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THE WHITE HOUSE

WASHINGTON

April 2, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES LYNN

FROM:

JERRY H. J

SUBJECT:

Increases in the Utilization of Veterans Benefit Programs

Your memorandum to the President on the above subject has been reviewed and returned with the following comment:

-- What should we do?

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld

THE WHITE HOUSE WASHINGTON

March 27, 1975

MEMORANDUM FOR:

JERRY JONES

The attached memorandum has been returned by the Domestic Council with the recommendation that it bey submitted directly to the President.

Attachment So you want to staff? I don't think As-

hette with it



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

INFORMATION

MAR 2 4 1975

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Increases in the utilization of veterans

benefit programs

VA has alerted us to a recent spurt in veteran benefit applications. By the end of February, the GI Bill education program was paying 91,000 trainees over that estimated in the FY 1976 President's Budget. The Compensation and Pension programs were paying an additional 7,000 beneficiaries over the budget estimate. Additionally, many GI Bill trainees have switched from part- to full-time training. If there is no further rate of increase in either program, VA is forecasting a need for additional funds for the benefit programs of about \$440 million just to finish FY 1975.

However, the increases seen thus far are just the tip of the iceberg. From the sparse data thus far available in March, it appears that the trend may go even higher. For instance, field caseload in process for the ten-week period from January through the first two weeks of March 1975 averaged 33.3% higher than the workload for November and December 1974. As another dimension, the educational assistance inquiries made to field offices for the week of March 1-7, 1975, were the highest since these were last tabulated in May 1974.

At present, VA field staffs seem to be meeting these increased workloads without unduly adding to veteran waiting time. The month of February, however, had veteran inquiries and complaints at a rate 21% higher than January. This suggests that work is being processed with greater speed but with a higher error rate. Special hardship payments for educational claims are rising also. Special payments get the benefit money to the veteran fast, but at a substantial organizational cost. VA has estimated it will need additional field staff in 1976 beyond the present budget—but has not requested additional staff to handle current increases in workloads.

In view of the uncertainties over trends and resource requirements, we are holding off any supplementals beyond those already on the Hill. Quick action of Congress on the latter is being sought. This should enable VA to deal with the increased caseloads until April—at which time we expect to have better data in hand on which to reach recommendations on any additional funding.

James T. Lynn

Director