VA HISTORY IN BRIEF

Department of Veterans Affairs

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Chapter 1

American Colonies

From the beginning, the English colonies in North America provided pensions for disabled veterans. The first law in the colonies on pensions, enacted in 1636 by Plymouth, provided money to those disabled in the colony's defense against Indians. Other colonies followed Plymouth's example.

Battle of Lexington, April 19, 1779

In 1776 the Continental Congress sought to encourage enlistments and curtail desertions with the nation's first pension law. It granted half pay for life in cases of loss of limb or other serious disability. But because the Continental Congress did not have the authority or the money to make pension payments, the actual payments were left to the individual states. This obligation was carried out in varying degrees by different states. At most, only 3,000 Revolutionary War veterans ever drew any pension. Later, grants of public land were made to those who served to the end of the war.

In 1789, with the ratification of the U.S. Constitution, the first Congress assumed the burden of paying veterans benefits. The first federal pension legislation was passed in 1789. It continued the pension law passed by the Continental Congress.

By 1808 all veterans programs were administered by the Bureau of Pensions under the Secretary of War. Subsequent laws included veterans and dependents of the War of 1812, and extended benefits to dependents and survivors.

There were 2,200 pensioners by 1816. In that year the growing cost of living and a surplus in the Treasury led Congress to raise allowances for all disabled veterans and to grant half-pay pensions for five years to widows and orphans of soldiers of the War of 1812. This term later was lengthened.

A new principle for veterans benefits, providing pensions on the basis of need, was introduced in the 1818 Service Pension Law. The law provided that every person who had served in the War for Independence and was in need of assistance would receive a fixed pension for life. The rate was $20 a month for officers and $8 a month for enlisted men. Prior to this legislation, pensions were granted only to disabled veterans.

The result of the new law was an immediate increase in pensioners. From 1816 to 1820, the number of pensioners increased from 2,200 to 17,730, and the cost of pensions rose from $120,000 to $1.4 million.

When Congress authorized the establishment of the Bureau of Pensions in 1833, it was the first administrative unit dedicated solely to the assistance of veterans.

The new Bureau of Pensions was administered from 1833 to 1840 as part of the Department of War, and from 1840 to 1849 as the Office of Pensions under the Navy Secretary. The office then was assigned to the new Department of the Interior, and renamed the Bureau of Pensions. In 1858 Congress authorized half-pay pensions to veterans' widows and to their orphan children until they reached the age of 16.

Civil War Legacy

When the Civil War broke out in 1861, the nation had about 80,000 war veterans. By the end of the war in 1865, another 1.9 million veterans had been added to the rolls. This included only veterans of Union forces. Confederate soldiers received no federal veterans benefits until 1958, when Congress pardoned Confederate servicemembers and extended benefits to the single remaining survivor.

President Lincoln at the Antietam battlefield, October 1862

The General Pension Act of 1862 provided disability payments based on rank and degree of disability, and liberalized benefits for widows, children and dependent relatives. The law covered military service in time of peace as well as during the Civil War. The act included, for the first time, compensation for diseases such as tuberculosis incurred while in service. Union veterans also were assigned a special priority in the Homestead Act of 1862, which provided Western land at $1.25 an acre. The year 1862 also marked the establishment of the National Cemetery System, to provide burial for the many Union dead of the Civil War.

The first national effort to provide medical care for disabled veterans in the United States was the Naval Home, established in Philadelphia in 1812. This was followed by two facilities in Washington, D.C. -- the Soldiers' Home in 1853 and St. Elizabeth's Hospital in 1855.

In his second inaugural address in 1865, President Lincoln called upon Congress “to care for him who shall have borne the battle and for his widow, and his orphan.” This was later adopted as the VA’s motto.

Immediately after the Civil War, the number of disabled veterans in need was so great that Congress in 1866 authorized the National Asylum for Disabled Volunteer Soldiers. The name was changed to the National Home for Disabled Volunteer Soldiers in 1873. The federal organization had individual residences, called branches. The first branch opened in Togus, Maine. Primarily providing room and board, these homes also gave incidental medical care to disabled and indigent veterans, regardless of whether their disabilities were service related. In the years that followed, national homes cared for veterans of the Mexican, Civil, Indian and Spanish-American Wars, and for noncombat veterans as well. By the late 1920s, medical care at the homes had risen to hospital level.

After the Civil War, veterans organized to seek increased benefits. The Grand Army of the Republic, consisting of Union veterans of the Civil War, was the largest veterans organization emerging from the war.

As part of the effort between 1865 and 1870 to rebury battlefield casualties, 70 national cemeteries were opened and 300,000 remains gathered and reburied. Of the total buried, 142,000 were unknown. In 1873 Congress authorized national cemetery burial for all honorably discharged Union veterans.

The Consolidation Act in 1873 revised pension legislation, paying on the degree of disability rather than the service rank. The Act also began the aid and attendance program, in which a disabled veteran is paid to hire a nurse or housekeeper.

The increase in the number of veterans following the Civil War led Congress in 1881 to authorize the construction of a new building for the Bureau of Pensions. In 1887 the Pension Building on G Street in Northwest Washington, D.C., was completed. The Bureau of Pensions remained there until 1926, when it was moved to 19th and F Streets.

Until 1890, Civil War pensions were granted only to servicemen discharged because of illness or disability attributable to military service. The Dependent Pension Act of 1890 substantially broadened the scope of eligibility, providing pensions to veterans incapable of manual labor. Within the next three years the number of veterans on the pension roll increased from 489,000 to 996,000 and expenditures doubled. Legislation passed in the 19th century had established a general pension system that could be applied to future pension recipients. As a consequence, new pension laws did not follow the Spanish-American War in 1898 or the Philippine Insurrection, 1899 to 1901.

The first important pension law in the 20th century was the Sherwood Act of 1912, which awarded pensions to all veterans. A similar law in the 19th century had limited recipients to Revolutionary War veterans. Under the Sherwood Act, veterans of the

Mexican War and Union veterans of the Civil War could receive pensions automatically at age 62, regardless of whether they were sick or disabled.

