment of the grant under those terms was based on the fact that these people would be placed there for the job of Outreach, which was to stay in school.

In the hearing that I have attended where we were questioned as to what we were doing last fall, for example, to see that these people on campus were being properly taken care of, the testimony of this same group, VCIP people who testified in the Cranston hearings, for example, stated they had been unable to carry out the function of their job, the duties of their job, that is to try to recruit students for the campus. They had been unable to do this because we were not there on the campus.

Many schools also, I must mention, do not have the veterans affairs counselors on campus at all. Some of them who were there during this past fall are no longer there because of the phasing out of the program where they have failed to increase their school enrollments.

#### REPRESENTATIVES FUNDED BY HEW PROGRAM

Mr. BOLAND. Do you have any figures on how many schools actually have that type of representative? Ones who are employed by the school itself, under the HEW program.

Mr. VAUGHN. No, sir.

Mr. BOLAND. I think that is an important figure.

Mr. TRAVERS. No, Mr. Chairman, I do not have it. In talking to Dr. Gail, who heads up the veterans unit in HEW within the Office of Education, he told me it is just about impossible for him to get a hard figure on the number of VCIP coordinators.

Mr. VAUGHN. We have had a little difficulty identifying these people.

We asked the Office of Education to identify them—they were unable to—because we wanted to offer these people training for the work they are doing, going out and seeking the veterans and rendering assistance.

What we finally had to do was to go to our regional offices and have them contact the schools and say: Do you have any such type people on campus? The reason for this, of course, and I want to be sure that you understand this is not necessarily the Office of Education's fault—they submit the grant to the school that shows the increase in population on campus. Then the school uses that grant to hire the persons who handle the veterans affairs job on campus. In many instances, they already have people assigned to that duty on the campus at the time the grant is given to them. They just reassign that person to the VCI program.

So all the people under the program are not new veterans hired for this purpose. Some of them are people who are, in many instances, even nonveterans who are already on campus, working on the campus in this job. But, in order to obtain the grant, the school had to designate these people as VCIP.

Mr. BOLAND. It is difficult to understand why those institutions who are getting the grants cannot pick up the additional responsibility with respect to the representative on campus program that you are now requesting.

Why could not the schools give you that information? How busy are the people who are now employed by the particular institutions which are getting grants under the HEW program?

Mr. VAUGHN. First I think I must say, in order to assure us that we can have a better fall than we had this past year, I asked some 45 of our stations around the country to give us a study, considering that we do have veterans affairs counselors there now on some of these campuses. Out of 45 of our regional offices covering some 45 States, we found in all the cases where there were complaints, in April, where there had been delays up to 60 days, some 15 percent of the delay was caused by the veteran himself, failing to submit proper papers or not submitting them at all.

Thirty-five percent of the delay was occasioned by the school; 31.4 percent was our own error in our regional office.

This will give you the reasoning. We have increased the staffing within the regional office. We feel we must also have someone on that campus to identify with the veteran as a VA employee.

#### REASONS FOR DELAYED PAYMENTS

Mr. ROUSH. Would you give me the figure again for the veteran?

Mr. VAUGHN. Yes, sir.

These are cases that were closed during the month of April, where we made a study of 45 different regional offices.

The delay caused by the claimant, the veteran, was 15 percent; caused by the school was 35.6 percent; by the regional office, 31.4 percent. The balance was for miscellaneous reasons.

Mr. ROUSH. If only 15 percent of this delay was caused by the veteran, I think that also throws some question on the advisability of putting more people in the schools. What would be your cutoff, on what size school?

Mr. VAUGHN. First, when you are speaking of the veterans on campus, you would have to combine the 15 percent and 35.6 percent, because both of these situations occur on campus. The 35.6 percent by the school

and the 15 percent both occur on campus. The cutoff for a full-time representative is at a school with 500 or more. Five hundred or less, we would have an itinerant man who would travel to the school at enrollment periods.

#### STAFFING CRITERIA

Mr. ROUSH. You mean you would put a man in every college or university with a veteran enrollment of 500 or more?

Mr. VAUGHN. Yes, sir; that is correct.

Mr. ROUSH. I do not really know what the man would do on my own campus of Huntington College, which has an enrollment between 500 and 600.

Mr. TRAVERS. 500 or 600 veterans.

Mr. ROUSH. What do you do with reference to the little schools?

Mr. TRAVERS. If your campus has 500 or more veterans on campus, we would have a man there.

Mr. ROUSH. Supposing you have just a small school?

Mr. TRAVERS. If we have a school of less than 500, we would serve that school on an itinerant basis in order to hold down the total number of persons.

#### DUPLICATION OF PROGRAMS

Mr. ROUSH. Under the veterans' cost of instruction program—the HEW program—as I understand it, in case of institutions of less than 2,500 students, the Commissioner may allow the aid to be carried out through a consortium so as to meet the demands of the veterans.

I share the chairman's wonderment here and really question, as well intended as it may be, this plan of providing some 1,300 counselors, not because of the thought behind it but because of the duplication that appears to me to be occurring.

As an aside, I think sometimes I am the veterans' representative on my campuses and I do not mind doing it.

I somewhat question the advisability of this. I would be glad to be persuaded.

#### USE OF VCIP FUNDS

Mr. BOLAND. Let me ask you a question with reference to the institutions using veteran representatives funded by Public Law 92-318. How does the Department of Health, Education, and Welfare know that the institutions are using the money that is being granted to them for the veterans? How do they know this?

Mr. VAUGHN. I would be unable to answer that, sir, I am sorry.

Mr. BOLAND. I would think that would be a good question for the VA to ask HEW, and whether or not the veterans are there as a result of the Outreach program that the institutions are engaged in or whether or not they arrive at the institution as a natural course of events. I think that is important.

What we have here are two programs, one funded by the Department of Health, Education, and Welfare and the other proposed by the VA. It would seem to me that the institutions that are being given direct grants by the Department of Health, Education, and Welfare ought to be able to do the work that is necessary for the veteran to get his check on time. It should not be very difficult for the HEW

veterans' representative to procure the necessary information from the veteran to be sure that he gets his check on time, and determine what the difficulty is at that institution for veterans who are not receiving their checks on time.

Is that not good common sense? It would seem to me you have a program here that is absolutely overlapping in these two instances.

Mr. VAUGHN. Sir, I do not think they are overlapping in that the purpose of the Office of Education man on campus is a completely different purpose from the one we are engaged in.

Mr. BOLAND. I have looked at what these veterans' representatives are supposed to do on campus. It is a long list of things including advice to the veteran, telling him what the benefits are and why he ought to get it in this program or that program. It is a long list, but I would think it would require very little actual work and I do not know why the college representatives cannot pick up this job so that we can save some money in this area.

The veterans' budget is going to go up to \$15 billion in 1975. It is more than \$13 billion now. With the change in the laws contemplated in this session of the Congress, the appropriation for the VA is going to be more than \$15 billion next year. Now there is no quarrel by this subcommittee or the Congress with that fact. We passed the laws. There is no quarrel with respect to compensation and pensions, readjustment benefits, medical benefits, and the establishment of one of the finest hospital systems in the world. We do not quarrel with that. But we think in certain areas, where we can save money, we ought to do so.

#### BASIS FOR ESTIMATE

How do you grasp the figure of 1,300 jobs out of the air and say you need 1,300 positions for this particular program?

Mr. VAUGHN. We used the veteran population on campus across the Nation and figured from that, using last November 30 figures. The population has grown some since then on campus.

Actually, between April and November, we increased the veteran population by 48,000 nationwide.

With reference to the budget, sir, I am sure no one is more aware than you are that the veteran population has also grown along with that budget.

Mr. BOLAND. That is true.

Mr. VAUGHN. Much of the budget has to do with the new legislation that we already have on the books.

#### INCREASE IN VA BUDGET

Mr. BOLAND. I just said that, but this budget is going to be \$15 billion in fiscal 1976, is that not right?

Mr. VAUGHN. Yes, sir.

Mr. BOLAND. In fact it could be more than \$15 billion.

This program that you are requesting \$2 million for, and the \$500,000 for the 30-day extension of the delimiting period will cost what in 1976—\$25 million?

Mr. VAUGHN. Yes, sir.

Mr. BOLAND. And the appropriation from the Department of Health, Education, and Welfare to the institutions in their outreach program is

\$24 million this year. Here we have two programs that appear to be overlapping. I think the VA ought to get a very hard look at this. I also think HEW ought to get a hard look at what the institution does with the money that it gets for advice and counsel to veterans who are attending those institutions.

Now, I just cannot help but feel that these two programs can be merged, and that if they are not merged then we may have considerable overlapping. I would like to know precisely what the institutions getting grants from HEW do for the veteran.

I know you are going to give me a long list.

Mr. VAUGHN. No, sir, I am going to respond to your question as to why they cannot produce this work for the VA.

First, I point out there are many schools that do not have VCIPs and we have 8,000 campuses.

Mr. BOLAND. That is true, but that is no argument.

Mr. VAUGHN. The second thing is that in the President's budget for 1975, there is no VCIP money. I do not know what will happen when that comes over here, of course, but I do know that there is no VCIP money there.

Third, we had a larger number, according to the Office of Education, of these persons on campus in the fall of this past year and I have just mentioned some of the experiences on campus. So I think it would be difficult for us to say—and we want to take our part of the blame, also, of course, for last fall, and we certainly will.

But I can show you on the closed check inquiry cases of last fall at the same time these persons you are referring to were on campus, we had problems on campus as well as in the VA offices.

#### EXPERIENCE IN FALL ENROLLMENT

Mr. TIERNAN. Will you yield?

Have you taken the time to study really what happened last fall?

Mr. VAUGHN. Yes, sir.

Mr. TIERNAN. What happened last fall?

Mr. VAUGHN. For example, in the fall of last year we started off with the advanced pay system. There were some errors involved in that, some things we did not recognize would happen. Those things are such things as the post office sending the check back, this type of situation.

Also, the same thing is occurring today on a smaller scale, that is the delay in the processing and release by the schools and by the veteran of his application and his papers for schooling, that has created a delay on the part of the VA in payment.

