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# **PART III - PROGRAMS OF THE VA**



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DEPARTMENT OF VETERANS BENEFITS

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PROGRAMS

Department of Veterans Benefits



## COMPENSATION

Disability compensation is a monthly payment for a service-connected disability. Its purpose is to compensate a veteran for the loss of earning capacity due to a disease or injury which was incurred in or aggravated by active military, naval or air service. Compensable ratings range from 10% to 100% and financial payments are based upon the degree of disability established.

Under PL 94-433, effective October 1, 1976, compensation rates and statutory awards were increased by 8%. A new provision was inserted to pay increased additional compensation to the disabled veteran rated 50% to 100% who has a spouse who is a patient in a nursing home of who is so helpless as to need the regular aid and attendance of another person.

Dependency and Indemnity Compensation (DIC) is payable as a monthly benefit to eligible widows, widowers, and certain dependents surviving veterans who died on active duty or as a result of service connected disabilities.

### Compensation Cases and Costs

	<u>FY 1976</u>	<u>FY 1977 (Estimate)</u>
Cases	2,593,508	2,613,045
Costs	\$5,192,555,000	\$5,719,228,000



## PENSION

The nonservice-connected pension program is designed to provide a measure of financial assistance to needy disabled war veterans and their surviving dependents. It is intended for those veterans who are permanently and totally disabled from causes not related to their period of active service.

Effective January 1, 1977, PL 94-432 provides for a 7% increase in pension rates and income limitations. The new law also provides for payment of an aid and attendance allowance when income exceeds annual income limitations (to be reduced 16.6% for each \$100 or fraction thereof that annual income exceeds the maximum limits but not beyond a \$500 excess). In addition a 25% increase will be paid to those veterans who are age 78 or older.

### Pension Cases and Costs

	<u>FY 1976</u>	<u>FY 1977 (Estimate)</u>
Cases	2,265,877	2,317,933
Costs	\$2,890,416,000	\$3,134,683,000





## BURIAL PAYMENTS

The laws governing the payment of burial payments provide that when an eligible veteran dies, the Administrator of Veterans' Affairs may pay a sum not exceeding \$250 to such persons as he prescribes to cover the burial and funeral expenses of the deceased veteran. In addition, if an eligible veteran is not buried in a National Cemetery or other cemetery under the jurisdiction of the United States, a sum not to exceed \$150 may be paid as a plot or interment allowance.

If a veteran dies in a VA facility, the VA will pay the cost of transporting the body to the place of burial. Under PL 94-433, the VA may now also pay for the transportation of the remains of deceased veterans to a National Cemetery if the veteran died as the result of a service connected disability, or was in receipt of disability compensation, or but for the receipt of retirement pay or pension would have been entitled to compensation.

Payment of an amount not exceeding \$800 as a burial allowance if the veteran's death is service-connected. This payment is in lieu of the \$250 basic burial allowance and the \$150 plot-interment allowance.

### Burial Cases and Costs

	<u>FY 1976</u>	<u>FY 1977 (Estimate)</u>
Cases	* 312,487	* 330,000
Costs	** \$143,585,000	** \$155,372,000

\*This figure only includes those persons receiving the basic \$250 burial allowance. Many who received this benefit also received other benefits such as plot allowance, headstone marker, flags, transportation, etc.

\*\*Costs include payment of transportation, plot allowance, headstone marker, flags, etc.



## EDUCATION AND REHABILITATION

The program provides financial assistance to veterans, their dependents, and their survivors to aid them in obtaining education or training. The component activities are: vocational rehabilitation which provides assistance to disabled veterans to overcome the employment problems caused by their service-connected disabilities; educational assistance which provides financial benefits to veterans and other eligible persons to assist them in obtaining education. Additional programs provide tutorial assistance, education loans, and work study benefits to eligible persons. Vocational Counseling is furnished to veterans and dependents.

	<u>1976</u>	<u>1977 Est.</u>
Sons and Daughters	80,659	93,090
Wives and Widows	19,092	22,940
Voc. Rehab.	29,449	31,975
Readjustment	2,821,514	2,300,000
Total Costs (\$1,000's)	\$5,333,633	\$4,793,178



## HOUSING CREDIT ASSISTANCE

The Loan Guaranty Program provides housing credit assistance whereby mortgage credit needs of veterans and service personnel for the purchase of homes, condominium units and mobile homes may be satisfied by private capital on more liberal terms than generally available to non-veterans, without the assumption of undue risks by the Government.

Assistance is chiefly through substituting the Government's guaranty on loans in lieu of the substantial downpayments, relatively short terms and other investment safeguards applicable to conventional mortgage transactions.

In addition, a Direct Loan program is available which provides credit assistance to veterans living in rural and remote areas where private credit for guaranteed loans is not generally available and the Administrator has declared the area to be a "credit shortage area."

Following are the numbers and dollar amounts of loan origination activity for Fiscal Year 1976 and the projected figures for Fiscal Year 1977.

	Actual FY 1976	Estimated FY 1977
GI Loans Closed		
Number	327,133	338,500
Amount	\$9,957,000,000	\$10,482,000,000
Direct Loans Closed		
Number	2,782	2,650
Amount	\$55,009,000	\$54,108,000

Claim payments are made to lenders in accordance with the Veterans Administration guaranty contract and represent the difference between the amount owed by the veteran on a defaulted loan and the value of the foreclosed property (as established by the Veterans Administration).

In Fiscal Year 1976, VA experienced a total of 16,988 claims for which VA paid out \$37,396,000. For Fiscal Year 1977, 17,000 claims are expected in the amount of \$39,045,000.