As a result, the record shows that of the 429,354 Civil War veterans on pension rolls in 1914, only 52,572 qualified on grounds of disability.

Chapter 2

World War I

Some 4.7 million Americans fought in World War I. Of these, 116,000 died in service and 204,000 were wounded. But even before the United States entered the war, Congress passed the War Risk Insurance Act of 1914 to insure American ships and their cargoes.

The War Risk law was amended in mid-1917 to provide insurance against loss of life, personal injury or capture by the enemy of personnel on board American merchant ships. The amended law also offered government-subsidized life insurance for veterans. Other legislation provided for a discharge allowance of $60 at the end of the war.

Injured World War I soldiers recovering at Walter Reed Army Medical Center, Washington, DC

Public Health Service operated a few hospitals but, up to the armistice, most medical care for veterans was provided in armed services hospitals. The military hospitals, however, were too burdened to keep all patients through recovery.

Among the provisions of the War Risk Insurance Act Amendments of 1917 was the authority to establish courses for rehabilitation and vocational training for veterans with dismemberment, sight, hearing, and other permanent disabilities. Eligibility for vocational rehabilitation and other benefits under the new law was established retroactively to April 6, 1917, the date the United States entered World War I. The program retained injured persons in service and trained them for new jobs.

The Vocational Rehabilitation Act of 1918 authorized the establishment of an independent agency, the Federal Board for Vocational Education. Under the new law, any honorably discharged disabled veteran of World War I was eligible for vocational rehabilitation training. Those incapable of carrying on a gainful occupation were also eligible for special maintenance allowances. The Bureau of War Risk Insurance was responsible for screening veterans for eligibility. A 1919 law fixed responsibility for medical care of veterans with Public Health Service, transferred a number of military hospitals to Public Health Service, and authorized new hospitals.

The additional facilities still could not keep up with the growing workload, but the law permitted continued use of private hospitals by contract.

After Dec. 24, 1919, all claims and payments arising from disability or death from World War I were regarded as compensation rather than pension. This was reversed in March 1933, when all payments to veterans were again regarded as pensions. It was not until World War II that the distinction between compensation and pension again was used.

Congress in 1921 created the Veterans' Bureau to consolidate veterans programs managed by three agencies — the Bureau of War Risk Insurance, Public Health Service and the Federal Board of Vocational Education. The consolidation still left two other agencies administering veterans benefits — the Bureau of Pensions of the Interior Department and the National Homes for Disabled Volunteer Soldiers.

The Veterans' Bureau headquarters was established at the Arlington Building at 810 Vermont Avenue NW in Washington, D.C. The 11-story structure was built in 1918 and served initially as the headquarters for the Bureau of War Risk Insurance.

Appointed first director of the Veterans' Bureau was Col. Charles R. Forbes, who had served for four months as director of the Bureau of War Risk Insurance. A veteran of World War I, Forbes came from Seattle, where he had been vice president of an engineering firm.

Within two years he was relieved as director. Forbes later was sentenced to prison and fined on charges of conspiracy to defraud the government on hospital contracts.

The second director, retired Brig. Gen. Frank T. Hines, was appointed March 2, 1923. He worked closely with Congress to reform laws governing the Bureau.

In 1924, Hines reorganized the Veterans' Bureau into six services: medical and rehabilitation, claims and insurance, finance, supply, planning, and control. Under the reorganization, the Bureau had 73 subdistrict offices responsible for dealing with beneficiaries and claimants, supervising vocational training, administering outpatient medical care and giving physical examinations.

In the next eight years there was an expansion and liberalization of benefits for veterans. Expenditures for veterans rose 62 percent from 1924 to 1932, the result of increases in disability compensation and increases in pensions for veterans of the Civil War and the Spanish-American War.

Chapter 3

The Bonus March

World War I Veterans Descend on Washington, DC

The Great Depression was merciless. The loss of jobs, life savings and confidence left many unable to make a living. Trapped in its wake, World War I veterans suffered tremendous pressure during the economic slump. After returning from the Great War, many faced destitution and did all they could to survive.

On May 19, 1924, Congress intervened by passing the World War Adjustment Compensation Act. The act provided a bonus to World War I veterans based on the length and location of their service: one dollar per day served in the United States and one dollar and a quarter per day served overseas. The payments were intended to bring about economic balance between the veterans -- who generally received low wages in the service -- and those who stayed home and benefited from wartime industry.

But there was a catch. Veterans who were authorized bonuses of more than $50 were issued adjusted service certificates from the Veterans' Bureau. These certificates were a form of an endowment policy payable 20 years from the date of issue and generally had a face value of $1,500.

As the Depression worsened, veterans began calling for immediate payment of their "bonuses," as the certificates came to be called. In March 1932, a small group of veterans from Oregon began marching to Washington, D.C., to demand payment. Word of the march spread like wildfire and soon small bands of unemployed veterans from across the country began descending on the nation's capital.

World War I Bonus Marchers

There is no way of knowing how many veterans joined the "Bonus Expeditionary Forces," as the marchers were called. By the summer, some estimates put the force at between 15,000 and 40,000. They camped wherever they could. Some slept in abandoned buildings or erected tents. But many lived in makeshift shacks along the mudflats of the Anacostia River. With no sanitation facilities, living conditions quickly deteriorated in the "shanty town."

Bonus Marchers' Encampment

Health officials grew concerned about the threat of disease. In response, the newly created Veterans Administration established an emergency hospital on a War Department reservation at Fort Hunt, Va., on June 11, 1932. The hospital treated 282 veterans that summer, many for diarrhea, dysentery and influenza.

On June 17, a large group of marchers laid an orderly siege to the U.S. Capitol, where the Senate was considering a bill proposing immediate payment of the bonuses. Despite the veterans' attempts to drum up support for the bill, it was overwhelmingly defeated. Frustrations mounted as the summer wore on.