The studies that we have conducted on a nationwide basis with one or two exceptions, such as California where the VA error rate was higher than it was on a nationwide basis, but on a nationwide basis, based on the timeliness of the paperwork coming in, the application from the school, that is, the completion of the forms by the veteran, his advice that he was given on how to apply, based on this information, basically across the country in every study we made it shows about one-third of the total problem is VA, and we accept that. One-third is the school.

We recognize with our assistance that that would be less. So we hold ourselves partially responsible for that.

## PROBLEMS CAUSED BY SCHOOLS

Mr. TIERNAN. What was the error in the one-third attributed to the schools?

What is the problem with regard to the school?

Mr. VAUGHN. The beginning notice to the VA that the veteran is there on campus, No. 1; No. 2, certification of his actual attendance at a later date.

Mr. TIERNAN. How did the schools mess that up?

Mr. ROUSH. Will my colleague yield?

Mr. TIERNAN. Yes.

Mr. ROUSH. In my experience, the way they messed it up was that in many instances they would just hold their information until they had, for example, accumulated a long list of veterans, and then sent it down to Indianapolis. We found that error ourselves in one of our own colleges and were able to push them into a more rapid course of action. But that was one way they were messing it up.

Mr. TIERNAN. As I recall, we went into this at some length in the full hearings when we talked about this problem.

Mr. VAUGHN. That is correct.

Mr. TIERNAN. It was my understanding then that the Administrator indicated that you were undertaking steps to eliminate the problem.

Mr. VAUGHN. Yes, sir.

This is what I wanted to say. Actually, we made a series of studies around the country and we sent teams around the country to check the actual closed cases, the cases that had been the problem cases that were now closed and basically, on a nationwide basis, we found this one-third/one-third/one-third situation.

There are things that are being done within the VA itself to correct problems that occurred as VA's fault, but we can only correct that portion that we can reach and this is why we feel that great need for the man on campus.

## PREVIOUS TESTIMONY ON PAYMENT PROBLEM

Mr. TIERNAN. This is the thing that disturbs me. On page 291, in answer to a question of the chairman, Mr. Johnson said at the top of the page, the second sentence, "across the country we have had a minimum of problems and we do not believe there is any major problem existing today across the country."

That comes from our hearings. I believe we have all had this problem. This is why I was one who was a little disturbed to find out that now you come up with another program costing money and it seems to me the chairman has hit it right on the head. We are giving money to institutions and colleges. I have the problem up home. We have veterans' groups on campus who can't get any kind of communications established through the administration of the colleges.

I, for one, would much prefer to see this money going to benefits for the veteran rather than to set up another program. I don't see how this agent on campus will be that effective if in fact we cannot get the college administrators to realize they have a responsibility to these students just as they do to any other student on that campus.

Mr. VAUGHN. These persons being placed into these positions will be Vietnam veterans.

Mr. TIERNAN. Will they be students on the campus?

Mr. VAUGHN. No, sir.

Mr. TIERNAN. They will be strangers?

Mr. VAUGHN. Some of them will be students on the campus who will be studying at a different time from the time of their 8-hour employment.

Mr. TIERNAN. You made no response though to the fact that when we had this hearing—we were told that there was no major problem existing today. That is what the testimony was before this committee. I assume the fact you are coming in here admits that statement was incorrect, or what you are proposing to us is not necessary.

Mr. VAUGHN. No, sir; I don't think that the statement is necessarily incorrect. It depends on the extent to which we want to correct the problem that did exist, whatever the degree.

#### MAGNITUDE OF PAYMENT PROBLEM

Mr. TIERNAN. Let me ask you this: How do you classify the problem that you are addressing yourself to now? Is it a minor problem or a major problem?

Mr. VAUGHN. The problem could be greater this fall than it was last fall as far as the school campus itself is concerned, because of several things. The first one being that enrollment, since November 3, for example, when we started working on this program, between that time and April 30 when we got our end-of-month report, which is our latest full report received, the campus enrollment grew 48,000 during that period alone. That alone could indicate a peak period this coming fall in the enrollment of veterans.

#### ENROLLMENT IN COLLEGES

Mr. TIERNAN. How many veterans did you indicate would be enrolled this coming year?

Mr. VAUGHN. New enrollments will run around 900,000.

Mr. TIERNAN. When you say new enrollments, do you mean that is in addition to the present veterans in college?

Mr. VAUGHN. This is the institution of higher learning figure only. Those are not all for the first time in their life. There will be 900,000 who will enroll, either for the first time or second or third—

Mr. TIERNAN. You will have potentially 900,000 veteran clients attending colleges and universities throughout this country; is that correct?

Mr. VAUGHN. Yes, sir; that is correct.

Mr. TIERNAN. You are saying to the committee that your program will be 1,300 men or women appointed to various colleges and campuses throughout this country with over 500 veterans?

Mr. VAUGHN. We will use these same people on an itinerant basis to serve the smaller college.

Mr. TIERNAN. Do you really think this is the answer to the problem?

Mr. VAUGHN. It is the answer only to this end of the problem. The problem has two sections to it. The first section being improvements within the VA regional office itself and improvements in our methods of operation within our own central office, which we are working on.

The figures that I gave a little earlier, for example: A study of institution of higher learning cases that created problems, and that were resolved during the month of April—we took this from 45 stations and regional offices around the country and at the same time they were VCIP people on campus in some of these schools at the time.

It was found 15 percent of the problems were caused by the veteran, and 35.6 percent by the school. The balance by the VA or miscellaneous delays. So the VA had a big chunk in that problem. There is also that 35 percent plus 15 percent added together, which would show you that there is a problem on campus to be solved.

#### NUMBER OF CAMPUS REPRESENTATIVES

Mr. TIERNAN. How many representatives did you have on campus last year,

Mr. VAUGHN. Not a one, sir.

Mr. TIERNAN. You had none?

Mr. VAUGHN. That is correct. We did not have this program in existence at all last year.

We have what we call a veterans liaison representative in the regional office who travels to some of the campuses.

Mr. TIERNAN. How many do you have of those?

Mr. VAUGHN. About 200.

Mr. TIERNAN. How many of these 1,300 counselors have you trained? Do you have any presently in training?

Mr. VAUGHN. Yes, sir. We have already started staffing up on this. We have some in training because as of July 9 we are planning in four areas across the country to have an extensive training program.

Mr. TIERNAN. So you would hope to have the 1,300 people trained and in place when?

Mr. VAUGHN. Not later than the first of August. That is when most of your fall enrollment goes in and they would serve the 900,000 veterans.

#### VETERANS COST OF INSTRUCTION PROGRAM

Mr. RUTH. I was connected with a college before I came here. As I see it, when enrollments were large, we passed some legislation that gave an incentive to colleges to take veterans. We promised them a specific level of money which they could spend in various ways with regard to veterans.

Enrollment is not large now. It is not difficult to get into schools. A lot of schools are begging for students. Is there any way we can graciously get out of this?

You have also indicated the Veterans' Administration could handle these problems itself better than some of these appointees. I questioned it at the time. I realized in due time we would probably be sorry we had done it. I am sure I state the case accurately because I have been connected with a college. In fact, some of the small colleges strenuously objected because they felt it was too much of an incentive for the big colleges and kept veterans from going to the small colleges.

Mr. VAUGHN. The VCI program under HEW, that program has already declined some because it does require a 10 percent increase in the veteran population on campus. Second, there is no money at

all in the President's budget in 1975 for the continuation of this program and it does require refunding for 1975.

Mr. RUTH. Do you feel we can drop the program?

Mr. VAUGHN. That wouldn't be up to me, sir.

Mr. RUTH. Have you an obligation to keep the program even though it is not doing what it is supposed to do?

Mr. VAUGHN. I don't know, sir. The program was for two purposes: To bring the man on the campus and to keep him in school.

Mr. RUTH. I know what the purpose is.

Mr. VAUGHN. With reference to the declining people on campus, the overall persons on campus may have declined, but the VA program is the greatest it has been since the Vietnam veterans program first began. On April 30 of this year we exceeded 1,600,000 at the peak and we foresee a continuing increase because of the extension from 8 to 10 years, which appears to be down the pike in an extended period of time for training.

In addition, the increase in the benefits which appears also to be headed up shortly and we are in favor of cost-of-living increase which would have some stimulation in bringing veterans on campus.

#### VETERANS ENROLLED IN COLLEGES

Mr. TIERNAN. How many of the 900,000 veterans that you expect to enroll in the colleges in September were enrolled in a college last year?

Mr. VAUGHN. I don't believe I have that figure with me.

Mr. TIERNAN. It seems if you have 900,000, you have a lot of veterans who went through this last year.

Mr. VAUGHN. Yes, sir.

Mr. TIERNAN. Don't you think they learned something last year?

#### VETERANS REPRESENTATIVES ON CAMPUS PROGRAM

Mr. MARTIN. There is the visible presence of the man on campus and the need to counsel him on what he should do.

When we went into the basic study in May, the first thing we did was to look at the basic impediments and the difficulties we were stuck with under the present program. I think most everybody knows it is a clumsy program the way we have it. It is complaint-oriented. We are in the reactionary mode when we try to serve veterans of any kind going to school.

The reason for this is that a number of things have to happen in sequence. The veteran must make a timely application. The school must give a timely certificate of enrollment. The VA cannot act until at least those two pieces of paper have been received in the regional office. Only then can we proceed to make the input into the computer to get the first payment paid. With hundreds of thousands of documents going through the computer, we suffer a heavy reject rate. We have been working to reduce that kind of thing too. At each step of the game this creates delay in payment, it creates dissatisfaction on the part of the veteran and in many, many cases it has a major effect on whether he can stay in school or not.

One of the major differences last fall between what I am describing to you and what happened is in the advanced-pay situation. Where it worked well, the man got paid, the check was waiting for him when he was on campus and he did not suffer.

Our first thought was, how do we remove these impediments? How do we use this advanced-pay concept and perhaps extend it. We think the legislation intent for advance pay is excellent. The money is there waiting for the man when he is on campus.

A VA presence and an official VA presence is essential on the campus to solve these problems. Our main objective is to turn the system around and make it positively-oriented rather than complaint-oriented.

As you were citing some testimony of last year where the Administrator said the problem was not large, he was basing those statistics on the number of complaints we received. But we had no way and we still have no effective way of knowing how much good service is being given to those veterans who do not complain when they haven't received a check for 3 months. If he complains certainly we have a statistic.