Private lenders who have acquired property as a result of foreclosure on defaulted guaranteed or insured loans may elect to convey that property to the Veterans Administration. In Fiscal Year 1976, VA acquired 14,978 properties at a cost of \$308,215,000. For Fiscal Year 1977, VA expects to acquire 14,700 properties for \$305,760,000.

Properties acquired from lenders as a result of foreclosure are sold either for cash or on terms. In term sales, VA takes back a first mortgage or establishes an installment contract with the borrower. In fiscal year 1976, VA sold 17,273 properties and established 15,575 loans, called vendee accounts, in the amount of \$310,700,000. In Fiscal Year 1977, VA expects to sell 16,700 properties and establish 15,000 vendee accounts in the amount of \$318,000,000.

Cash sales of property and the sale to private lenders of vendee loans provide sources of funds for the payment of claims and other expenses.



## SPECIALLY ADAPTED HOUSING GRANTS

This program was originally established by P.L. 80-702, approved June 19, 1948. It currently provides grants of up to \$25,000 to aid certain permanently and totally disabled veterans in acquiring a specially adapted housing unit with such fixtures or moveable facilities as are necessary by the nature of the veterans' disabilities.

VA also assists these veterans in selecting an appropriate site and housing plans or existing property, provides for construction inspections and assists the veteran in obtaining conventional or VA guaranteed mortgage credit assistance or a direct loan to cover the nongrant portion of the cost or purchase price.

In FY 1976, 587 grants were made with the average grant amounting to \$24,281 and in FY 1977 it is estimated that 620 grants will be made averaging \$25,000 per grant.



## INSURANCE PROGRAMS - VA ADMINISTERED

The Veterans Administration is responsible for the administration of five separate life insurance programs for veterans. These include the United States Government Life Insurance program (USGLI) which was established in 1919 to handle the conversion of World War I War Risk Term Insurance. The largest program is the National Service Life Insurance program (NSLI) which was established on October 8, 1940 to meet the insurance needs of World War II servicemen. The Veterans Special Life Insurance program (VSLI) provided for the post-service insurance needs of Korean veterans. The Veterans Reopened Insurance program (VRI) gave certain disabled World War II and Korean veterans who were unable to obtain commercial insurance or could not obtain it at a reasonable cost the chance to obtain National Service Life Insurance. The program was open to new applications from May 1, 1965 to May 2, 1966. The only program now open to new issues is the Service-Disabled Veterans Insurance program (SDVI). This insurance is available to any veteran released from active duty with the military service on or after April 25, 1951, under other than dishonorable conditions, with service connected disability or disabilities for which compensation would be payable if 10 per centum or more in degree and except for which such person would be insurable according to the standards of good health established by the Administrator. Application must be made within one year from the date of notification of the VA rating to apply.

Effective July 1, 1972, NSLI policyholders may use dividends to buy more insurance protection as paid-up additions to their policy. For the first time this permitted policyholders to have more than \$10,000 Government life insurance in force. A total of 993,775 policies have paid up additions with a face value of \$665,139,787 as of June 30, 1976.

### Insurance Programs VA Administered

	<u>FY 1976</u>	<u>FY 1977*</u>
Policies in Force	5,007,119	4,874,650
Value of Policies	\$35,000,447,288	\$34,301,727,000

\*Est



INSURANCE PROGRAMS - VA SUPERVISED

The Veterans Administration supervises three additional insurance programs. The Servicemen's Group Life Insurance program (SGLI) provides coverage for active duty servicemen, Ready Reservists and certain members of the Retired Reserve. This coverage is provided by a group policy issued by the Prudential Insurance Company of America, who is the primary insurer, to the Veterans Administration. They are responsible for the administration of the program. The Veterans Group Life Insurance program (VGLI) provides post-service coverage for Vietnam era veterans separated on or after April 3, 1970. The coverage is provided for up to five years after separation from service and cannot be renewed beyond that time. It, too, is in the form of a group policy issued to the VA by the Prudential Insurance Company. The Veterans Mortgage Life Insurance (VMLI) provides mortgage protection life insurance to a maximum amount of \$40,000 for veterans who have received a VA grant for specially adapted housing. The protection for this program is in the form of a group policy issued by Bankers Life Insurance Company of Lincoln, NE, who administers the program.

These three programs are unique in that the day-to-day operation is handled by a commercial company while the Veterans Administration assumes a supervisory role to insure that they are being administered in accordance with the law under which they are created.

INSURANCE PROGRAMS - VA SUPERVISED

	<u>FY 1976</u>	<u>FY 1977 *</u>
Policies in Force	3,445,385	3,416,725
Value of Policies	\$68,826,787,000	\$67,450,861,000

\* Est.



## VETERANS ASSISTANCE

Veterans Services Divisions in VA regional offices are the points established to which veterans, dependents, survivors and the public may go for information and assistance regarding veterans benefits. Under the law (38 USC 240-245) VA is also responsible to conduct a program of outreach and to have representatives on campuses of educational institutions. VA also provides personal service at all its hospitals. There are 58 regional office locations, 17 Veterans Assistance offices, 171 hospitals, 5 outpatient clinics, about 4,500 school campuses. The vast majority of campuses are served on a part-time itinerant basis. There are also 60 communities distant from VA locations to which service is provided on a scheduled itinerant basis.

In addition to the availability of personal interviews at the locations mentioned the Veterans Services Divisions at the regional offices are accessible by telephone. Over 90% of the continental U. S. population may reach VA regional offices for the cost of a local phone call. This is possible because VA provides an extensive network of toll-free lines.