On July 28, a riot erupted when city police officers and agents from the U.S. Treasury Department tried to evict some of the marchers. As the situation spiraled out of control, the District of Columbia asked President Herbert Hoover to send federal troops to help restore order. The request noted that it was "impossible for the Police Department to maintain law and order except by the use of firearms, which will make the situation a dangerous one."

President Hoover knew he had to curb the escalating violence. He gave the order for Army Chief of Staff Gen. Douglas MacArthur to forcibly remove from the city the approximately 3,500 veterans, many with their wives and children, who refused to leave. No shots were fired, but many were injured by bricks, clubs and bayonets. Although there are conflicting reports on which side started the fires, some of the marchers' shacks burned down. In the end, the presence of federal troops effectively ended the bonus march.

Bonus Marchers at the U.S. Capitol

Congress authorized VA to pay transportation expenses for marchers to return to their homes plus a daily subsistence allowance of 75 cents. According to a 1932 annual report, VA paid transportation costs for 5,160 veterans totaling $76,712.02.

Though the marchers failed to get immediate results, in 1936 Congress authorized early payment of the bonuses. By June 30, 1937, VA had certified as payable nearly 3.5 million applications from World War I veterans for settlement of their certificates.

At first glance, the bonus march seems like the public relations debacle of the decade. It revealed serious shortcomings in how America cared for her defenders as they transitioned from military to civilian life. But without the march, these shortcomings may

never have been known. And the key is not whether shortcomings existed, but how they were addressed.

Congress addressed the problem by passing what many have called one of the most significant pieces of legislation ever produced by the federal government — the GI Bill of Rights, a comprehensive benefits package to aid the transition of 16 million veterans returning from World War II.

Chapter 4

Veterans Administration Created

President Hoover, in his 1929 State of the Union message, proposed consolidating agencies administering veterans benefits. The following year Congress created the Veterans Administration by uniting three bureaus — the previously independent Veterans' Bureau, the Bureau of Pensions and the National Homes for Disabled Volunteer Soldiers. President Hoover signed the executive order establishing the VA on July 21, 1930. Hines, who had served since 1923 as director of the Veterans' Bureau, was named the first administrator of the agency.

Official Seal of the former Veterans Administration

The new agency was responsible for medical services for war veterans; disability compensation and allowances for World War I veterans; life insurance; bonus certificates; retirement payments for emergency officers; Army and Navy pensions; and retirement payments for civilian employees. During the next decade, from 1931 to 1941, VA hospitals would increase from 64 to 91, and the number of beds would rise from 33,669 to 61,849.

In March 1933, President Roosevelt persuaded Congress to pass the Economy Act. A response to the Great Depression, the measure included a repeal of all previous laws granting benefits for veterans of the Spanish-American War and all subsequent conflicts and periods of peacetime service.

It also gave the President authority to issue new veterans benefits. Roosevelt then promulgated regulations that radically reduced veterans benefits. When the President's authority to establish benefits by executive order expired in 1935, Congress reenacted most of the laws that had been in effect earlier.

The Board of Veterans' Appeals was established in July 1933. It was given authority to hear appeals on benefit decisions. Members were appointed by the Administrator with the approval of the President.

Demand for hospital care grew dramatically in the Depression years. At first, tuberculosis predominated among the conditions treated at VA hospitals. But by the middle of the 1930s, tuberculosis patients had dropped to only 13 percent — thanks

partly to VA's own research and treatment efforts. Neuropsychiatric conditions then accounted for more than half of the patients.

World War II

With war on the horizon, Congress in 1940 created a new insurance program for servicemen and veterans. National Service Life Insurance was designed to eliminate any inequities in premiums that would have resulted if the young men had been grouped with the older World War I veterans covered by U.S. Government Life Insurance.

The Selective Training and Service Act of 1940, which authorized the nation's first peacetime draft, guaranteed reemployment rights to everyone who left a job to join the armed forces.

After the attack on Pearl Harbor, Congress liberalized service-connected disability policies. It also approved aid to families of servicemen who were killed or disabled before they had an opportunity to take out insurance.

During the war, many of VA's physicians, dentists, nurses and administrative people were called or volunteered for military service. To replace these employees, VA reduced minimum age and physical requirements for jobs. Women were hired for jobs previously filled only by men. This drain on VA hospital staffs came at the same time as a rapid increase in the number of veterans needing immediate medical treatment.

The Disabled Veterans' Rehabilitation Act of 1943 established a vocational rehabilitation program for disabled World War II veterans who served after Dec. 6, 1941. As a result of this law, the VA provided 621,000 disabled World War II veterans with job training.

GI Bill

During the war public sentiment grew to help World War II veterans return to civilian life. Most veterans had served for a long duration. Millions of American servicemembers had served for four years or more. Some 671,8l7 men and women had been wounded, and 405,399 had been killed. Hundreds of thousands of dependents were left in need.

Congress responded in 1944 with the Servicemen's Readjustment Act, the "GI Bill of Rights." The bill, which dramatically transformed the concept of veterans benefits, was signed into law by President Roosevelt on June 22. There were three key provisions. The first benefit provided up to four years of education or training. The education package included the payment of up to $500 a school year for tuition, fees, books and supplies, plus a monthly subsistence allowance.

President Franklin D. Roosevelt signs the "GI Bill of Rights" into law, June 22, 1944.

The second benefit provided veterans with federally guaranteed home, farm and business loans with no down payment. This feature was designed to generate jobs in the housing industry while providing housing and assistance for veterans and their families. Veterans could apply for loans up to $2,000, with 50 percent guaranteed by the government.

The third feature was unemployment compensation. The new law provided that veterans who had served a minimum of 90 days were entitled to a weekly payment of $20 for a maximum of 52 weeks. The new benefits were popular with veterans. When the World War II GI Bill program ended in 1956, some 7.8 million had received some kind of training, and the VA had guaranteed 5.9 million home loans totaling $50.1 billion.

The GI Bill transformed the economy and society of the United States. The dreams of higher education and home ownership became realities for millions of veterans and their families. The GI Bill contributed more than any other program in history to the welfare of veterans and their families, and to the growth of the nation's economy.

