VETERANS, ARMED FORCES AND THE PRESIDENT'S BUDGET: FISCALLY RECKLESS, MORALLY IRRESPONSIBLE, AND A FAILURE OF LEADERSHIP

Democrats believe that on every issue our nation faces, it is our responsibility to ensure that the policies we pursue are consistent with the values we cherish. The Bush Administration's 2006 budget fails in every respect. It is fiscally reckless, adding trillions to the deficit over the next 10 years. It is morally irresponsible, slashing funding for key homeland security, veterans benefits, health care, and education programs. The Bush Administration's failure to include details of its Social Security privatization proposal and the cost of the war in Iraq is a clear failure of leadership. Democrats are fighting to restore fiscal responsibility and hold those in power responsible for their actions. We are committed to upholding the key values that are the foundation of a strong and secure middle class: national security, prosperity, community, fairness, accountability and opportunity.

Proposes new increases in the cost of veterans' health care. The budget raises health care costs for 2.2 million veterans, imposing increased co-payments on prescription drugs and new enrollment fees that will cost veterans more than $2 billion over five years. According to the Administration's own figures, this will result in driving 213,000 veterans out of the system.

Fails to provide meaningful investment in veterans' health care. As America continues to welcome a new generation of veterans home from Iraq and Afghanistan, the President's budget shortchanges veterans' health care programs. It provides only $106 million more than last year – $3.5 billion less than veterans service organizations believe is needed. Republicans have tried to mask the cut with new fees on the backs of the veterans, as well as so-called "management efficiencies" that seem to be coming at the expense of access to care. Without the fees, the President's budget provides $762 million less than the Congressional Budget Office says is needed to maintain current services for veterans' health care and other discretionary programs. Because of this cut, the number of medical personnel serving our veterans would drop by 3,000, mostly nurses. And, over five years, the budget for veterans programs, primarily health care, is <u>15 billion below</u> the amount needed to maintain services at current levels.

Decimates Nursing Homes for Veterans. The budget proposal slashes $351 million from veterans' nursing homes by serving 28,000 fewer patients and virtually eliminates state grants. This proposal will limit any VA-provided or sponsored nursing homes to only the most highly service-connected disabled veterans and those with short-term needs, and eliminate more than half of the people currently funded in payment for state homes. These cuts will leave older and disabled veterans with no place to go.

Refuses to end the Disabled Veterans' Tax. The President's budget fails to repeal the Disabled Veterans Tax, which forces disabled military retirees to give up one dollar of their pension for every dollar of disability pay they receive. The budget continues to require nearly 400,000 military retirees with service-connected disabilities to continue to pay the Disabled Veterans Tax.

Failure to include the cost of the war is a failure of leadership. There are more than 150,000 men and women in uniform fighting in Iraq and Afghanistan, but there is no funding in the Republican budget for America's military operations overseas. The Republican attempt to hide the cost of this war is a failure of leadership. Democrats are ready to provide everything our men and women in uniform need for a successful mission, but the American people deserve an honest accounting of the cost.

Failure to meet the CARES construction of new hospitals. The President's budget provide only on half of the funds for major construction promised for the CARES initiative to improve the infrastructure at VA hospitals in order to enhance access to health care services for our nation's veterans.

Fails to adequately equip our Army. The President's budget cuts operations and maintenance funds for the Army by $124 million from last year, and is $1 billion less than the amount the Congressional Budget Office projects is needed just to maintain current services. These funds are critically needed to provide our troops with the adequate equipment and weapons for combat. In fact, recently Army Leader General Cody stated, "We are equipment-challenged right now." [Washington Post, 2/3/05]

Fails to fund the increase in the death benefit. The budget fails to include funding for the promised increase in death benefits for families of the servicemen and women who are killed in action. Although funding may be included in the upcoming supplemental, those funds will only cover fiscal year 2005. Our efforts overseas will not end with the fiscal year on September 30, 2005— and so should this funding.

Fails to end the Military Families' Tax. The Survivor Benefit Plan penalizes survivors, mostly widows of those killed as a result of combat. These widows lose their survivor benefits if they receive Dependency and Indemnity Compensation benefits because their spouse has died of a service-connected injury. The President's budget forces these 53,000 spouses to continue to pay this unfair tax, even though these families have made the greatest sacrifice for our country.

Again puts off a decision to permanently increase the end-strength of the Army. The President's budget fails to fund a permanent increase in Army end-strength that Congress authorized last year. We have 650,000 soldiers on active duty executing missions worldwide, and many of them reservists who have met their 24-month time limit. The Pentagon projects a need to keep more than 100,000 reservists continuously mobilized over the next three to five years. Matching the size of our force with the demands we make on it is essential if we want to avoid straining our soldiers and their families to the breaking point.

Fails to expedite disability claims. There is a huge backlog of almost 500,000 compensation and pension claims, including those from veterans of the current war on terrorism. Despite this backlog, the budget includes only one-year funding to increase the staff that process claims for compensation and pension, requiring VA to again reduce the number of staff by next summer. It also fails to add more staff to improve processing of remanded claims. Since 2001, the number of pending appeals, including remands, has nearly doubled. Despite this workload, President's FY 2006 budget proposed to reduce the staff for the Board of Veterans Appeals, ensuring that the backlog of pending appeals, which take years to resolve will continue to grow.

No targeted pay raises for the troops we most need to retain. The President's budget fails to include the targeted pay raises for mid-grade to senior Non-Commissioned Officers and warrant officers that began in FY 2003 but that the Bush Administration dropped from the FY 2005 budget. These are the critical, senior enlisted personnel (sergeant grades) who are most involved in the fighting and most critical to retention so readiness does not suffer.

Mental health services for Iraqi veterans fail to meet growing need. The VA health care system is facing a potential overload of soldiers returning from Iraq with serious mental health problems. An Army study shows that about one in six soldiers in Iraq report symptoms of major depression, serious anxiety or post-traumatic stress disorder, and some experts predict that the number eventually requiring mental health treatment could exceed 170,000. And yet, the President's budget calls for only about 8 percent more for post-traumatic stress disorder and mental health services than last year.

Slashes funding for medical and prosthetic research. It cuts $9 million from medical and prosthetic research this year. This would set the research grant program back years, just as many of our troops in Iraq and Afghanistan are coming home with terrible injuries that require this expertise.