In FY 1976 the following activity was recorded:

Toll-free Telephone Calls	-	3,893,276
Non-Toll-free (Local) Telephone Calls	-	15,268,380
Total	-	19,161,656
Personal Interviews at Office	-	5,252,819
Personal Interviews Away From Office	-	316,892
Interviews - Hospital and Domiciliary Patients	-	466,315
Total	-	6,036,026

Over 396,000 interviews were initial interviews with Vietnam era veterans.

For Additional Veterans Assistance Also See:

### SIGNIFICANT INTERAGENCY RELATIONSHIPS

- o Benefit Assistance to Servicemen (Page )
- o United States Veterans Assistance Centers (Page )
- o Interagency Jobs for Veterans Advisory Committee (Page )
- o Information and Referral Services for Older People (Page )
- o Veterans Benefits Information Overseas (Page )





## BENEFIT ASSISTANCE TO VETERANS

In addition to the USVAC<sup>1/</sup> concept VA, through its Veterans Services Divisions, reaches out and makes itself available to veterans and other eligible persons in a number of ways enabling those persons eligible for benefits to obtain information and file applications with minimum inconvenience.

The VA maintains toll-free telephone service to Veterans Services Divisions in most of its regional offices. This service enables over 90% of the population of the continental United States to telephone VA on a local phone call basis regardless of the distance from the caller's location to the regional office. Almost 3.9 million calls were received over these facilities in FY 1976.

A fleet of mobile office vans is maintained. Currently five vans are in operation. Individual vans are rotated from regional office to regional office. The regional offices develop van itineraries to use the vans in remote and inner city areas where the availability of VA personnel will encourage eligible persons to inquire about and apply for veterans benefits. In FY 1976 the vans traveled 88,235 miles, visited 768 communities and conducted interviews with about 29,000 individuals.

Problems encountered by veteran-students in getting payments and information from VA led to stationing Veterans Services Division personnel on certain larger school campuses and making scheduled visits to smaller school campuses. The personnel recruited and trained to perform this mission were called Veterans Education and Training Representatives (Vet Reps) or Veterans Representatives on Campus (VROC's). The personnel went on duty in August 1974. Subsequently the program was authorized by law (38 USC 243). In FY 1976 service was provided at more than 4,400 campuses (about 3,100 at the college level). Full-time service was provided at 542 campuses with the remainder served on a scheduled itinerant basis. The Vet Reps assisted in expediting over 580,000 payments and conducted over 3.1 million interviews.

The VA receives from DoD copies of forms supplied to members being discharged or released from active duty in the various services and mails to each individual from the Data Processing

<sup>1/</sup> U. S. Veterans Assistance Center



Center in Austin, Texas complete information on benefits available including, where appropriate, certificates of eligibility for educational benefits and assistance in purchasing homes. Notice is sent to regional offices of those individuals who are educationally disadvantaged (less than high school education) and USVAC's attempt to contact these individuals personally. A reminder mailing is released six months following the date of separation or release.



## BENEFICIARIES UNDER LEGAL DISABILITY

The law (38 USC 3202) makes provision for payment of VA benefits to a third party (fiduciary) when the beneficiary entitled to payment is under a legal disability (minority or incompetency). In June 1973 there were 699,028 beneficiaries in this category of whom 115,495 were adults and 583,533 were minors. Field examinations were required to select fiduciaries, periodic accountings from fiduciaries were reviewed and field examinations were conducted from time to time to review the fiduciary's performance.

Through a study of the program and evaluation of experience it was determined in August 1973 that the procedures could be greatly improved especially in the case of beneficiaries, particularly minors, in the care of members of their immediate family. As a result, the number of beneficiaries for whom supervision was exercised was greatly reduced. It developed that in a small number of cases the new procedures did not accord some adult beneficiaries the benefits of due process of law and the procedures were changed accordingly. This will result in some increase in the number of adults for whom payment supervision is exercised.

As of October 31, 1976, beneficiaries for whom supervision was exercised were:

Adults -	106,546
Minors -	39,346
Total -	145,892



SIGNIFICANT INTERAGENCY RELATIONSHIPS

Department of Veterans Benefits



BUREAU OF SUPPLEMENTAL SOCIAL INCOME  
(Social Security Administration)

A relationship with BSSI was initiated with that agency in April 1976 and is maintained to implement the requirements of PL 92-603 which requires their consideration of an individual's income (including VA Compensation and Pension payments) in determining an individual's eligibility for SSI payments. Following development of the procedures for exchange of data by the technical staffs of both agencies in 1976, selected data from VA records was furnished to the BSSI in August and October 1976. Further exchanges are anticipated for subsequent years and will be furnished as requested.



FEDERAL INTERAGENCY COMMITTEE ON EDUCATION (FICE)

The purpose of FICE is to advise on matters dealing with Federal educational programs, policies and practices, particularly: to analyze the policies of various departments; to establish communications between agencies; to present leadership in resolving differences in Department practices; to establish subcommittees on special problems; to secure data for an overview of Federal educational activities.

Executive Director: Bernard Michael

Chairman: Dr. Virginia Y. Trotter, Asst. Secretary for Education, HEW

VA Representative: Andrew H. Thornton, Director, E&R Service

Education and Rehabilitation personnel are active on the following FICE subcommittees:

Educational Consumer Protection	-	H. Hugh Porter
Educational Technology	-	Dean E. Gallin
Minority Education	-	Ms. Jewell D. Chandler
Postsecondary Educational Definitions and Classifications	-	Donald K. Davis
Ad Hoc Committee on Racial and Ethnic Definitions	-	Marvin Diamond



FEDERAL TRADE COMMISSION

A formal agreement between the VA and FTC was entered into pursuant to the provisions of PL 93-508 for the purpose of investigating cases of alleged advertising, sales, or enrollment practices by institutions approved for veterans' education considered to be erroneous, deceptive or misleading. The VA refers documentary information to the Bureau of Consumer Protection, FTC for evaluation and investigation, and possibly cease and desist orders.