The Veterans' Preference Act of 1944 gave veterans hiring preference where federal funds were spent. The President was authorized to set aside government jobs for veterans for the duration of the war and for five years afterward. Government administrators declining to hire veterans had to justify their decisions in writing.

Amputees returning from World War II at first found difficulty obtaining artificial limbs. But Congress quickly authorized the VA to fill this need. The VA's experience in assisting thousands of veterans led it to become a world leader in the development of prosthetic devices.

Chapter 5

Post-World War II

After 22 years of service as Bureau and VA administrator, Frank Hines left in August 1945 and shortly afterward was named ambassador to Panama. His successor, Gen. Omar N. Bradley, was a major figure in the European Theater during World War II.

Bradley brought Maj. Gen. Paul Hawley, chief surgeon for the European Theater, to direct VA medicine. Hawley led the formation of a separate department of medicine, outpatient treatment for veterans with disabilities not related to military service, and the creation of resident and teaching fellowships in VA hospitals. He also established a policy of affiliating new VA hospitals with medical schools. In 1946, Hines Hospital in Chicago was the first VA facility to affiliate with medical schools, signing up with Northwestern and the University of Illinois. The appointment of VA medical staffs was removed from civil service rules in an effort to attract doctors and other professionals in larger numbers. It was under Hawley's direction that VA's hospital-based research program was begun.

Gen. Omar N. Bradley

On Feb. 1, 1946, Bradley reported that the VA was operating 97 hospitals with a total bed capacity of 82,241 patients. Hospital construction then in progress projected another 13,594 beds. Money was available for another 12,706 beds with the construction of 25 more hospitals and additions to 11 others.

But because of the demobilization, the total number of veterans would jump to more than 15 million within a few months. The existing VA hospitals were soon filled to capacity, and there were waiting lists for admission at practically all hospitals. In addition, there were 26,057 nonservice-connected cases on the hospital waiting list. Until more VA hospitals could be opened, the Navy and Army both made beds available.

To handle the dramatic increase in veterans claims, VA Central Office staff was increased in two years from 16,966 to 22,008. In the same period, field staff, charged with providing medical care, education benefits, disability payments, home loans and other benefits, rose from 54,689 employees to 96,047.

When he left in 1947, Bradley reported that the VA had established 13 branch offices and 14 regional offices, and set up 721 contact offices. He noted that 29 new hospitals had been opened.

After almost two years as administrator, Bradley returned to the Army to be named chief of staff. During Bradley's tour as administrator, the VA had been expanded to accommodate the largest veteran population the country had ever known.

Korean War

Following the outbreak of the Korean Conflict in June 1950, Congress passed the Vocational Rehabilitation Act of 1950, which reactivated vocational rehabilitation for veterans of the new war and extended the program to peacetime veterans.

The Veterans' Readjustment Assistance Act of 1952, called the Korean GI Bill, provided unemployment insurance, job placement, home loans and mustering-out benefits similar to those offered World War II veterans. The Korean GI Bill made several changes, however, in education benefits, reducing financial benefits generally and imposing new restrictions.

In contrast to the 48 months of education allowed by the 1944 law, the Korean GI Bill permitted a maximum of 36 months. The Korean GI Bill also did not provide tuition payments to the colleges. Instead, veterans were paid subsistence checks, which were also to cover their college expenses. The effect of the changes was that the benefit no longer completely covered the cost of the veteran's education.

8209th Mobile Army Surgical Hospital (M.A.S.H.) Korea, August 1952

The Korean War, creating new veterans on top of the millions who came home from World War II, brought additional workloads to the VA. The number of VA hospitals between 1942 and 1950 had increased from 97 to 151. As of November 30, 1952, the VA had a work force of some 164,000 employees working at the Central Office and its 541 hospitals, regional offices and other field stations. A daily average of 128,000 veterans received medical and domiciliary care.

Each year 2.5 million veterans received outpatient and dental care at VA facilities. Each month 2.5 million veterans and dependents received $125 million in compensation and pensions.

To meet the growing workload, the VA was reorganized into three services: medical care, financial assistance to veterans and insurance. In 1953 three departments providing these benefits were established: the Department of Medicine and Surgery, the Department of Veterans Benefits and the Department of Insurance.

In the late 1950s, Chief Medical Director William Middleton expanded the VA's research programs to address the chronic-care problems of most of its patients, including the

aged. Congress, agreeing on its importance, began earmarking funds for research within the VA budget.

Meanwhile, the Ex-Servicemen's Unemployment Compensation Act of 1958 established a permanent system of unemployment insurance and for the first time included peacetime veterans. Federal and state laws governed the amount and duration of compensation, which was paid by the state from federal funds.

Following a study of pensions, the VA in 1959 introduced a sliding scale of pension payments based on the recipient's income, rather than a flat-rate pension. The net assets of the veteran's and spouse's income were considered in determining the veteran's level of need. The Veterans' Pension Act of 1959 also specified that anyone already on the pension rolls as of June 30, 1960, could elect to remain under the old law.

Chapter 6

Vietnam War

Congress at first limited benefits for the Vietnam War to veterans whose service occurred between Aug. 5, 1964, and May 7, 1975. Congress later expanded the period to Feb. 28, 1961, for veterans who served in country. During this period, more than 6 million Vietnam-era veterans were separated from military service. A major difference of Vietnam-era veterans from those of earlier wars was the larger percentage of disabled.

Advances in airlift and medical treatment meant that many wounded and injured personnel survived who would have died in earlier wars. By 1972 there were 308,000 veterans with disabilities connected to military service.

A nurse tends a patient just out of surgery in the intensive care ward of the hospital ship USS Repose (AH-16) off the coast of Vietnam.

The return within days of veterans from combat zones to civilian life also was new. The cultural shock of suddenly being back in civilian life caused veterans greater adjustment difficulties. The anti-war climate at home also presented special readjustment problems for returning veterans. Many veterans reported feeling isolated and alienated from their peers and society in general.

The U.S. withdrawal from Vietnam coincided with an economic recession at home. As a result, large numbers of veterans were unemployed.