We went out to the field this year and did some extensive studies. We found the problem in delayed payment was quite a bit heavier than we had anticipated. We thought we were doing a better job even than we were doing. We set up some new management control reports and things of this nature to give us a better reading on that.

Let me say why the man on the campus is intrinsically necessary to each of the major improvements that we see are essential and they should be done. Let's go through the procedure a second.

Let's convert all campus payment to advanced pay. It is agreed the intent was good. The check should be waiting for the man when he is there. How do we do that?

We feel if we are going to make this a positive-oriented system, we should know at the outset whether a man is getting his check or not. We should not sit back and wait for the guy to complain after he is 3 months in arrears and can't pay his tuition; he can't pay anything. He may have to drop out of school.

The idea is to get these 900,000 enrollments and reenrollments early in the game, to get them processed and to get them set in that college.

We will take a slightly higher risk and we will accept a man's intent to enroll, as his certification that the school has accepted him for a course of education; that we will pay on and we will not wait for the school's certificate of enrollment. This cuts off the first impediment.

#### NEW ENROLLEES

Mr. TIERNAN. Of the 900,000 veterans I would think that the large proportion of those veterans will be veterans that have already attended an institution. I was trying to determine the figure previously; but those veterans, whether it is 600,000 or 700,000, of those 900,000, were receiving benefits last year.

Now you are cutting them off at the end of the school year and then you are reinstating them in August or whenever it is that you have to advance the payment before they go back in school.

You are talking about maybe 200,000 or 300,000 new enrollees in institutions. It would seem to me that the great bulk of that 900,000

should be taken care of automatically because they are already in the computer.

Mr. VAUGHN. They cannot be taken care of automatically.

Mr. TIERNAN. If you are willing to take the risk that you might make a payment to me because I don't go back to school in September, you are subject to collecting that as a refund from me, aren't you?

Mr. RUTH. I am sympathetic with your guarding against payment that is not due because that makes more enemies than everything else put together. Once you give a veteran money he writes his Congressman about "why should I give it back?"

However, when they are on the rolls and the checks are late, that does disturb them.

While you are talking about the necessities of the representative on the campus, would you explain Mr. Cranston's amendment in the Senate to revitalize the VCI program and make it an easier proposition to continue it and not to phase it out within a year?

This is hitting a nerve and I don't think the chairman is cognizant of it and I think it could be a real problem. Are you, Mr. Chairman?

Mr. VAUGHN. I am not aware of that either. I guess this is a new one. I have a copy of a letter here—

Mr. RUTH. You know how there is required a 10-percent increase each year? Senator Cranston's position deletes the required increase—only 10 percent have to be in attendance and the numbers will be decreased. It is an effort to revitalize the program you are objecting to.

Mr. BOLAND. I think these are amendments offered in the Senate with respect to the program.

Mr. RUTH. We need to be cognizant of them.

Mr. BOLAND. We do and I think the VA has to be cognizant of them.

Everyone wants to get the veterans' checks to them on time. The problem is whether or not the institutions are doing their part.

You look at the general highlights of your own program. You have a list here of probably 10 or 12 highlights. It says here, "contact veterans who drop out of school, encourage them to return where this service is not being furnished by the school counselors." Why shouldn't the schools do it if the Government is paying them for that very same purpose?

#### DUTIES OF VETERANS AFFAIRS COUNSELORS

Mr. VAUGHN. The veterans affairs counselors, according to the Office of Education, are not being paid to process our paperwork for us. They are being paid to go out on an outreach basis and to bring in veterans. This is why the 10-percent factor is in there.

Mr. BOLAND. What do they actually do?

Mr. VAUGHN. They have claimed in their hearings that what they are doing is our work for us. Those are the statements that have been made.

Mr. BOLAND. If they are doing your work for you, then we ought to give them this little additional duty and they could do that work too, could they not, if that is their argument?

Mr. VAUGHN. It was designed, I think, by Congress that veterans programs be administered by the Veterans' Administration, and we feel an obligation to provide the service. We have a massive number of our veterans population sitting in the school campus today and

we feel we owe them some service. We don't think we should sit with everything in the regional office and say, "Here we are. If you will bring it to us, we will take care of you."

We feel a need for this service on the campus.

#### IMPROVED VA PROCEDURES

Mr. BOLAND. I really believe that as a result of the protests and complaints you have received, the VA ought to have better management. I am sure you are going to insure that the VA does a better job. Apparently it wasn't doing a very good job in many instances. Surely many errors were made by the schools and by the veterans themselves on campus. There is not much you can do about that.

Mr. VAUGHN. Yes, sir, there is. There is quite a bit we can do about it.

#### NEW ENROLLEES

Mr. BOLAND. I think Mr. Tiernan raised a good question.

You say there will be 900,000 enrollees in the fall but you are not going to have problems with 900,000 enrollees. As he says, you will probably have 600,000 with no problems at all, or a great deal more than that.

Mr. MARTIN. I would disagree with that, Mr. Chairman. There is not a problem with those reenrolling. It is our difficulty in getting some 3,000 different kinds of schools to do what they are supposed to do in a timely way.

One of the biggest difficulties is getting the certificate of enrollment in. We have been to the schools countless times. We have offered them training courses. We have been in liaison with them and we do not get them.

We are still receiving certificates of enrollment now from the spring enrollment in large numbers and all those veterans are not receiving payments because that document did not come in.

We are talking about the cost of this program. I think there are some paybacks that we anticipate and that we are confident will come from this.

Presently the schools insist on short periods of enrollment. A quarter, a semester. Very few of them come in with full-year school enrollments. The reason for that is that they feel they have a financial obligation which is written into the regulation to notify us when a man drops out of school or changes his course. School attendance records are not kept regularly any more, at least in the larger schools. They worry about whether they might get hit with some kind of financial requirement. Their way of controlling it is to reenroll a man every semester. We have gone to them and said, "We will take responsibility for the financial integrity, which someone must maintain, but in exchange for longer periods of enrollment—2 years for junior colleges and 4 years in full colleges.

That permits us to convert this into a running award and it reduces the reprocessing of these papers on an average of 2.5 times a year. With that tremendous reduction in paperwork, we feel there will be a sizable reduction in the processing of manpower needs after this system goes into effect.

## PROPOSED LENGTH OF NEW PROGRAM

Mr. BOLAND. You are going to request something like \$25 million for this program in fiscal year 1975. You will come in with a supplemental to annualize the 1,300 jobs. How long do you anticipate this expenditure will go on?

Mr. MARTIN. We are going to make a complete reevaluation of the success of this program beginning in December. We will run it through the spring enrollment period. Of course, we are evaluating implementation as we go along and we will make a total evaluation of how well this is working, no later than the finish of spring enrollment.

At that time I think we will have a much better picture of how many people we will need permanently to cover this kind of thing on the campus and how many people that we feel we can dispense with in this clerical paperwork process, back in the regional office. We feel it is absolutely essential that we start off with essentially good coverage this fall and perhaps next spring.

## ADJUDICATION OF CLAIMS

Mr. BOLAND. How many people do you have in the Department of Veterans Benefits who are now adjudicating education applications?

Mr. TAAFFE. About 2,000.

Mr. BOLAND. Is there a necessity for building up more in the field? Is the VA also thinking about an additional 1,200 positions in this area for field offices?

Mr. TAAFFE. In the adjudicating, we have a combined operation on compensation, pension, and education in one unit and about 4,500 people are engaged in this operation and possibly a little more than one-third are in the education field, who know how to handle education applications.

There has been an addition of personnel and we are still recruiting, to build up personnel handling education applications. We don't know at what point we will stop the buildup. We have allocated 494 positions nationally and we are building up our strength. If necessary, I am sure there will be more forthcoming and if we don't need them all—

## NEED TO INCREASE PRODUCTIVITY

Mr. BOLAND. I think you should look at productivity in the Veterans Administration. You can't solve everything by adding more and more money. I think you ought to look at the productivity on the part of the VA and improve the management.

You state that as of June 7 you had recruited 20 percent of the vet reps with commitment for another 50 percent; is that true?

Mr. VAUGHN. That is correct.

## FUND REQUIREMENTS

Mr. BOLAND. Do you really need the \$2 million? You only have a couple of weeks left in this fiscal year. You don't need \$2 million, do you?

Mr. HOFFMAN. The source of funds came from another program known as an office reorganization. We have borrowed out of this fund to be able to provide the resources necessary to hire these employees.

Mr. BOLAND. I don't care where you borrow from or how much money you want, but I want to know about the 2 weeks left in this fiscal year—I know you have put some of these people on, but they are still recruiting in this program. How can you use \$2 million?

Mr. HOFFMAN. We were going to obligate funds to GSA to proceed with the additional reorganization for some 10 additional locations, as I recall. This is vital to the program as well because Mr. Vaughn does not want to see his offices in the process of reorganization at the same time as the fall enrollment.

Mr. VAUGHN. I might mention that we were in the midst of the reorganization at the time this program was designated to be accomplished. As a result, we do have all the necessary actions taken right down to the minute for the utilization of this money, if we receive it.

Mr. TIERNAN. How many positions did you request from OMB for this program?

Mr. VAUGHN. This figure that you have here.

Mr. TIERNAN. Do you mean 1,300?

Mr. VAUGHN. Yes, sir.

Mr. TIERNAN. They approved all of them?

Mr. VAUGHN. Yes, sir.

#### ELIMINATION OF PROBLEM

Mr. TIERNAN. I, as a member of the committee, want to, first of all, say that I am glad at least that you are directing your attention to this problem. It seems to me there might have been some other method that might have been used. That may not be factually so, but do you think that with this program, do you think that you are going to eliminate the problem?

Mr. VAUGHN. No, sir.

Mr. TIERNAN. What part of the problem will remain—

Mr. VAUGHN. There are some revised regional office procedures in process that improve processing by reducing computer actions, reducing the amount of paperwork, taking the application itself as a document without requiring enrollment.

When you speak of eliminating a problem, the agency has in this program alone over 1 million persons being paid every month with massive changes in dependency, number of hours in the school and so forth.