REHABILITATION SERVICES ADMINISTRATION

VETERANS REHABILITATION COORDINATING COMMITTEE

This interagency committee was established by the Department of Health, Education and Welfare pursuant to the sections of the Rehabilitation Act of 1973, as amended, that require the Department of Health, Education and Welfare to insure maximum coordination with the Administrator of Veterans Affairs and other agencies with respect to programs for and relating to the rehabilitation of disabled veterans. Membership includes, in addition to concerned Federal agencies, the major veterans service organizations. The VA, Department of Veterans Benefits representative to the Committee is Dr. Irene G. Cooperman.





SUBCOMMITTEE ON EMPLOYMENT, CABINET COMMITTEE ON  
DRUG ABUSE PREVENTION

This committee is one of five standing committees of the Cabinet Committee on Drug Abuse Prevention established by the President on May 12, 1976. Membership on the subcommittee includes the member organizations of the Cabinet Committee (HEW, DoD, DOL, VA) and other agencies. The subcommittee is responsible for developing government-wide action plans in the area of employment as an integral component of rehabilitation services for drug-addicted persons. Dr. Irene G. Cooperman is the VA, DVB representative.



## TREASURY DEPARTMENT

Representatives from Education and Rehabilitation Service and Office of the Congroller meet bi-monthly with Treasury representatives to discuss problem areas arising in the VA - Treasury benefits payment interface within the two months between meetings. Problem-solving sessions are concerned with ongoing program areas as well as questions involving implementation of new programs, and procedural changes. A typical agenda would involve, for example: inserts for enclosure with certain January pension checks, annual reporting fee payments, standard format for VA checks interest forms and mailgrams, et ectera.

Controls the pricing and volume of loans to be sold to private investors.



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

With HUD (together with the Department of Justice and the Commission on Civil Rights) on coordinated strategy and measures to assure fair housing practices and equal opportunity in housing.

With the Housing Assistance Administration to provide listings and make VA owned residential properties available for sale or lease to local housing authorities.

VA, together with FNMA and The Mortgage Corporation (FHLBB), is participating in a HUD led task force to draft uniform condominium requirements.

With FHA as respects:

Management, repair, rental and sale of Government owned residential properties.

Construction standards, land planning requirements, community water and sewer facilities, compliance inspections and appraisals.

Legal and other requirements for planned unit developments and condominiums.

Potential hazards, such as, geological and soil instability, water pollution and flood control.

Suspension of builders, lenders and brokers.

Determination of eligibility for FHA veteran's loan program.

Counseling of moderate-to-low income families on their housing needs.

Mobile Home and Mobile Home Park Standards, kickbacks and credit reporting contracts.

With HUD coordinating the need for implementation of Mortgage Relief Assistance for certain homeowners provided under the Emergency Homeowners Relief Act, PL 94-50.

With GNMA, coordination in the administration and liquidation of mortgage pools presently under the Federal Assets Liquidation Trust, the Government Mortgage Liquidation Trust, and the Federal Assets Financing Trust.

## COUNCIL ON ENVIRONMENTAL QUALITY

As respects the Loan Guaranty Service of the Department of Veterans Benefits for implementation of environmental quality policies for improvement of the environment.

## ENVIRONMENTAL PROTECTION AGENCY

As respects the Loan Guaranty Service of the Department of Veterans Benefits for effective agency action on behalf of the environment.

## FEDERAL RESERVE BOARD

Furnish assistance based on VA's experience in housing in the development of Regulations to implement Equal Credit Opportunity Act.

Determining whether lenders applying for automatic lending status are supervised.

## COMPTROLLER OF THE CURRENCY

Determining whether lenders applying for automatic lender status are supervised.

## FEDERAL NATIONAL MORTGAGE ASSOCIATION

Servicing and liquidation on VA guaranteed loans which that corporation holds.

To assure the acceptability of VA guaranteed loans in the commercial secondary market, proposed changes in VA's security instruments are coordinated with FNMA.

## FEDERAL HOME LOAN BANK BOARD

Servicing and accounting by Federal savings and loan associations in respect to VA guaranteed loans.

## COUNCIL OF ECONOMIC ADVISORS

Together with HUB, FHLBB, FRB, Treasury and OMB, establishing maximum interest rates on VA guaranteed or insured and direct mortgage loans.

## DEPARTMENT OF JUSTICE

Judicial foreclosures on VA acquired loans and other portfolio loans, including legal proceedings for eviction and deficiency judgments if required.

Possible criminal prosecution for fraud or civil action for damages under the false claims act.

DEPARTMENT OF DEFENSE

Assistance for certain home owners for losses sustained by base closing as required by PL 89-754, Section 1013.

Supplemental servicing to and counseling of obligors at military bases in respect to VA loan programs.

Determinations as to the suitability of housing in proximity to military air bases.

Rental and sale of VA owned properties for military personnel.

With the Office of the Chief of Engineers (Army), together with HUD, Commerce, Interior, GSA and other Federal agencies, identification of flood plan areas and establishment of guidelines for flood hazard evaluation to implement Executive Order 11296.

A close relationship is maintained with the Department of Defense by VA to implement the provision in the law which prohibits the duplication of benefits. Where a veteran has dual entitlement to disability retirement pay from a service department and VA disability compensation, he or she may elect the benefit which provides the greater advantage. Where retired pay is the greater benefit, the veteran may waive a portion of the retired pay equal in amount to the compensation in order to receive the compensation.