The nation responded to the problems of Vietnam veterans with a number of programs. To address educational needs, Congress in 1966 passed the Veterans' Readjustment Benefits Act, called the Vietnam GI Bill, which restored educational benefits to veterans. Under this act, veterans who had been on active duty for more than 180 consecutive days were entitled to one month of educational assistance for each month of service. This was later increased to one and one-half months for each month of service.

The education program for Vietnam veterans was highly successful. About 76 percent of those eligible participated, compared with 50.5 percent of World War II veterans and 43.4 percent of Korean Conflict veterans. By 1980, the Veterans' Readjustment Benefits Act of 1966 had trained 5.5 million veterans.

A second program for Vietnam veterans was Servicemen's Group Life Insurance. The program began with $10,000 maximum coverage. This was increased over the years to the December 1992 maximum of $200,000. Unlike previous military insurance programs, the new program was not administered directly by the VA. The VA purchased a group policy from a commercial insurer.

Coverage was increased to include not only armed forces members but also Reserve and National Guard members, students at the service academies and Reserve Officer Training Corps members. Similar coverage was extended to veterans under the Veterans Group Life Insurance program.

To assist the disabled, Congress in 1971 provided for a program of mortgage life insurance for severely disabled veterans who receive grants for specially adapted housing to accommodate their disabilities. Known as the Veterans Mortgage Life Insurance program, the insurance covered mortgages up to a maximum of $30,000. By 1992 coverage had increased to $90,000.

To assist all Vietnam-era veterans, the VA adopted new outreach measures to bring benefits to their attention. Veterans assistance centers were established in 21 cities to help recently separated servicemembers. VA representatives in 1967 were assigned to duty at Long Binh, Vietnam, to assist servicemembers before they were discharged. The VA in 1967 also installed toll-free telephone service to regional offices in each state.

The VA in 1968 initiated Operation Outreach to make veterans more aware of their benefits.

The VA cooperated with the Defense Department to disseminate information to troops not only in Vietnam but also in other areas where military personnel were stationed. Counselors were stationed at separation centers. The VA sent special letters informing discharged veterans of benefits. Follow-up letters were sent to those who did not respond.

In the field of vocational rehabilitation, meanwhile, a fundamental change was taking place. This change culminated with legislation in 1980 that provided disabled veterans with training that also included suitable employment and independence in daily living.

Agent Orange

A special medical issue of the Vietnam War was the health problems that veterans felt resulted from exposure to Agent Orange. Since 1978, the VA has been offering special access to medical care, including physical exams, to Vietnam veterans with Agent Orange health concerns.

The VA in 1981 established a special eligibility program which provides free follow-on hospital care to Vietnam veterans with any health problems whose cause is unclear.

The herbicide Agent Orange was used extensively to defoliate trees and remove cover for the enemy.

At first, the only allowable claims related to Agent Orange were for a skin rash, chloracne. The VA in 1991 recognized for claims purposes two other ailments, soft-tissue sarcoma and non-Hodgkin's lymphoma. The Agent Orange Act of 1991 provided for presumptive service connection for disabilities resulting from exposure to herbicides used in Vietnam during the Vietnam Era. VA in July 1993 announced that Vietnam veterans suffering from Hodgkin's disease and porphyria cutanea tarda (a liver disease) would be entitled to disability payments based on their presumed exposure to Agent Orange and other herbicides. This decision followed the release of a National Academy of Sciences study which concluded that sufficient evidence existed establishing an association between herbicide exposure and five specific conditions.

Following a VA task force review of the results of the study, the list of diseases qualifying for disability compensation was expanded in September 1993 to include respiratory cancers (lung, bronchus, larynx and trachea) and multiple myeloma (a cancer involving bone marrow). VA later announced it would include acute and subacute peripheral neuropathy and prostate cancer as presumptive diseases.

VA in March 1997 made an agreement with Shriners Hospitals for Children to provide medical care to children of Vietnam veterans who suffer from spina bifida. VA initiated the program after a study that reported evidence children of Vietnam veterans face an elevated risk of the birth defect.

In 1997, VA set up a program for the children of Vietnam veterans with spina bifida. That program provides health-care benefits, vocational training and a monthly allowance based upon the severity of the illness. In 2001, 940 people with spina bifida were receiving these VA benefits.

Health problems associated with atomic radiation also have received attention. The Radiation-Exposed Veterans Compensation Act of 1988 authorized disability compensation for veterans suffering from a number of diseases associated with radiation. This specifically included veterans claiming exposure to atomic radiation during the detonation of nuclear test devices or during the U.S. occupation of Hiroshima and Nagasaki between September 11, 1945, and July 1, 1946. Earlier legislation in 1981 authorized VA to provide medical and nursing home care to veterans exposed to ionizing radiation.

Chapter 7

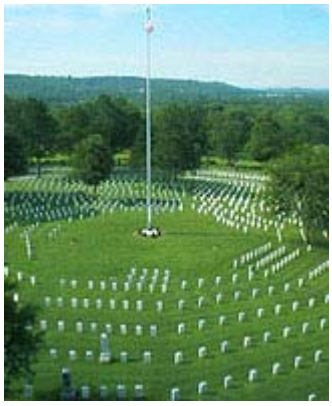
The Post-Vietnam Era

A major change in the armed forces, doing away with the use of draftees, was instituted in 1976. This change, depending upon volunteers to keep the military ranks filled, led to a reexamination of the rationale behind veterans benefits. It was argued by some that citizens who were drafted to serve in war were owed a greater debt by the nation than those who volunteered during peacetime. According to this reasoning, there should be greater focus on using veterans benefits to attract enlistees rather than compensate veterans.

This shift in emphasis was reflected in the Post-Vietnam Era Veterans' Educational Assistance Act of 1977, which was established for persons entering military service after Dec. 31, 1976. This program, called VEAP, provided that any servicemember could contribute up to $2,700 to an educational fund and that the federal government would match the servicemember's contribution with two dollars for each one contributed.

The federal government contributed two dollars for every dollar contributed by VEAP participants.