I think I would be certainly lying to you if I said I thought we would ever eliminate the problem. I would say we would certainly very drastically reduce our total problem, yes, sir.

Mr. TIERNAN. Do you think it is possible to eliminate the problem?

Mr. VAUGHN. No, sir. Not total elimination. The problems we have, we can reduce them and bring them down to a very small minimum. It would be impossible for me to ever say to you, sir, that we wouldn't have some problem.

Mr. TIERNAN. What creates the problem? Is it the advanced payments aspect of the program?

Mr. VAUGHN. I don't think it is, sir. In the advanced payments last fall we paid 697,000 advanced payments. The complaint came from

the man who didn't get an advance payment check. The man who didn't get paid is the man who makes the complaint.

We can eliminate that by knowing who he is. This is the biggest problem we have had.

Any given day you can walk in the mailroom at the regional office in your State, and you can pick up application after application of men who have been in school for months.

#### PROGRAM ADMINISTRATION

Mr. TIERNAN. Is the program administered in the regions rather than by central office?

Mr. VAUGHN. Yes, sir.

The actual processing, all of the processing is done in the regional offices.

Mr. TIERNAN. Have you had any studies with regard to the productivity or efficiency of the various regions?

Mr. VAUGHN. Yes, sir.

Mr. TIERNAN. You have?

Mr. VAUGHN. Yes, sir, we have a work measurement standard for each individual program and a total for each regional office on a monthly basis.

Mr. TIERNAN. How about with regard to this program? Does it show that you have a big problem in certain regions?

Mr. VAUGHN. No, sir. Each of our compensation, pension, and education programs lap over from one division of the VA to the other. Our work measurement is by divisions.

Mr. TIERNAN. So you really have not made a determination as to this particular program with regard to each region? You have taken them because it overlaps in other areas?

Mr. VAUGHN. We take the total stations.

Mr. TIERNAN. Is there any way of making that type of a survey?

Mr. VAUGHN. No, sir, I do not think there would be, because the same people who work education, during the same given day might be working other programs.

Mr. TIERNAN. In this program you are proposing to the committee, though, that would not be the case, would it?

Mr. VAUGHN. No, sir.

Mr. TIERNAN. These 1,300 employees that you are requesting would be solely geared to the problems that have arisen as a result of the veterans enrolling in colleges?

Mr. VAUGHN. That is correct.

Mr. TIERNAN. They are related to the law requiring advance payments to them?

Mr. VAUGHN. Their sole duty in life will be to the education program with the assistance of any person on campus who should wish to apply for any other VA benefit.

Mr. TIERNAN. I hope that you will be able to tell the committee how the various regions responded to this program. This is the only way we can measure whether or not you are getting the production and the efficiency in the various areas of the VA.

Mr. VAUGHN. I think there should be two measurements. One measurement we are in the process of accumulating now. That is the

acceptance of the program at the beginning. We are still in the process of this as we meet with the presidents of the different schools and request assistance as to space on campus.

I can assure you that a majority of the schools have accepted this program and desire it on their campuses. We have even had such statements from one of the school presidents, one of the larger schools, saying, we have the space, the desk, the chair; where is the man? We need him now.

Mr. TIERNAN. I want to concur with the chairman. I think there has to be a greater emphasis placed on the individual institutions because this is a benefit to them, in addition to the benefit to the veteran and to the country as a whole.

Your earlier remarks indicated that some of the schools apparently pass this off, but you are talking about institutions with 500 students or more. I think there has to be a greater emphasis placed on those institutions. We are paying a great deal of money to these institutions for that type of help to students through other programs such as HEW.

Frankly, I cannot see why the Federal Government has to institute programs to assist students. They happen to be veterans. We want to assist the veterans, but they are also students at those institutions. A great many of those are State institutions—not private.

I would assume, for example, in California you have a great educational system of mostly State-run institutions?

Mr. VAUGHN. Yes.

Mr. TIERNAN. I would say the bulk of the veterans are going to those institutions, at least in California. In my State, I know a great deal of the veterans are going to the State universities. I cannot for the life of me find any lack of interest by the administrators in my area with regard to the veteran because he is a student. I cannot see the distinction.

Mr. VAUGHN. No, sir; they treat him in most of the colleges around the country as any other students. They provide him the same services, no less, I am sure.

Mr. TIERNAN. I got the impression from testimony earlier in the hearing that there was some difficulty with these institutions.

Mr. VAUGHN. Yes, sir. The difference is that gap that I was about ready to mention to you. They treat him no better or no worse than any other student because his tuition is the same. The gap in between is the one we are filling in, where he is over and above the other student because we have a responsibility for benefits over and above.

Mr. TIERNAN. In another program we subsidize these same institutions to assist students.

Mr. VAUGHN. Under the VCI program, you mean? This is the one that was there last fall.

Mr. TIERNAN. I know that. We have other programs that we support these institutions through, to assist students.

Mr. VAUGHN. Students?

Mr. TIERNAN. Disadvantaged students.

Mr. VAUGHN. I believe these schools do recognize the veteran as they recognize any other student. The gap between that part and the part the VA plays is a responsibility of the schools with the VA.

## PROCEDURE FOR APPLYING

Mr. CHAPPELL. Will the gentleman yield?

Do you make an effort to determine when a veteran applies, or makes application to a school for acceptance?

Mr. VAUGHN. The only way we could do this—

Mr. CHAPPELL. I say do you?

Mr. VAUGHN. We do not now.

Mr. CHAPPELL. You do not now?

Mr. VAUGHN. We do not. That is our problem.

Mr. CHAPPELL. Suppose you had a system which would simply require the veteran, when he makes application, to also send to the VA regional office a copy of that application. If you do not want to do that, suppose when he is actually accepted, then he sends you a copy of the acceptance at that time, would that not permit you to shorten it?

Mr. VAUGHN. This is basically the procedure we have now.

Mr. CHAPPELL. It is not working?

Mr. VAUGHN. No, sir.

When I say basically, the veteran makes his application direct to the VA. Sometimes he sends it through the school to the VA.

Mr. CHAPPELL. Why do you not do it one way or the other? Is this not part of the problem?

Mr. VAUGHN. It just does not work.

Mr. TIERNAN. Would the gentleman yield?

How about a program in which you would include in the materials that the institutions send out a notice to the applicant for admission to the institution?

Mr. VAUGHN. Actually, when I was in a regional office, I have actually gone to the school and talked to the school to putting up a sign right in the middle of the registrar's office and, believe it or not, he did not even read the sign.

Mr. TIERNAN. Many students apply through the mail. They say, "I am interested in applying at your school. Please send me the material necessary, the application form, and any other materials." Invariably they get back a brown manila envelope with a complete booklet of courses and all other materials. Why would not the VA institute a program of printing up a form to be included in the material that they send out?

Mr. VAUGHN. In most of your schools the veteran population on campus is not the greater part of the population.

Mr. TIERNAN. In most of the applications that you get for admission there is a designation on there whether or not you are a veteran, whether you are male or female, and married or single. That application indicates to the administration's office immediately whether or not the applicant is single or married and whether or not he or she is a veteran, does it not normally?

Mr. VAUGHN. You are suggesting that the school then sort out those?

Mr. TIERNAN. Before they sit down, the admission board—and I have had some experience with this—the screening committees have to go through the application of Robert Tiernan or Joe Doe, and it says on there that the applicant is single or married. They take that into account, for example, in the application for financial assistance,

whether or not he is married or a veteran. I do not want to quarrel with you because you have enough problems without me raising more.

It seems to me we certainly ought to be able to come up with a system. We are spending a lot of money in this area. I think this is the point the chairman was making earlier. We have to come up with a program that is a little more efficient than what we presently have.

Mr. TAAFFE. This might be a matter we could take up with the Association of Collegiate Registrars and Admission Offices and toss it to them as a possibility.

Mr. TIERNAN. My experience has been that most of the institutions want to help. It is not asking a heck of a lot. It guarantees them 500 or more students with money. They are all pressed for money today.

No further questions, Mr. Chairman. Thank you.

#### JUSTIFICATION MATERIAL

Mr. BOLAND. Mr. Reporter, we will place in the record at this point the appropriate part of House Document 93-318 and the justification material.

[The material follows:]

## VETERANS' ADMINISTRATION

### COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", \$100,000,000.

### READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", \$77,000,000.

### GENERAL OPERATING EXPENSES

For an additional amount for "General operating expenses", \$2,500,000.

The proposed supplemental appropriations would provide for:

*Compensation and Pensions.*—To meet the higher benefit payments for veteran and survivor compensation recipients provided under Public Law 93-295.

*Readjustment Benefits.*—To meet educational assistance benefit payments for post-Korean veterans and survivors. Public Law 93-293 provides for the temporary extension of the GI Bill education eligibility period for this group of beneficiaries. \$44,800,000 of the supplemental request is required to meet benefit payments for 30 days as provided under Public Law 93-293. The additional \$32,200,000 is required to provide the fiscal year 1974 prepayment of benefits for the first month of fiscal year 1975 if an extension beyond the 30-day temporary extension were to be enacted.

*General Operating Expenses.*—To meet the administrative costs related to the extension of entitlement to GI educational assistance, and to fund improved services to beneficiaries receiving educational benefits through the establishment of VA counselors directly on college and university campuses.



VETERANS ADMINISTRATION

For an additional amount for "Compensation and Pensions," \$100,000,000,  
to remain available until expended.