The Department of Defense also requires certain information from VA records before paying benefits under their Survivor Benefit Plan.

Eligibility for veterans benefits is based upon the veteran's military service. When processing applications for VA benefits and the veteran cannot provide proof of military service, it is necessary for VA to go to the service departments or military records centers to obtain verification of military service. Also, military medical records are needed in processing veterans' claims for service-connected disabilities. VA also furnishes information to the service departments and military records centers when requested. To reconstruct military records which were burned or damaged in the fire at the National Personnel Records Center in 1973, they request pertinent military documents and other information from veterans' claims folders.

PL 94-502 provides for a veterans matching funds Education program for all personnel entering service on or after January 1, 1977. Deductions from a service person's pay

DEPARTMENT OF DEFENSE

(Continued)

will be deposited with the VA by the Service Department which would be matched later by the VA on a 2-1 basis. The VA and DoD are defining the format, content and procedural functions for service persons' contributions to be sent to the VA beginning February 1977.

DEPARTMENT OF INTERIOR

With Geological Survey, determining areas subject to subsidence, earth slides, or other geological hazards preventing or restricting housing construction.

DEPARTMENT OF AGRICULTURE

With Farmers Home Administration (together with representatives of OMB and Federal Housing Administration), coordination on community water and sewer systems - standards and legal requirements of community facilities.



DEPARTMENT OF TRANSPORTATION

With the Bureau of Public Roads, procedures to make VA owned properties available to purchasers displaced by highway construction.

With Federal Aviation Administration, coordination on problems attributable to proximity of housing to airports - including safety factors, flight zones and noise level factors.





ADVISORY COUNCIL ON SERVICEMANS' GROUP LIFE INSURANCE

Purpose: To review operations and advise the Administrator on SGLI policy matters.

VA Representatives:

Richard L. Roudebush	Administrator
Rufus H. Wilson	Chief Benefits Director
Conrad R. Hoffman	Controller
S. W. Melidosian	Director VA Center Philadelphia, PA
Glenn C. Johnson	Assistant Director for Insurance VA Center Philadelphia, PA

Membership:

The Honorable William E. Simon (Chairman)  
Secretary of the Treasury

The Honorable Donald H. Rumsfeld  
Secretary of Defense

The Honorable Elliot L. Richardson  
Secretary of Commerce

The Honorable David Mathews  
Secretary of Health, Education and Welfare

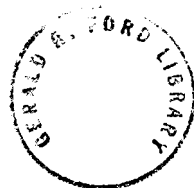
The Honorable William T. Coleman, Jr.  
Secretary of Transportation

The Honorable James T. Lynn  
Director, Office of Management and Budget



## BENEFIT ASSISTANCE TO SERVICEMEN

The Veterans Assistance Service and Veterans Services Divisions on request provide training in veterans benefits subjects to personnel of Department of Defense components, who are responsible for orienting members about to be separated or released from active duty. On-call service is also provided to DoD hospitals and separation points.



## UNITED STATES VETERANS ASSISTANCE CENTERS

These centers, referred to as USVAC's, were organized at the President's direction commencing in February 1968. The original concept was the creation of one-stop service centers, staffed by representatives of various agencies which would enable veterans to obtain information about all Federal benefits for veterans, in one visit to one location. They also included a departure from tradition in providing for positive outreach to locate veterans, inform them of entitlement and encourage them to avail themselves of those benefits.

As the years have passed, the concept has been modified. There are presently 72 USVAC's in all cases located in VA regional offices or Veterans Assistance offices. In areas of high unemployment one or more Veterans Employment Representatives participate in the USVAC to assist veterans with employment problems. Generally the USVAC activity is conducted by experienced VA Veterans Benefits Counselors who advise each veteran on the full range of benefits for veterans and assist the veteran in applying for those benefits in which he is interested. The outreach concept now directed by law (38 USC 240-245) continues.

The USVAC personnel maintain liaison with the Federal and state offices which can assist veterans and make necessary referrals. They also maintain liaison with community groups which may be resources for veterans and make necessary referrals. In some USVAC's a Community Service Specialist is employed to maintain liaison with and develop such resources.

In FY 1976 USVAC's assisted in placing 23,250 veterans in jobs. Of these 11,345 were arranged through State Employment Services, 4,404 were obtained through the Civil Service Commission, 4,198 were arranged by VA and 3,303 through other community resources.

The principal emphasis of USVAC's is in providing assistance to those veterans who are educationally disadvantaged in not having attained a high school education.



## TITLE VI OF CIVIL RIGHTS ACT OF 1964

Veterans Services Divisions in all regional offices are responsible to perform compliance surveys of educational institutions and training establishments to assure compliance with the law and VA regulations. In this connection there is included in the compliance survey a review to assure compliance with the Civil Rights Act. The Civil Rights Review is performed only at proprietary schools and on job training and apprenticeship training establishment. The Department of Justice has primary responsibility for Civil Rights enforcement and VA reports on its activities to that Department. The VA has delegated to and the Department of Health, Education and Welfare has accepted responsibility for monitoring civil rights performance at institutions of higher learning, public school systems, hospitals and other health facilities. VA is negotiating with the Department of Labor to avoid duplication of reviews in connection with apprenticeship programs because that Department's Bureau of Apprenticeship Training has similar responsibility.



COMMITTEE OF INTERAGENCY TERRITORIAL ASSISTANCE

The committee, under the Department of the Interior, coordinates Federal assistance to the territories and trust territories with current emphasis on the transition of the Mariannas to commonwealth status.

The Director, Veterans Assistance Service, Department of Veterans Benefits, James J. Cox, represents VA.