Proponents of the measure argued that the program would attract more enlistees and improve retention rates. However, initial participation in VEAP was low. And the program was not inducing sufficient numbers to join nor to stay through the initial enlistment. The educational level of recruits also declined.



Fayetteville National Cemetery

The Post-Vietnam Era also was marked by the Army's 1973 transfer to the VA of the National Cemetery System, except for Arlington National Cemetery and the Soldiers' Home National Cemetery. An expansion program was begun immediately to ensure availability of burial space for veterans and eligible family members. Seven new cemeteries were built by 1987. Along with establishing new national cemeteries, VA gained responsibility for marking the graves of veterans and dependents buried in national and state veterans cemeteries, as well as the graves of veterans in private cemeteries.

In 1976, the nation's bicentennial year, the VA paid special tribute to deceased Medal of Honor recipients, wherever they were buried, by providing special grave markers inscribed with a gold emblem. The State Cemetery Grants Program was established in 1978. It authorized the VA to provide grants for state-operated veterans cemeteries.

The number of veterans eligible for pensions grew rapidly between 1960 and 1978. World War II veterans were reaching age 65, when veterans were presumed qualified as totally disabled by virtue of their age alone. As a result, disability pension payments increased from $80 million in 1960 to $1.24 billion by 1978. The number of cases jumped from 89,526 in 1960 to 691,045 in 1978. And the caseload for the 1990s was projected to be larger.

To address the accelerating cost of pensions, Congress in 1978 passed the Veterans' and Survivors' Pension Improvement Act. Earlier law excluded from consideration the earned income of a veteran's spouse. The 1978 law guaranteed that all family and retirement income would be counted in determining veterans' eligibility for pensions and the amounts paid.

A pensioner would receive a maximum annual income based on a combination of VA and non-VA income sources. Under the new law, most World War II veterans would not be entitled to pensions because the total of all family income had to be counted. The changes resulted in a large reduction in the number of veterans qualifying for pensions. Expenditures for disability pensions nevertheless continued to rise. By 1988 some 605,527 veterans were receiving nonservice-connected disability payments at a cost of $2.5 billion a year.

After the passage of the Veterans Health Care Amendments Act of 1979, the VA set up a network of Vet Centers across the country, separate from other VA facilities. In response to their special needs, the Vet Centers at first were limited to Vietnam veterans.

Vet Centers provide counseling services and PTSD treatment.

By 2005, there were more than 200 Vet Centers providing various counseling services and treating post-traumatic stress disorder. The same law also created a program to treat veterans for alcohol and drug dependence in community facilities. Legislation in April 1991 extended Vet Center eligibility to veterans of the Persian Gulf, Lebanon, Grenada, Panama and Somalia. And in October 1996, eligibility was extended to any veteran who served in combat or where hostilities occurred, which opened the centers to veterans of World War II and Korea.

To meet the special needs of its increasing number of older veteran patients, VA in 1975 began to train interdisciplinary teams of health-care specialists. Congress in 1980 authorized Geriatric Research, Education and Clinical Centers (GRECCs) to coordinate in the field of geriatric medicine.

A significant change was made in health-care eligibility in 1986. Congress established eligibility assessment procedures, based on income, for determining whether or not veterans were eligible for free medical care. Congress mandated VA health care for veterans with service-connected disabilities and those with low incomes, as well as other special groups of veterans, such as former prisoners of war, veterans exposed to

herbicides and ionizing radiation and veterans of World War I. The new law required higher income, nonservice-disabled patients to pay for part of their treatment.

Late in the 1980s, VA dedicated resources to serving homeless and chronically mentally ill veterans. It also responded to the growing numbers of patients with Acquired Immune Deficiency Syndrome (AIDS) with special treatment units and special training for medical staffs.

Congressman Sonny Montgomery, left, is congratulated by President Ronald Reagan.

In response to military recruiting shortfalls, Congress passed the Veterans' Educational Assistance Act of 1984. This became popularly known as the Montgomery GI Bill, after the chief sponsor, Cong. G.V. "Sonny" Montgomery of Mississippi. The law provided educational assistance benefits of $300 a month for 36 months, in exchange for completing three years of active duty or two years of active duty and four years in the reserve. To be eligible, the servicemember agreed to have monthly pay reduced $100 a month for the first 12 months of enlistment. The money was nonrefundable. Reservists also could qualify for a maximum of 36 months of educational assistance by agreeing to serve in the Selected Reserve for six or more years.

A new concept of assisting veterans with jobs was initiated with the Emergency Veterans' Job Training Act of 1983. This measure helped unemployed Korean Conflict and Vietnam-era veterans. The federal government would reimburse an employer for training costs not to exceed 50 percent of a veteran's starting wage, up to a maximum reimbursement of $10,000. The reimbursement would be for nine months or, in the case of disabled veterans, for a total of 15 months.

Under the law, the VA was responsible for approving employer programs and for administering funds. The Labor Department was charged with developing employment and training opportunities, and establishing a job placement system.

The 1980s saw some streamlining of benefits by Congress. A minimum service requirement was introduced. Veterans who had enlisted after Sept. 7, 1980, and officers commissioned or who entered active military service after Oct. 16, 1981, must have completed two years of active duty or the full period of their initial service obligation to be eligible for most VA benefits.

Exceptions were made for veterans with service-connected disabilities or those discharged for disability or hardship near the end of their service obligation.

Eligibility for burial in a VA national cemetery was limited in certain instances for spouses, though still open for all honorably discharged veterans meeting minimum

service requirements. Congress in 1989 increased entitlements in the home loan program. It also authorized the establishment of the Guaranty and Indemnity Fund, and gave VA authority to invest funds in U.S. securities and U.S.-guaranteed securities.

The Omnibus Budget Reconciliation Act of 1990 limited eligibility for disability pensions. Previously, low-income wartime veterans over age 65 had been automatically classified as disabled. The new law, applying to claims filed after October 1990, required that to be determined totally disabled, a veteran of any age had to be considered unemployable as a result of a disability reasonably certain to continue throughout the life of the disabled person seeking pension.