## COMPENSATION AND PENSIONS

Program and Financing (in thousands of dollars)

Identification code	19 74	19 74	19 74
	actual	estimate	estimate
	Presently <u>available</u>	Revised <u>estimate</u>	Proposed <u>supplemental</u>
<u>Program by activities:</u>			
1. Compensation:			
(a) Veterans:			
Spanish-American War.....	86	88	2
Mexican border period ..	72	74	2
World War I .....	128,750	132,086	3,336
World War II .....	1,779,520	1,825,620	46,100
Korean conflict .....	389,456	399,546	10,090
Vietnam era .....	582,225	597,309	15,084
Peacetime service .....	292,800	300,386	7,586
Total living veterans..	<u>3,172,909</u>	<u>3,255,109</u>	<u>82,200</u>
(b) Survivors:			
Prior to Spanish-			
American War.....	26	27	1
Spanish-American War ....	664	680	16
Mexican border period ...	6	6	....
World War I .....	87,203	89,273	2,070
World War II .....	340,269	348,349	8,080
Korean conflict .....	76,255	78,066	1,811
Vietnam era .....	125,535	128,516	2,981
Peacetime service .....	119,666	122,507	2,841
Total deceased veterans	<u>749,624</u>	<u>767,424</u>	<u>17,800</u>
Total compensation.....	<u>3,922,533</u>	<u>4,022,533</u>	<u>100,000</u>
2. Pensions:			
(a) Veterans:			
Total living veterans..	<u>1,424,932</u>	<u>1,424,932</u>	<u>....</u>
(b) Survivors:			
Total deceased veterans	<u>1,152,052</u>	<u>1,152,052</u>	<u>....</u>
Total pensions.....	<u>2,576,984</u>	<u>2,576,984</u>	<u>....</u>
3. Burial benefits .....	135,255	135,255	....
4. All other .....	15,792	15,792	....
Total program costs, funded	<u>6,650,564</u>	<u>6,750,564</u>	<u>100,000</u>
10 Total obligations (object class 42.0) .....	<u>6,650,564</u>	<u>6,750,564</u>	<u>100,000</u>

VETERANS ADMINISTRATION  
 COMPENSATION AND PENSIONS

Program and Financing (in thousands of dollars)

Identification code	19 74	19 74	19 74
	actual	estimate	estimate
	<u>Presently available</u>	<u>Revised estimate</u>	<u>Proposed supplemental</u>
<u>Financing:</u>			
21 Unobligated balance available, start of year.....	-6,764	-6,764	....
40 <u>Budget authority</u>	6,643,800	6,743,800	100,000
<u>Relation of obligations to outlays</u>			
71 Obligations incurred, net .....	6,650,564	6,750,564	100,000
72 Obligated balance, start of year..	528,339	528,339	....
74 Obligated balance, end of year....	-550,401	-650,401	- 100,000
90 <u>Outlays</u> .....	6,628,502	6,628,502	....

VETERANS ADMINISTRATION  
 COMPENSATION & PENSIONS

Additional funds in the amount of \$100,000 thousand are being requested to supplement our FY 1974 appropriation.

This additional requirement is due to the recent enactment of PL 93-295, approved May 31, 1974, which provides for a cost of living increase for recipients under the compensation program retroactively to May 1, 1974.

This new legislation will benefit approximately 2.2 million veterans in receipt of disability compensation and more than 375,000 widows, children and parent cases receiving death compensation and D.I.C. benefits.

VETERANS ADMINISTRATION  
READJUSTMENT BENEFITS

For an additional amount for "Readjustment Benefits," \$77,000,000, to remain available until expended.

40 17 47

STANDARD FORM 300  
 July 1964, Bureau of the Budget  
 Circular No. A-11, Revised.  
 300-102

## READJUSTMENT BENEFITS

Program and Financing (in thousands of dollars)

Identification code	1974 actual	1974 estimate	1974 estimate
<b>Program by activities:</b>	<b>Presently available</b>	<b>Revised estimate</b>	<b>Proposed supplemental</b>
1. Education and training:			
(a) Post-Korean conflict veterans .....	3,029,764	3,074,564	44,800
(b) Sons and daughters .....	96,000	96,000	....
(c) Wives and widows .....	14,000	14,000	....
Total education and training ....	<u>3,139,764</u>	<u>3,184,564</u>	<u>44,800</u>
2. Special assistance to disabled veterans:			
(a) Vocational rehabilitation	70,550	70,550	....
(b) Housing grants	11,375	11,375	....
(c) Automobiles or other convey- ances for disabled veterans.	8,000	8,000	....
Total special assistance to disabled veterans .....	<u>89,925</u>	<u>89,925</u>	<u>....</u>
Total program costs, funded	3,229,689	3,274,489	44,800
Changes in selected resources:			
Beneficiary overpayments, advances & prepayments .....	49,949	82,149	32,200
10 Total obligations .....	3,279,638	3,356,638	77,000
<b>Financing:</b>			
21 Unobligated balance available, start of year .....	-3,638	-3,638	....
40 <u>Budget authority</u> .....	3,276,000	3,353,000	77,000
Relation of obligations to outlays:			
71 Obligations incurred, net .....	3,279,638	3,356,638	77,000
72 Obligated balance, start of year..	52,349	52,349	....
74 Obligated balance, end of year ...	-85,987	-118,187	-32,200
90 Outlays .....	<u>3,246,000</u>	<u>3,290,800</u>	<u>44,800</u>

VETERANS ADMINISTRATION  
 READJUSTMENT BENEFITS

Additional funds in the amount of \$77,000,000 are being requested to support the increased requirements related to PL 93-293, approved May 31, 1974. This legislation extends for 30 days the time period to complete an educational program for certain veterans whose eligibility would otherwise expire May 31, 1974. No funds have been provided for payment of benefits to these veterans who may now train through June 30, 1974.

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**STANDARD FORM 300**  
 July 1964, Bureau of the Budget  
 Circular No. A-11, Revised.  
 300-102

VETERANS ADMINISTRATION  
 READJUSTMENT BENEFITS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	1974	19 74	19 74
	actual	estimate	estimate
	<u>Presently available</u>	<u>Revised estimate</u>	<u>Proposed supplemental</u>
41.0 Grants, subsidies and contributions .....	3,151,139	3,195,939	44,800
42.0 Insurance claims and indemnities	78,550	78,550	....
Total costs, funded .....	3,229,689	3,274,489	44,800
94.0 Change in selected resources ...	49,949	82,149	32,200
99.0 Total obligations	3,279,638	3,356,638	77,000

VETERANS ADMINISTRATION  
GENERAL OPERATING EXPENSES

For an additional amount for "General Operating Expenses"  
 \$2,500,000.

GENERAL OPERATING EXPENSES

Program and Financing (in thousands of dollars)

Identification code	1974	1974	1974
<b>Program by activities:</b>	<b>Presently Available</b>	<b>Revised Estimate</b>	<b>Proposed Supplemental</b>
Direct program costs:			
1. General administration .....	40,714	40,714	...
2. Data management .....	22,477	22,477	...
3. Veterans benefits:			
(a) Executive direction .....	8,465	8,465	...
(b) Systems development .....	1,198	1,198	...
(c) Veterans assistance .....	32,212	34,212	2,000
(d) Compensation, pension and education .....	92,173	92,673	500
(e) Loan guaranty .....	34,032	34,032	...
(f) Insurance .....	7,705	7,705	...
(g) Office services .....	91,678	91,678	...
4. National cemetery system .....	16,484	16,484	...
Total direct program costs funded ..	347,138	349,638	2,500
Reimbursable program costs:			
1. General administration .....	14	14	...
2. Data management .....	190	190	...
3. Veterans benefits:			
(c) Veterans assistance .....	120	120	...
(e) Loan guaranty .....	50	50	...
(f) Insurance .....	800	800	...
(g) Office services .....	30	30	...
Total reimbursable program costs ...	1,204	1,204	...
Total program costs funded .....	348,342	350,842	2,500
Change in selected resources .....	-159	-159	...
10 Total obligations .....	348,183	350,683	2,500
<b>Financing:</b>			
11 Receipts and reimbursements from Federal funds .....	-1,204	-1,204	...
Budget authority .....	346,979	349,479	2,500

VETERANS ADMINISTRATION  
GENERAL OPERATING EXPENSESProgram and Financing (in thousands of dollars)

Identification code	1974	1974	1974
<u>Budget Authority:</u>	<u>Presently Available</u>	<u>Revised Estimate</u>	<u>Proposed Supplemental</u>
40 Appropriation .....	310,000	312,500	2,500
41 Transfer to other accounts ...	-1,264	-1,264	...
42 Transfer from other accounts .	16,220	16,220	...
43 Appropriation (adjusted)	324,956	327,456	2,500
44.20 Proposed supplemental for civilian pay raises .....	22,023	22,023	...
<u>Relation of obligations to outlays:</u>			
71 Obligations incurred, net ....	346,979	349,479	2,500
72 Obligated balance, start of year .....	28,215	28,215	...
74 Obligated balance, end of year	-28,999	-29,144	-145
90 Outlays, excluding pay raise supplemental .....	324,957	327,312	2,355
91.20 Outlays from civilian pay raise supplemental .....	21,238	21,238	...

## GENERAL OPERATING EXPENSES

As part of a planned program to improve service relationships with veterans, their dependents, and veterans' service organizations, a new program of assistance is envisioned, directed primarily to the Vietnam era veteran and his education. This plan involves the placing of VA counselors on college and university campuses. They will be there to identify and resolve VA educational assistance allowance problems. In addition, they will provide a counseling service for the full range of VA benefits to all veterans and their dependents. It is planned to have these counselors on campuses by August 1, 1974, in time for the fall enrollment.

It is anticipated that the following benefits will be derived from placing these counselors on school campuses:

1. Immediate resolution and prevention of unnecessary inquiries.
2. Restore confidence in the ability of the VA to pay education benefits on time.
3. Demonstrate the VA's willingness to respond to pay complaints.
4. Improve interaction or communication between the VA and the Vietnam era veteran.
5. Show the school officials that have been "bearing the abuse" our support and relieve them of answering the complaints.
6. Allow the veteran the opportunity to sound off to the "VA man" thereby preventing adverse veterans' group reactions.
7. Answer payment processing questions with knowledge and confidence, thereby preventing complaints.
8. Act as liaison between school officials and the regional office to improve quality of service from the school veterans' affairs section.
9. As liaison man with all campus veterans' groups, will establish a good service relationship.
10. Expedite processing of documentation for increases and decreases in benefit payments thereby preventing overpayments, as well as reducing waiting time for payments.
11. Work closely with regional office to identify problems and solutions to make the payment system more efficient and better understood and accepted by the public.
12. Establish rapport with local veterans' service organizations and the community news media.
13. Act as counselor for students and help the school officials in the prevention of "dropouts."
14. Identify the VA with the local community.

In order to allow time to recruit, train and place these people, it is expected recruitment will begin May 15, 1974, and all people will be on board by June 1, 1974. This supplemental request will provide \$2,000,000 for this purpose in fiscal year 1974.