## INTERAGENCY JOBS FOR VETERANS ADVISORY COMMITTEE

A sub-group at the Assistant Secretary level of the Domestic Council Committee on Veterans Services.

Chairman - Assistant Secretary of Labor for Employment and Training.

Members - Departments of Commerce, Defense, Health, Education and Welfare, Labor, Civil Service Commission, Veterans Administration and National Alliance of Businessmen.

VA representative - Associate Deputy Administrator,  
A. J. Schultz.

VA representative - working group - Director, Veterans Assistance Service, Department of Veterans Benefits,  
James J. Cox.

The Committee's purpose is to promote the employment of veterans through coordinated interagency efforts.



## INFORMATION AND REFERRAL SERVICES FOR OLDER PEOPLE

The VA is signatory to an agreement of December 21, 1974, involving fourteen Federal agencies to implement PL 93-29, Older Americans Comprehensive Services Amendments of 1973. The VA maintains liaison with and provides assistance to approximately 500 Area Agencies on the Aging (AAA's). Veterans Services Divisions in regional offices implement the information and referral service required under the agreement.



## VETERANS BENEFITS INFORMATION OVERSEAS

The Veterans Assistance Service, DVB maintains close relationship with the Department of State to enable that Department through its embassies and consulates to be of assistance to veterans, dependents and survivors living in foreign countries. Training in veterans benefit matters is provided for employees of the Department whose duties involve providing benefits information to the public.





SIGNIFICANT INTERGOVERNMENTAL RELATIONSHIPS

Department of Veterans Benefits



ADMINISTRATORS EDUCATION AND REHABILITATION  
ADVISORY COMMITTEE

Furnishes advice and consultation to the VA Administrator with respect to the administration of education and training program. It may on its own initiative furnish reports to the Congress. The committee assists in evaluating existing programs and services and recommends needed new programs and services. It assists in long range planning and development. Recommendations may involve regulatory and administrative changes as well as legislative proposals.

Chairman:

Mr. William M. Detweiler  
1370 Saratoga Building  
212 Loyola Avenue  
New Orleans, Louisiana 70112

Members:

Mr. Michael Gildea  
Assistant to the Director  
Department of Legislation

Mr. Glenn E. Heck  
Chairman  
Education Department  
National College of Education

Mr. Jack H. Jones  
Chairman, Board of Trustees  
Jones College

Dr. James W. Mann  
Professor of Education and  
Chairman, Special Education Department  
School of Education  
University of Mississippi

Mr. Nelson M. Parkhurst  
Registrar and Secretary of the Faculty  
Purdue University

Mr. Walter J. Penrod  
Executive Officer of the Indiana Rehabilitation Services Board



ADMINISTRATORS EDUCATION AND REHABILITATION  
ADVISORY COMMITTEE

Members: (Continued)

Mr. Theodore Shackelford, Jr.  
Principal  
Jardine Junior High School  
Wichita Public Schools

Ex-Officio Members:

Mr. William H. Kolberg  
Assistant Secretary for Manpower  
Department of Labor

Dr. Edward Aguiree  
Commissioner of Education  
Office of Education  
Department of Health, Education and Welfare



CENTRAL OFFICE EDUCATION AND TRAINING REVIEW PANEL

Reviews the actions of the field station committees on educational allowances and makes recommendations to the Director, Education and Rehabilitation Service to affirm, disapprove, or remand for further development the actions of the field station committees. The Review Panel receives evidence, hears testimony and reviews decisions made by the field station committees involving cases where a school may be in violation of any criteria of the law under chapters 34, 35, or 36, U.S. Code. Since such decisions could result in barring further enrollments in a school of veterans and other eligible persons, they are of vital importance to the school, and the review of these decisions by the Central Office Panel provides a source of administrative due process of law.



CENTRAL OFFICE EDUCATION AND TRAINING REVIEW PANEL

MEMBERSHIP INCLUDES THE FOLLOWING:

GEORGE W. SMITH, Registrar  
University of Miami

ROBERT GEBHARDTSBAUER, Registrar  
American University

WILMER A. SOJOURNER  
Howard University

EDWARD BUSH, Dean of Liberal Arts  
St. Clair County Community College

MARVIN P. BUSBEE, Director  
Division of Veterans Education  
South Carolina Dept. of Education

JAMES L. REID  
Maryland State Dept. of Education

GEORGE ARNSTEIN, Executive Director  
National Advisory Council on Education  
Professions Development

EUGENE W. JOHNSON, Comptroller  
Hampton Institute

PAUL S. SMELSER, Director  
Veterans Education  
Missouri State Dept. of Education

E. R. JEFFERS, Supervisor  
Oklahoma State Accrediting Agency



## STATE APPROVAL AGENCIES

In administering educational benefits under Chapters 34 and 35, Title 38, USC, courses must be approved by State approving agencies. In accordance with Section 1771, Title 38, USC, the governor of each State designates the State Department or agency to act as the "State approving agency."

Under Section 1774, Title 38, the Administrator of Veterans Affairs is authorized to enter into contracts with States to reimburse them for expense of salary and travel incurred in performing the functions of the State approving agency.

Contracts are negotiated with each State individually. The State agencies approve courses initially for training of veterans and servicemen under the Veterans Readjustment Assistance Act as amended. Problems concerning overall approval policies are also discussed with the National Association of the State Approval Agencies. Mr. Charles A. Shubat, Director Program Education Section, Vocational Education, State Approving Agency is President and Mr. Marvin Busbee of South Carolina's State Approval Agency is Legislative Director.

VA contact is with Mr. Andrew H. Thornton, Director, Education and Rehabilitation Service.