Chapter 8

Cabinet-Level Status

Proponents seeking Cabinet-level status for the Veterans Administration had long stressed that the VA was the largest independent federal agency in terms of budget and was second only to the Defense Department in the number of employees. Because one-third of the U.S. population was eligible for veterans benefits, proponents argued, the agency responsible should be represented by a cabinet secretary having direct access to the president.

President Reagan signing legislation elevating VA to Cabinet status

President Reagan signed legislation in 1988 to elevate VA to Cabinet status and, on March 15, 1989, the Veterans Administration became the Department of Veterans Affairs. Edward J. Derwinski, VA administrator at the time, was appointed the first Secretary of Veterans Affairs.

As reorganized, the department included three main elements: the Veterans Health Services and Research Administration, which was renamed the Veterans Health Administration; the Veterans Benefits Administration; and the National Cemetery System.

Persian Gulf War

The Persian Gulf War, which began in August 1990 as Operation Desert Shield and became Operation Desert Storm in January 1991, created a new climate in U.S. society favorable to military personnel and veterans benefits. As of July 1, 1992, there were 664,000 Persian Gulf War veterans, not including Reservists called up for active duty. Of these, 88,000, or 13.2 percent, were women.

Congress in March 1991 passed the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act, which considered the conflict a war for determining eligibility for veterans' benefits.

The legislation extended to Persian Gulf War veterans eligibility for wartime-only pensions, medical treatment, educational benefits, housing loans and unemployment payments.

M-1A1 Abrams main battle tanks in northern Kuwait during Operation Desert Storm.

It offered psychological counseling at Vet Centers for veterans having trouble readjusting to civilian life.

The Gulf Act contained a provision authorizing increases in the monthly educational benefits provided by the Montgomery GI Bill. The death benefit paid to families of those killed in the Persian Gulf War was doubled to $6,000. At the same time, the maximum group life insurance for servicemembers and veterans was doubled to $100,000.

Gulf War veterans, even before the hostilities ended, began complaining of symptoms with no readily identifiable cause. The symptoms included fatigue, skin rash, headache, muscle and joint pain, memory loss and difficulty concentrating, shortness of breath, sleep problems, gastrointestinal problems and chest pain.

Kuwaiti oil wells set afire by retreating Iraqi troops following Operation Desert Storm.

Scientists examining symptoms of the undiagnosed Gulf War illnesses concluded that there was no single disease or illness affecting Gulf veterans. VA nevertheless initiated a number of research studies to determine the health consequences to veterans of military service in the Gulf War. A number of possible causes for the symptoms have been under examination, including chemical and biological warfare agents, as well as smoke from oil well fires, vaccinations, infections, chemicals, pesticides, microwaves and depleted uranium.

VA began a Persian Gulf registry, which is a voluntary health assessment offered at all VA medical centers. Veterans are interviewed about their medical history for the registry and their possible exposure to environmental hazards. The results of these examinations are given to the veterans and are analyzed for use in research.

Congress in 1993 authorized medical care for Gulf War veterans for conditions possibly related to exposure to toxic substances or environmental hazards.

Veterans who could not be diagnosed at a local VA medical center were referred to one of four VA Gulf War referral centers located across the country. Congress, on VA's recommendation, in 1994 authorized compensation to veterans with chronic disabilities resulting from undiagnosed illnesses, if the illness appeared during active duty in the Gulf or within a presumptive period after Gulf service.

Chapter 9

Women Veterans

In response to the growth in the number of women veterans, VA has expanded medical facilities and services for women and increased efforts to inform them that they are equally entitled to veterans benefits. The Veterans Health Care Act of 1992 provided authority for a Variety of gender-specific services and programs to care for women veterans.

VA's Center for Women Veterans

The proportion of women among the veteran population has risen steadily since World War I. That war produced approximately 25,000 women veterans, principally serving in the Army Nurse Corps.

Women veterans in World War II numbered 319,000, or about 2.1 percent of that war's veteran population. When Congress passed the Veterans Preference Act of 1944, giving veterans employment preference, the bill included a provision, the first ever granted by Congress, for female members of the armed forces. They were entitled to employment preference, along with the husbands or widowers of the ex-servicewomen.

Women veterans represented 4.1 percent of the veteran population by 1990 and 7.0 percent by the end of 2005. Their proportion of the total veteran population is projected to continue to grow as a result of the growing female population in the armed forces.

VA's Center for Women Veterans was established in November 1994. The center's mission is to ensure that women veterans have the same access to VA benefits and services as do male veterans, that VA programs are responsive to gender-specific needs of women veterans, to improve women veterans' awareness of services, benefits and eligibility criteria, and to insure that women veterans are treated with dignity and respect.

In 1997, the Women Veterans Health Program Office was established within the Office of Public Health and Environmental Hazards and the first full-time director of the Program was appointed. VA established eight Comprehensive Women's Health Centers and four Stress Disorder Treatment Centers.

Within VA, there were notable advances by women. In 1962, Irene Parsons was the first woman to be appointed head of a major VA office when she became director of

personnel services of the Department of Veterans Benefits. She was later named assistant administrator for personnel at VA's Central Office in 1970.

Dorothy L. Starbuck served as chief benefits director of the Department of Veterans Benefits from 1977 to 1985, which set a record for longevity in the office. Mary Lou Keener, a Navy nurse in the Vietnam War, was the first woman to be named VA's top lawyer. She was confirmed as General Counsel from 1993 to 1997.

To assist minority veterans, the Center for Minority Veterans was authorized by Congress in 1994. The Center promotes the use of existing programs by minority veterans and proposes new programs, benefits and services to meet the specific needs of minority veterans.

The Veterans Home Loan Program Amendments of 1992 were the most significant changes in the loan guaranty program in more than two decades. The new law authorized the Secretary of Veterans Affairs to let interest rates be negotiated between veterans and the lenders, with the payment of discount points being negotiated among the veteran, the seller and lender.

The new home-loan law also authorized the testing of a VA-guaranteed, adjustable-rate mortgage modeled after the Federal Housing Administration's adjustable-rate mortgages.