The extension of the delimiting period to utilize educational benefits necessitates the manual researching of records to identify those veterans whose benefits had previously expired and are now eligible. Since this is a one-time requirement, overtime will be utilized, rather than recruiting additional personnel, and all this overtime will occur during June. This supplemental request will provide \$500,000 for this overtime in fiscal year 1974.

## GENERAL OPERATING EXPENSES

## Object Classification (in thousands of dollars)

Identification code	1974	1974	1974
	Presently Available	Revised Estimate	Proposed Supplemental
<b>Personnel Compensation:</b>			
11.1 Permanent positions .....	250,790	252,630	1,840
11.3 Positions other than permanent .	1,962	1,962	...
11.5 Other personnel compensation ..	2,560	3,060	500
Total personnel compensation .	255,312	257,652	2,340
<b>Direct Cost:</b>			
Personnel compensation .....	255,048	257,388	2,340
12.1 Personnel benefits: civilian employees .....	23,664	23,824	160
21.0 Travel and transportation of persons .....	5,119	5,119	...
22.0 Transportation of things .....	2,825	2,825	...
23.0 Rent, communications and utilities .....	20,709	20,709	...
24.0 Printing and reproduction .....	3,308	3,308	...
25.0 Other services .....	25,161	25,161	...
26.0 Supplies and materials .....	8,563	8,563	...
31.0 Equipment .....	2,341	2,341	...
32.0 Lands and structures .....	300	300	...
42.0 Insurance claims and indemnities	100	100	...
Total direct costs .....	347,138	349,638	2,500
Total reimbursable costs .....	1,204	1,204	...
Total costs funded .....	348,342	350,842	2,500
94.0 Change in selected resources ...	-159	-159	...
99.0 Total obligations .....	348,183	350,683	2,500

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## PERSONNEL SUMMARY

Identification code	1972	1973	1974
	actual	Actual	Revised Estimate
Total number of permanent positions ...	20,466	20,769	22,679
Full-time equivalent of other positions .....	413	545	444
Average number of all employees .....	19,989	20,532	21,006
Average GS grade .....	7.1	7.1	7.0
Average GS salary .....	\$11,321	\$11,744	\$12,424

## COMPENSATION AND PENSIONS

Supplemental Language

For an additional amount for Compensation and Pensions, \$100,000,000, to remain available until expended.

Introduction

Additional funds in the amount of \$100,000,000 will be required to supplement the FY 1974 appropriation. Obligations incurred against these funds arise by operation of law and as such are not administratively controllable.

This additional requirement is due entirely to the enactment of PL 93-295, effective May 1, 1974, which provides among other features for the following:

- o 15-18 percent increase in disability compensation.
- o 15 percent increase in additional allowances for dependents.
- o 17 percent increase for DIC widows and children.
- o 17 percent increase in aid and attendance allowances.

This new legislation will benefit some 2.2 million veterans in receipt of disability compensation and approximately 375,000 widows, children and parent cases receiving death compensation and DIC benefits in FY 1974.

A detailed summary of the additional requirements follows:

Analysis of Proposed Supplemental for FY 1974  
(\$'s in thousands)

	<u>Presently Available</u>	<u>Revised Estimate</u>	<u>Difference</u>
<u>Compensation</u>			
Veterans .....	\$3,172,909	\$3,255,109	+ \$ 82,200
Survivors .....	749,624	767,424	+ 17,800
Total Compensation ...	3,922,533	4,022,533	+ 100,000
<u>Pensions</u>			
Veterans .....	1,424,932	1,424,932	....
Survivors .....	1,152,052	1,152,052	....
Total Pensions .....	2,576,984	2,576,984	....
<u>Other Related Benefits</u>			
Burial Benefits .....	135,255	135,255	....
All Other .....	15,792	15,792	....
Total Costs/Obligations	6,650,564	6,750,564	+ 100,000
Unobligated Balance Available start of year.	- 6,764	- 6,764	....
Appropriation Requirements.	\$6,643,800	\$6,743,800	+ \$ 100,000

These funds will provide beneficiaries higher rates of benefits, retroactive to May 1, 1974, and payable July 1, 1974.

The table below reflects the average benefit, cases on roll will receive in FY 1974.

<u>Benefit Provision</u>	<u>Cases</u>	<u>Avg. Cost</u>	<u>Cost (000)</u>
o 15-18 percent increase in disability compensation * .....	2,200,000	\$ 36	\$ 78,600
o 15 percent increase in additional allowances for dependents .....	(360,000)	\$ 10	\$ 3,600
o 17 percent increase for DIC widows and children .....	371,500	\$ 47	\$ 17,500
o 17 percent increase in A&A allowances .....	(11,000)	\$ 18	\$ 200
o Equalization of rates between peacetime and wartime, death compensation recipients .....	3,500	\$ 29	\$ 100

\*15% for veterans with disabilities up to 50%; Veterans disabled 60%-100% - 18% increase. Also, includes increases of up to \$22 for the more seriously disabled veterans, i.e. those receiving additional monthly compensation for loss of limb(s), blindness, loss of use of creative organ, aid and attendance, etc.

VETERANS ADMINISTRATIONREADJUSTMENT BENEFITSSupplemental Language

For an additional amount for Readjustment Benefits, \$77,000,000 to remain available until expended.

Introduction

Additional funds in the amount of \$77,000,000 will be required to supplement the FY 1974 appropriation. Obligations incurred against these funds arise by operation of law and as such are not administratively controllable.

This additional requirement reflects the estimated cost of PL 93-293, effective May 31, 1974, which provides for a 30-day emergency extension of the chapter 34 eligibility period for veterans discharged prior to June 1, 1966. An estimated 285,000 trainees, whose eligibility would have expired on May 31, 1974, will benefit from this extension. No funds have been provided for payment of benefits during this interim period to these veterans who may now train through June 30, 1974.

Enactment of this legislation averts a hardship for this group of veterans. It permit those whose spring enrollment period extends into June to receive payment for that full period of enrollment. In addition those veterans with unused entitlement as of May 31, 1974 may now enroll for the summer semester. The estimated number of trainees who will benefit by type of training follows:

<u>Type of Training</u>	<u>No. Trainees</u>
College	141,000
Below College level	46,000
Correspondence	<u>98,000</u>
	285,000

A summary of the additional requirements follows:

Analysis of Proposed Supplemental for FY 1974  
(\$'s in thousands)

	<u>Presently Available</u>	<u>Revised Estimate</u>	<u>Difference</u>
<u>Education and Training</u>			
Post-Korean conflict veterans ..	\$3,029,764	\$3,074,564	\$ + 44,800
Other .....	<u>110,000</u>	<u>110,000</u>	....
Total Education & Training ...	3,139,764	3,184,564	<u>44,800</u>
<u>Special Assistance to Disabled Veterans</u>			
Total special assistance to disabled veterans .....	<u>89,925</u>	<u>89,925</u>	....
Total program costs .....	3,229,689	3,274,489	<u>44,800</u>
<u>Changes in selected resources:</u>			
Beneficiary overpayments, advances and prepayments .....	<u>49,949</u>	<u>82,149</u>	<u>32,200</u>
Total obligations .....	3,279,638	3,356,638	<u>77,000</u>
Unobligated balance available start of year .....	- 3,638	- 3,638	....
Appropriation requirements ....	\$3,276,000	\$3,353,000	\$ + 77,000

VETERANS ADMINISTRATION  
GENERAL OPERATING EXPENSES

Supplemental Language

For an additional amount for General Operating Expenses, \$2,500,000.

Introduction

This volume contains justification data for the non-medical administrative support costs. These costs are funded through the General Operating Expenses appropriation and support activities organized within four segments: General Administration, Department of Data Management, Department of Veterans Benefits, and National Cemetery System.

General Administration covers the Administrator's Office and several other top Agency Staff Offices which provide management assistance and support to all Agency programs. The Department of Data Management operates the Agency's computer centers and provides assistance in ADP system development and communications planning. The Department of Veterans Benefits operates a network of field regional offices through which all non-medical veterans benefits are processed. The National Cemetery System, which was transferred from Department of the Army in September 1973, operates and maintains 103 National Cemeteries and 32 other miscellaneous sites. The following table presents fiscal year comparisons of average employment and appropriation requirements for the "General Operating Expenses" appropriation, identifying increases to support new programs in the Department of Veterans Benefits in 1974.

Summary of Requirements  
(\$'s in thousands)

	FY 1973	Middle Column 1975 President's Budget	FY 1974 Supplemental	Revised FY 1975 Middle Column
<u>General Administration:</u>				
Average employment .....	1,962	2,025	...	2,025
Total costs .....	\$37,125	\$40,728	...	\$40,728
<u>Dept. of Data Management:</u>				
Average employment .....	1,572	1,580	...	1,580
Total costs .....	\$28,214	\$22,667	...	\$22,667
<u>Dept. of Veterans Benefits:</u>				
Average employment .....	17,478	17,085	150	17,235
Total costs .....	\$252,460	\$268,463	\$2,500	\$270,963
<u>National Cemetery System:</u>				
Average employment .....	...	743	...	743
Total costs .....	...	\$16,484	...	\$16,484
<u>Grand Total:</u>				
Average employment .....	21,012	21,433	150	21,583
Total net costs .....	\$317,800	\$348,342	\$2,500	\$350,842
Change in selected resources	+2,295	-159	...	-159
Total obligations .....	320,095	348,183	2,500	350,683
Reimbursements .....	-1,399	-1,204	...	-1,204
Unobligated balance lapsing	+818	...	...	...
Budget authority .....	319,513	346,979	2,500	349,479
<u>Transferred to Other Accounts:</u>				
(GSA--Space Rental) .....	+138	+1,264	...	+1,264
(Med. & Pros. Res.--Pay Raise) .....	+1,170	...	...	...
<u>Transferred from Other Accounts:</u>				
(Cem. System--Dept. of Army) .....	...	-16,220	...	-16,220
<u>Supplemental--Pay Raises:</u>				
(January 1973) .....	...	-13,063	...	-13,063
(October 1973) .....	...	-8,960	...	-8,960
Appropriation .....	320,821	310,000	2,500	312,500

General Highlights

To assure prompt and reliable service to the veteran population, new requirements necessitate a supplemental request in 1974:

Vet Reps -- More than 1,300 Veterans Benefits Counselors will be placed on college campuses to help veteran-students know their VA benefits and to speed up G.I. checks. Aside from being an ombudsman for campus veterans, answering their questions on VA benefits and resolving their problems, "Vet Reps" will:

- o Trouble shoot for the regional offices and get together needed documents for prompt processing of awards.
- o Assist the school with the distribution of advanced payment checks that heretofore were sent to school personnel.
- o Publicize new VA legislation and procedures.
- o See that all records and certificates of enrollment and attendance are filed promptly.
- o Audit records when required to assure VA payments are properly made.
- o Contact veterans who drop out of school and encourage them to return where this service is not being performed by school counselors.
- o Serve as liaison for all campus veteran groups and brief them on benefit matters.
- o Free essential manpower for outreach, counseling, and special veterans education program support.
- o Consult with university officials and faculty on VA matters.