## STATE, COUNTY AND MUNICIPAL AUTHORITIES

The Loan Guaranty Service of the Department of Veterans Benefits has important relationships with state, county and municipal authorities, as respects:

Approval of subdivisions, water and sewage disposal; zoning, building codes, flood control and other matters concerned with housing developments.

Payments of real estate taxes and assessments on acquired properties and other properties securing loans owned by VA.

With states, as respects:

Non-judicial foreclosures, recordation and applicable fees, and transfer taxes.

Legislative consultation for appropriate statutes on instruments of conveyance, land sales agreements and other matters with direct bearing on the VA loan program.

Condemnation of VA owned properties.

Veterans Services Divisions in regional offices work closely with the State Employment Service in their jurisdiction. In a number of cases Veterans Employment Representatives (VER's) of the Department of Labor's Veterans Employment Service are stationed at VA regional offices to provide liaison with State Employment Services and secure for veterans needing employment the preferences to which they are entitled.



C. Significant Intergovernmental Relationships

VETERANS ADMINISTRATION ACTUARIAL ADVISORY COMMITTEE

Purpose: To advise on insurance matters in general, with particular emphasis on actuarial questions bearing on the solvency of the several insurance funds involving billions of dollars, and equity among the nearly five million policyholders in the Government-administered programs.

Chairman:

J. Edwin Matz, Chairman  
President and Chief Administrative Officer  
John Hancock Mutual Life Insurance Company

Members:

Joseph Sibigroth  
Senior Vice President and Chief Actuary  
New York Life Insurance Company

Gathings Stewart  
President  
The Lincoln National Life Insurance Company

William A. Spare  
Vice President and Actuary  
Provident Mutual Life Insurance Company

Edward A. Lew  
(Retired - Metropolitan Life Insurance Company)

INSURANCE -- VA SUPERVISED

Each state has an official known as the State Director of Insurance (or Commissioner of Insurance, or some similar title). Supervising the program requires close surveillance of the conduct of business by those companies who resort to, or permit agents to carry on unethical practices. As a first step, corrective action calls for dealing through these state officials, keeping them informed, and soliciting their cooperative efforts.

The preceding close surveillance on the conduct of unethical business practices may necessitate investigation by the FBI, and prosecution by an United States Attorney, both of whom are under the jurisdiction of the Attorney General.



## STATE COURTS

The Veterans Administration was instrumental in the enactment of legislation in virtually all of the 50 states constituting the VA as a party of interest, and a working partner with state courts in situations involving payment of VA benefits in behalf of the legally disabled. Implicit in the relationship is the reliance on the part of the courts that the VA will review the propriety of that which is submitted to them in guardianship matters involving VA beneficiaries, and in turn the courts grant the Agency's District Counsel special prerogatives which facilitate the transaction of Agency business before them.



POLICY AND PROGRAM ISSUES: PRIORITIES

Department of Veterans Benefits



MATTERS COMING INTO FOCUS IN 12 MONTHS

Congress has declared that the current pension program does not adequately provide for the needs of some eligible veterans and survivors. Therefore under PL 94-432 the VA must undertake a comprehensive study of the pension program.

PL 94-433 has mandated a DIC study to measure and evaluate the adequacy of DIC benefits and determine whether, or to what extent, benefits should be based on the military pay grade of the deceased veteran.

A study of vocational objective programs with special attention directed towards the 50% employment criteria will be completed and submitted to the Congress and the President by April 1977.

Public Law 94-502 added a six month normal completion time requirement for correspondence courses and the correspondence portion of combination courses. These schools must now certify, based on actual records of all students who completed the course during the 24 months preceding the certification, the normal completion time of each correspondence course.

Reforming the mortgage instrument. The wild swings in interest rates and housing construction and inflation of the last ten years has increased the need to reform the present mortgage instrument. The Federal Home Loan Bank Board, with Congressional approval, has launched a study to help Congress decide just what kind of reforms the present home mortgage instrument needs. By next year some specially tailored varieties of mortgage instruments -- attuned to present conditions -- could emerge. The most discussed ideas are the variable rate mortgage and the graduated payment mortgage.

Vet Rep service to schools will have to be reduced as the result of declining enrollments and budgetary limitations. In many cases these employees are of significant assistance to the schools and some adverse reaction from the academic community may be expected.



MATTERS OF A LONG RANGE OR CONTINUING NATURE

Termination of enrollments and reenrollments in PREP under Chapter 34, effective November 1, 1976.

Phasing out of Chapter 34 training beginning with the elimination of training for persons entering service after December 31, 1976. Final cut-off date of December 31, 1989.

The Post-Vietnam Veterans' Educational Assistance Act, Chapter 32, a voluntary contributory matching-program for persons entering service after December 31, 1976.

The assurance of a continuing funding of the Loan Guaranty Revolving Fund, whether by sales of loans to private investors by transfers from the Direct Loan Revolving Fund or a combination of both.

The avoidance of any limitation on expenditures from the Loan Guaranty Revolving Fund which disturbs effective operations and adversely affects the confidence of private lenders so necessary to a successful guaranteed loan program.

The VA makes continuous efforts to alert term policy holders about the high premium rates if they retain their term policy to the older ages and encourages them to convert to a permanent plan of insurance. Approximately 1.4 million or 37 percent of the 3.9 million NSLI policies are term insurance. These policies are renewed every five years at the current attained age and the premiums increase accordingly. As the policyholders grow older, the premiums can become prohibitive and many reduce the face amount of the policy.