Recruits for campus Vet Reps will come from both within and outside the VA. A special effort will be made to bring Vietnam Era veterans into the program so as to establish as close a rapport to the student-veteran as possible.

The Department of Veterans Benefits, working with the Office of Personnel has developed an intensive training program for the Vet Reps. Primary training will be held in regional offices. Later the trainees will attend a two-week centralized training session at one of four geographically selected colleges.

About 900,000 veterans are expected to enroll in colleges under the G.I. Bill in September. This program is an integral part of VA's efforts to assure on time checks and prompt, trouble-free service for each veteran. In order for the program to be fully operational for the fall 1974 school term, recruitment must begin in June.

Extension of Delimiting Date -- The extension of the delimiting period for educational benefits will necessitate the manual researching of records to identify those veterans whose benefits have previously expired and are now eligible.

Summary of Requirements

Revised fiscal year 1974 "General Operating Expenses" requirements of the Department of Veterans Benefits are shown in the following table:

Summary of Costs, by Major Object

	1973 Actual	Mid. Col. FY 1975 Pres. Budget	FY 1974 Supplemental	Revised FY 1975 Middle Column
Personnel compensation .....	\$196,160,078	\$203,978,000	\$2,340,000	\$206,318,000
Personnel benefits .....	17,552,806	18,491,000	160,000	18,651,000
Total personal services and benefits .....	213,712,884	222,469,000	2,500,000	224,969,000
Travel and transportation of persons .....	3,577,861	3,954,000	...	3,954,000
Transportation of things ...	954,410	1,025,000	...	1,025,000
Rents, communications and utilities .....	13,584,563	17,574,000	...	17,574,000
Printing and reproduction ..	2,070,768	2,000,000	...	2,000,000
Other services .....	10,071,110	11,440,000	...	11,440,000
Supplies .....	2,254,943	2,200,000	...	2,200,000
Equipment .....	2,041,794	1,000,000	...	1,000,000
Payments to states .....	8,860,149	10,965,000	...	10,965,000
Total costs .....	257,128,482	272,627,000	2,500,000	275,127,000
Common svc. adjustment 1/ ..	-4,668,000	-4,164,000	...	-4,164,000
Net costs .....	252,460,482	268,463,000	2,500,000	270,963,000
Chg. in selected resources .	+1,484,853	...	...	...
Obligations .....	253,945,335	268,463,000	2,500,000	270,963,000
Reimbursements .....	-1,105,394	-1,000,000	...	-1,000,000
Budget Authority .....	252,839,941	267,463,000	2,500,000	269,963,000

1/ Department of Veterans Benefits provides Management, Finance and Administrative services to the Department of Medicine and Surgery at Regional Office - Hospital Centers. "Common Services" amounts reflect the costs of these services.

Summary of Costs, by Activity

Executive Direction .....	8,149,848	9,311,000	...	9,311,000
Systems Development .....	1,106,716	1,199,000	...	1,199,000
Veterans Assistance .....	31,310,955	34,239,000	2,000,000	36,239,000
Compensation, Pension and Education .....	85,677,401	92,082,000	500,000	92,582,000
Loan Guaranty .....	32,824,619	34,060,000	...	34,060,000
Insurance .....	9,043,097	8,292,000	...	8,292,000
Office Services .....	89,015,846	93,444,000	...	93,444,000
Total costs .....	257,128,482	272,627,000	2,500,000	275,127,000

Summary of Requirements (cont'd.)Summary of Employment, by Activity

	1973	Mid. Col.		Revised
		FY 1975	FY 1974	FY 1975
	<u>Actual</u>	<u>Pres. Budget</u>	<u>Supplemental</u>	<u>Middle</u>
				<u>Column</u>
Executive Direction .....	385	417	...	417
Systems Development .....	56	55	...	55
Veterans Assistance .....	2,311	2,434	150	2,584
Compensation, Pension and				
Education .....	4,640	4,540	...	4,540
Loan Guaranty .....	2,414	2,350	...	2,350
Insurance .....	705	600	...	600
Office Services .....	6,967	6,689	...	6,689
Total Average Employment ...	17,478	17,085	150	17,235

An analysis of the major changes in total costs from the Middle Column 1975 President's Budget to the Revised 1975 Middle Column is indicated below:

(dollars in thousands)

Middle Column 1975 President's Budget (total costs) .....	\$272,627
Increases:	
Man on Campus Program .....	2,000
Extension of Delimiting Period for Educational Benefits .....	500
Revised 1975 Middle Column (total costs) .....	\$275,127

## VETERANS ASSISTANCE PROGRAM

General

This revised 1974 request is being implemented as part of a planned program to improve service relationships with veterans, their dependents, and veterans' service organizations, a new program of assistance is envisioned, directed primarily to the Vietnam era veteran and his education. This plan involves the placing of VA counselors on college and university campuses. They will be there to identify and resolve VA educational assistance allowance problems. In addition, they will provide a counseling service for the full range of VA benefits to all veterans and their dependents. It is planned to have these counselors on campuses by August 1, 1974, in time for the fall enrollment.

It is anticipated that the following benefits will be derived from placing these counselors on school campuses:

1. Immediate resolution and prevention of unnecessary inquiries.
2. Restore confidence in the ability of the VA to pay education benefits on time.
3. Demonstrate the VA's willingness to respond to pay complaints.
4. Improve interaction or communication between the VA and the Vietnam era veteran.
5. Show the school officials that have been "bearing the abuse" our support and relieve them of answering the complaints.
6. Allow the veteran the opportunity to sound off to the "VA man" thereby preventing adverse veterans' group reactions.
7. Answer payment processing questions with knowledge and confidence, thereby preventing complaints.
8. Act as liaison between school officials and the regional office to improve quality of service from the school veterans' affairs section.
9. As liaison man with all campus veterans' groups, will establish a good service relationship.
10. Expedite processing of documentation for increases and decreases in benefit payments thereby preventing overpayments, as well as reducing waiting time for payments.
11. Work closely with regional office to identify problems and solutions to make the payment system more efficient and better understood and accepted by the public.
12. Establish rapport with local veterans' service organizations and the community news media.
13. Act as counselor for students and help the school officials in the prevention of "dropouts" when this function is not being performed by school counselors.
14. Identify the VA with the local community.

General (cont'd.)

In order to allow time to recruit, train and place these people, it is expected recruitment will begin immediately, and all people will be on board as soon as possible in June. This revised 1974 request for the Veterans Assistance Program contains \$2,000,000 for the Man on Campus Program. These funds will be utilized to pay the salaries of 1,327 counselors and 204 supporting clerical staff during the remainder of fiscal year 1974.

Summary of Requirements

	1973 <u>Actual</u>	Mid. Column 1975 <u>Pres. Budget</u>	1974 <u>Supplemental</u>	Revised 1975 <u>Mid. Column</u>
Average employment	2,311	2,434	150	2,584

Costs

Personnel compensation ...	\$27,940,700	\$30,404,000	\$1,840,000	\$32,244,000
Personnel benefits .....	<u>2,562,968</u>	<u>2,750,000</u>	160,000	<u>2,910,000</u>
Total personal services and benefits .....	30,503,668	33,154,000	2,000,000	35,154,000
Travel and transportation of persons .....	<u>807,287</u>	<u>1,085,000</u>	...	<u>1,085,000</u>
Total costs .....	31,310,955	34,239,000	2,000,000	36,239,000
Common service adjustment	<u>-1,614,000</u>	<u>-1,735,000</u>	...	<u>-1,735,000</u>
Net costs .....	29,696,955	32,504,000	2,000,000	34,504,000

## COMPENSATION AND PENSION

General

The extension of the delimiting period to utilize educational benefits necessitates the manual researching of records to identify those veterans whose benefits had previously expired and are now eligible. Since this is a one-time requirement, overtime will be utilized, rather than recruiting additional personnel, and all this overtime will occur in June 1974. This revised request will provide \$500,000 for this overtime in fiscal year 1974.

Summary of Requirements

	1973 <u>Actual</u>	Mid. Column 1975 <u>Pres. Budget</u>	1974 <u>Supplemental</u>	Revised 1975 <u>Mid. Column</u>
Average employment .....	4,640	4,540	...	4,540

Costs

Personnel compensation ...	\$63,975,451	\$66,449,000	\$500,000	\$66,949,000
Personnel benefits .....	<u>5,627,187</u>	<u>6,003,000</u>	...	<u>6,003,000</u>
Total personal services and benefits .....	69,602,638	72,452,000	500,000	72,952,000
Travel and transportation of persons .....	885,876	920,000	...	920,000
Other services .....	6,328,736	7,745,000	...	7,745,000
Payments to states .....	<u>8,860,151</u>	<u>10,965,000</u>	...	<u>10,965,000</u>
Total costs .....	85,677,401	92,082,000	500,000	92,582,000

## VETERANS RESPONSIBILITY

Mr. CHAPPELL. I would like to go back to one point.

It seems to me if you tell the veteran it is his responsibility to get to the VA the necessary papers, and I know you do that, why can it not be simplified to the point that when he makes his application, or at the time of acceptance, whichever is preferable to the VA, then put the responsibility on him to tell you that he is a student. From there on, you throw it into your records and throw it back for verification to the school.