Under the Older American Comprehensive Services Amendments of 1973 (PL 93-29), VA is party to an interagency agreement of December 21, 1974. This requires Veterans Services Divisions to assist Area Agencies on the Aging (AAA's) approximately 500 in number and provide improved information and referral service for older veterans and beneficiaries. Veterans and beneficiaries over 60 years of age number in the millions and the number will increase significantly every year. Providing essential service to older Americans will require increasing numbers of man-years as other program workloads decrease or by lessening emphasis on other programs.

A CP&E Target System is currently under development. The objective of the system is to automate the claims processing activities of the Compensation, Pension and Education Programs.



MATTERS OF A LONG RANGE OR CONTINUING NATURE

(Continued)

The present CP&E claims processing system was designed and installed in the late 1950's; it is primarily a manual processing system with a batch-type ADP payment process. It is technically limited, people intensive, paper bound and is being redesigned to improve efficiency to take advantage of new ADP technology.

The Target System will provide the capabilities for local regional offices to manipulate, store, and retrieve live claims file data from a readily accessible computer file. Exchange and modification of data through communications with other files containing original source data or master record information will be immediate. A central computer file and regional computer files will be available through various types of interactive communication devices in the regional offices. The system will maintain a work-in process file with automatic follow-up features, allow on-line award processing, provide answers to inquiries on benefit claims in a matter of seconds, and exercise greater control over accounts receivables, appropriation accounting and audit functions.

The system should be completely developed and installed within the next several years. The on-line nature of the award processing activity will lead to the elimination of the present off-line batch input function with significant savings of hard dollars as well as improved service to the VA clientele.

Education overpayments increased 1,639.4% in FY 1976 over FY 1972. Comparison of this sharp increase with other indicators for the same periods show a 50.6% increase in trainees and a 177.2% increase in training costs. The increase in overpayments is due to a combination of reasons ... (1) the greater number of trainees and legislation increasing benefit payments partially contributed to the increase, i.e., 2.9 million trainees in FY 1976 vs. 2.8 million in FY 1975, \$5.3 billion training costs in FY 1976 vs. \$4.4 billion in FY 1975 ... (2) Legislation authorizing prepayment (implemented November 1972) and advance payment of benefits (implemented September 1973) ... (3) Delays by students and training institutions in notifying the VA of changes in training status ... (4) Relaxation of payment controls and expansion of special payments to insure timely receipt of benefit checks by



MATTERS OF A LONG RANGE OR CONTINUING NATURE

(Continued)

students ... (5) VA Compliance Surveys have surfaced overpayments which have not previously been reported.

VA is exploring ways to solve these problems and is implementing those which will not adversely impact payment of benefits; ie., increasing compliance surveys at training institutions; periodically inserting notices with benefit payment checks to trainees pointing out their responsibilities for promptly notifying the VA of changes in training status and returning checks forwarded to them prior to receipt of their change in training status; and improving the recovery of overpayments by additional resources, expanding the use of automation and concentrating the recovery effort through centralization of the accounts receivable operations in the VA Center, St. Paul, Minn.

Cathode Ray Tubes (CRT's) were installed in the Centralized Accounts Receivable Division at the St. Paul VA Center on October 26, 1976. These CRT's provide access to about 17% of the existing Compensation, Pension, and Education master records for fast response to inquiries in resolving accounts receivable problems.

VA efforts to liquidate Education overpayments have shown positive results throughout the years, i.e., FY 1972 through FY 1976 the total overpayments amounted to \$1,805.9 million ... during this five year period dispositions were \$1,376.0 million or 76.2%. Of the \$1,376.0 million, \$1,302.0 were collected, the balance terminated or referred to GAO for further collection action.

Due Process Procedures. During the past year and a half, new due process procedures have been implemented in VA's field stations in the adjudication of compensation and pension claims. Principally these procedures require the giving of predetermination notices to claimants prior to taking final action in certain cases affecting entitlement or payment. Most of the due process requirements resulted from court cases, particularly Plato vs. Roudebush.

Specifically the type of cases and class of beneficiaries covered under the new due process procedures are pensioners and DIC recipients whose payments are subject to suspension, reduction or termination based on information indicating, but not conclusively establishing, a change in entitlement.



## MATTERS OF A LONG RANGE OR CONTINUING NATURE

(Continued)

Due process by way of a predetermination notice is, also, required in those cases where the competency of a beneficiary is raised and in those cases where the veteran's character of discharge is in issue.

The predetermination notice basically informs the claimant of the proposed action, of his or her right to submit evidence and to request a hearing.

The major area of impact on the field offices is the increased workload and the additional time required to process a claim. There is also difficulty in scheduling the number of hearings required as a direct result of due process procedures.

Due process also impacts Education processing, publications have been prepared to notify institutions of the requirements of PL 94-502. These requirements affect certifications of enrollment, standards of progress and attendance; measurement of courses; access to school records and accounts; two years operation rule; work study if enrollment changes to less than full-time; six month normal completion time for correspondence courses; and prohibition of assignment of educational benefits.

To reconcile differences and to insure due process, VA Regulations provide for formal hearings before the field station Committee on Educational Allowances and an appeal before the Central Office Education and Training Review Panel. In addition, institutions are advised to submit information and arguments to VA regional offices to resolve questions without resort to the formal hearings.

An increase in the number of school liability cases can be anticipated. DVB Circular 20-76-84 and its appendices provide instructions for the implementation of the provisions of Public Law 94-502. The circular and its appendices require certifications by appropriate individuals and organizations concerning the six months or more completion time for a correspondence course, the two years of operation of courses offered by school extensions and branches, prohibition of assignment of VA educational benefits (powers of attorney). If it is discovered that erroneous certifications were made, awards will be terminated retroactively and school liability for the resulting overpayments will be considered under the existing procedures on the basis of false certifications.