My point is, it disturbs us all that you have to spoon-feed the veteran so much just to get him in school. If he does not have enough sense and interest to fill out a simple form and get it to you on time, then he has no right to complain at his Government for sending a check to him late.

I just do not believe in spoon-feeding these people too much.

Mr. VAUGHN. I can understand your point, but they do feel a dependency and they feel an obligation on the part of the VA.

Mr. CHAPPELL. That is fine that they do, but that does not make it right, does it?

Mr. VAUGHN. No, sir.

Mr. CHAPPELL. If they have not the interest or the commonsense then they have no qualifications for college.

To me, a man ready for college who cannot fill out a reasonable form is in serious trouble. It seems to me there must be a better way than just putting a special counselor out there to do these things for them. That to me is hard to understand.

Mr. MARTIN. In essence, I think what you are saying is what we are proposing to do under this new program. We are going to give him a new form this fall and we are going to tell him, give this to us timely. What we want you to tell us is that you are applying to a specific school and that school has accepted you for enrollment.

When we get that form, we will pay, that is it. Then we will ask the school to give us a certificate of enrollment as a confirmation later on, but not as a pay issue; this is what we are enthusiastic about in terms of speeding up the whole front end of this. One form, the student's responsibility, and only his.

Mr. CHAPPELL. Amen.

## NEW PAYMENT PROCEDURE

Mr. MARTIN. To insure that he actually shows up, our man on the campus will personally get his signature, "Yes, I am here, I am enrolled." That takes care of our financial requirements by the statute.

If there is a check at the school with no veteran, we know we have some kind of administrative problem, and our man is responsible then for getting back into the machinery to find out what happened, whether he dropped out, whether he is in a different school, for instance. If there is a veteran there with no check, and this is what we are primarily interested in, we know before he runs out of money or before he is in any difficulty that we have a problem and we have to find out what is

wrong and get him paid. That is one of the principal duties we see for his presence there at fall enrollment, not his only duty but that is his principal one for the fall, to match checks and veterans and take care of the problems when they do not match.

#### TRAINING OF VETERANS REPRESENTATIVES

Mr. BOLAND. How long is the training period going to last for the veteran representative?

Mr. VAUGHN. First, the veteran representative will go into the regional offices for orientation.

Mr. BOLAND. For how long a period?

Mr. VAUGHN. Until August 1st, from whatever moment we can hire until August 1st. We predict we should be fully completed with the hiring in June. We are trying in most of the instances, where it is possible, to select persons who are recently out of school, Vietnam veterans. We have either hired or committed now, in three areas of the country, and I do not have a report from the fourth one because they were not opening this morning, some 796.

Mr. BOLAND. So he is trained in the regional office first, then he is trained down here too?

Mr. VAUGHN. No, sir.

In four different locations across the country, beginning July 8th, we will have a 2-week extensive training program for each of the groups from that area of the country. The course has already been established.

Mr. BOLAND. You are going to reach 2,760 institutions, as I understand it; is that right?

Mr. VAUGHN. Yes, that is correct.

#### OFFICE OF EDUCATION GRANTS

Mr. BOLAND. Will you furnish the committee information on how many institutions HEW is now directing grants to?

Mr. TRAVERS. Yes, sir.

Mr. BOLAND. Do they call their particular activity a veterans affairs office?

Mr. TRAVERS. I have heard them referred to as veterans affairs offices, coordinators; they have various titles.

Mr. BOLAND. I think this committee would like a list of those institutions from HEW, where they are now making grants or will be making grants.

Did you indicate that the OMB had not requested any funds for that program for 1975?

Mr. VAUGHN. Yes, sir.

Mr. BOLAND. All right.

Supply for the committee files a list of those institutions, identifying the number of veterans enrolled at each school.

#### PLAN FOR PLACING REPRESENTATIVES ON CAMPUS

Supply for the record the plan for placing representatives on the campuses.

[The information follows:]

PLAN FOR PLACING REPRESENTATIVES ON IHL CAMPUSES

Veteran enrollments	Number of schools	Counselors needed (1 day per 100 students)	Remarks
0 to 100.....	1,429	100	Itinerant.
100 to 500.....	828	330	1 day per 100 GI trainees.
500 to 1,000.....	277	363	Do.
1,000 to 2,000.....	166	332	2 per school.
2,000 to 3,000.....	50	150	3 per school.
3,000 and over.....	13	52	4 per school.
Total.....		1,327	

Note: In addition to the 1,327 counselors needed on campus, 204 clerical support personnel will be needed in RO's. Total personnel needed will be 1,531.

CRITERIA FOR HIRING

Mr. TIERNAN. With regard to the criteria for hiring, you are not hiring presently enrolled students; is that my understanding?

Mr. VAUGHN. In some instances we would be. It depends. If the student applying is on the Civil Service Register, he may be going to school during separate hours and he will be working for us on an 8-hour basis.

Mr. TIERNAN. These representatives are to be full-time employees?

Mr. VAUGHN. Yes, sir.

Mr. TIERNAN. Eight hours a day, 5 days a week?

Mr. VAUGHN. Yes, sir.

Mr. TIERNAN. So in effect there would be rare situations where they are presently enrolled in a full-time academic course?

Mr. TRAVERS. On a full-time basis, it is kind of rare. You might find an instance where an individual is going to school at night.

Mr. TIERNAN. We are going to have requests from veterans, I know just in my own mind, one veteran who has been very active on a campus coordinating the Vietnam veterans, for example. I am sure he is going to be calling me, asking to be appointed. This is the reason I am asking the question.

Mr. VAUGHN. Let me explain what we did there.

We went to the Civil Service Commission and outlined the fact that we needed Vietnam veterans in order for them to relate to the man on campus. Basically we needed veterans with college background so that they would be familiar with the campus life.

The Commission gave us permission nationwide, they gave us registers nationwide consisting only of 10-point preference veterans, disabled veterans, and Vietnam veterans. So far, out of the 796, who are committed as of this morning, all are Vietnam veterans except 11 of the entire group.

The majority of those have somewhere close to a bachelor's degree with some 2 or 3 dozen of them having master's degrees.

Mr. TIERNAN. What level are you able to hire them at?

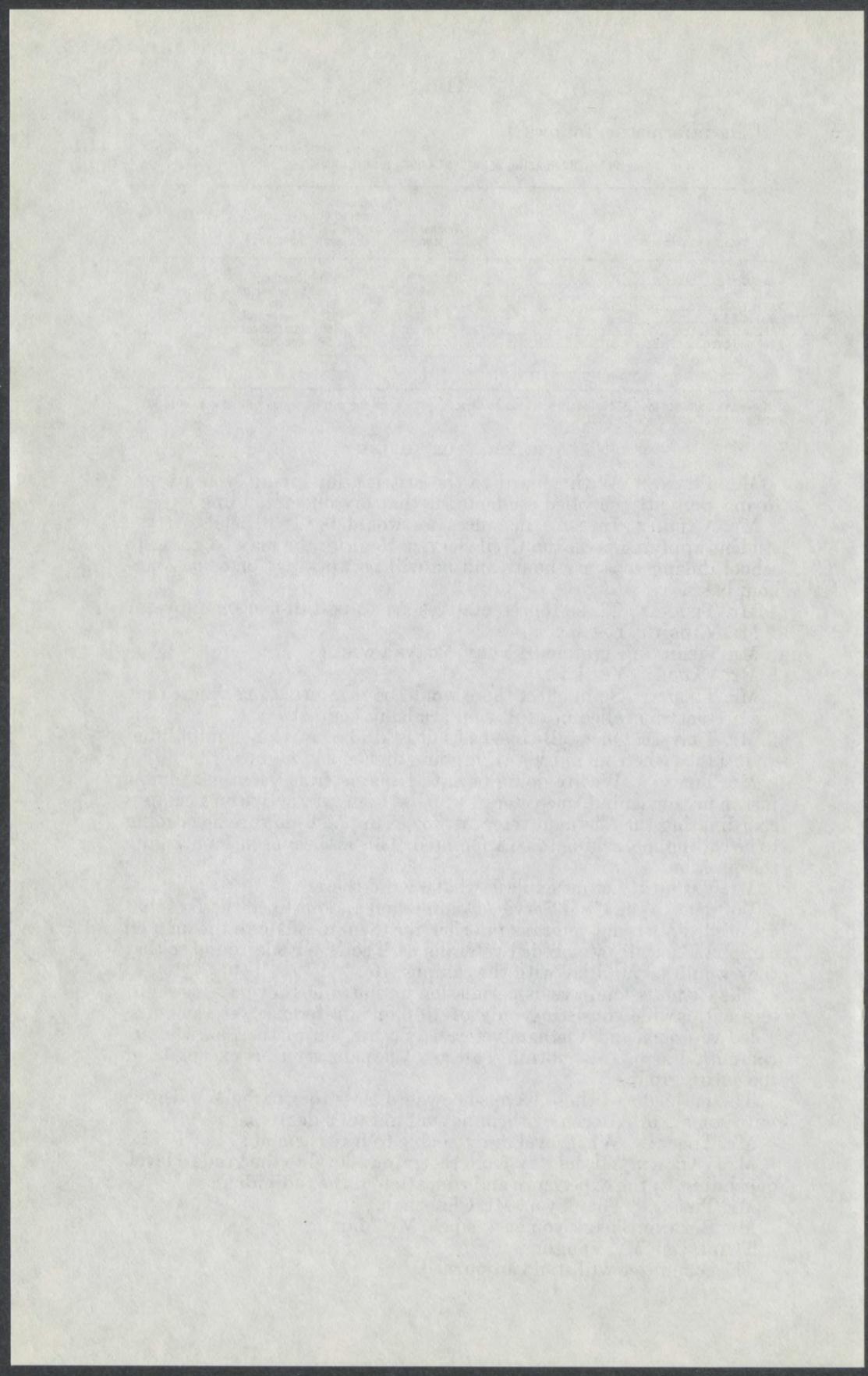
Mr. VAUGHN. All the way from the grade 5 level to the grade 9 level, depending on the experience and education of the individual.

Mr. TIERNAN. Thank you, Mr. Chairman.

Mr. BOLAND. Thank you very much, Mr. Martin.

Thank you, Mr. Vaughn.

The committee will stand adjourned.



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