And for the first time, home-loan guaranties were extended to individuals who had completed at least six years of honorable service in the Selected Reserves or the National Guard. Other features included reduced fees for refinancing loans and direct loans to Native American veterans living on Trust Lands.

Health Care Reform

On the medical front, VA's hospitals in 1995 were grouped into 22 Veterans Integrated Service Networks. This reorganization was part of the Veterans Health Administration's response to changes in health-care delivery. Critical elements of this transformation included population-based planning, decentralization, universal availability of primary care, a shift to outpatient care from inpatient care, and an emphasis on measuring health-care performance on the outcome of patient treatment.

In 1997, acting on legislation enacted the previous year, the department began enrolling most veterans in the VA health-care system and made eligibility criteria the same for inpatient and outpatient care. VA began establishing community-based outpatient clinics across the country to increase points of access to health-care.

Combat veterans are eligible for VA health care for two years after leaving the service.

Since 1998, veterans who served in a combat zone or in comparable hostilities have been eligible for free VA hospital care, outpatient services and nursing home care for two years after leaving active duty for illnesses and injuries that may be the result of their military service. In 2000, VA established the Benefits Delivery at Discharge program at military discharge sites to assist service members separating from the military.

At the dawn of the 21st century, VA moved aggressively to combat hepatitis-C, to make pain measurement and management integral treatment tools and made applications for compensation, pension, rehabilitation and health care benefits available to personal computer users. Family coverage became available for the first time under the Servicemembers' Group Life Insurance program in 2001 and VA medical programs garnered numerous awards for excellence, including quality of service, patient safety and patient satisfaction. Since 2000, VA has led the way in the use of bar coding to improve accuracy and reduce errors in the administration of medicines. Still, it was clear that significant changes were needed for the department to meet the needs of an increasingly mobile veteran population.

VA's health care system was originally designed and built to meet the needs of America's veteran population of the mid-20th century, when inpatient care, with long admissions for diagnosis and treatment, was the primary focus. However, by 2002, changes in geographic concentrations of veterans and new methods of medical treatment called for a re-examination of where and how VA's assets needed to be focused. A comprehensive process called CARES (Capital Asset Realignment for Enhanced Services) was undertaken to bring the nation's largest, but aging, health care system into the 21st century.

The three-year CARES study called for new hospitals in Orlando and Las Vegas, more than 150 new community clinics around the country, several new spinal cord injury centers and

blind rehabilitation centers and expanded mental health outpatient services nationwide. The CARES plan also called for transferring care from antiquated facilities to more modern or better located VA facilities or contracting for care in local communities. By 2005, VA was operating 157 medical centers and more than 850 community-based outpatient clinics.

Working closely with the Department of Defense and in partnership with state and local government benefits counselors and veterans service organization representatives, VA annually briefs about 200,000 service members around the world before discharge to help prepare them for civilian transition and VA benefits. The department operates benefits offices at more than 130 military installations to help service members with conditions arising during service prepare to begin receiving VA compensation promptly after discharge.

On July 21, 2005, VA celebrated its 75th Anniversary. It had grown from the Veterans Administration with an operating budget of $786 million serving 4.6 million veterans in 1930 to the Department of Veterans Affairs with a budget of $63.5 billion serving nearly 25 million veterans. Throughout its 75 years, VA evolved with the times to meet the needs of a changing society and veterans population. Unchanged throughout its history has been VA's dedication to fulfill Lincoln's call to "care for him who shall have borne the battle and for his widow, and his orphan."

Chapter 10

A Look at Today's VA

VA's commitment to caring for veterans, spouses, survivors and dependents is long lasting: The last dependent of a Revolutionary War veteran died in 1911; in May 2006, three children of Civil War veterans were still drawing VA benefits.

Of the 24.3 million veterans alive at the start of 2006, nearly three-quarters served during a war or an official period of conflict. About a quarter of the nation's population, approximately 63 million people, are potentially eligible for VA benefits and services because they are veterans, family members or survivors of veterans. VA's fiscal year 2005 spending was $71.2 billion, including $31.5 billion for health care, $37.1 billion for benefits, and $148 million for the national cemetery system.

Veterans Day ceremony at Arlington National Cemetery

In fiscal year 2005, VA provided $30.8 billion in disability compensation, death compensation and pension to 3.5 million people. About 3 million veterans received disability compensation or pensions from VA. Also receiving VA benefits were nearly 560,000 spouses, children and parents of deceased veterans. Among them are approximately 159,000 survivors of Vietnam-era veterans and 257,000 survivors of World War II veterans.

Indiana University Pres. Herman B. Wells welcomes new students enrolled with their G.I. Bill benefits in 1946.

Since 1944, when the first GI Bill began, more than 21.3 million veterans, service members and family members have received $72.8 billion in GI Bill benefits for education and training. The number of GI Bill recipients includes 7.8 million veterans from World War II, 2.4 million from the Korean War and 8.2 million post-Korean and Vietnam era veterans, plus active duty personnel.

Since the dependents program was enacted in 1956, VA also has assisted in the education of more than 700,000 dependents of veterans whose deaths or total disabilities were service-connected. Since the Vietnam-era, there have been approximately 2.3 million veterans, service members, reservists and National Guardsmen who have participated

in the Veterans' Educational Assistance Program, established in 1977, and the Montgomery GI Bill, established in 1985.

In 2005 alone, VA helped pay for the education or training of more than 336,000 veterans and active-duty personnel, 87,000 reservists and National Guardsmen and 74,000 survivors.

VA's health care system has grown from 54 hospitals in 1930 to 157 medical centers in 2005, with at least one in each state, Puerto Rico and the District of Columbia. More than 5.3 million people received care in VA health care facilities in 2005, a 29 percent increase over the 4.1 million treated just four years earlier.

More than 5.3 million people received care in VA health care facilities in 2005.

VA operates more than 1,300 sites of care including nearly 900 ambulatory care and community-based outpatient clinics, 136 nursing homes, 43 residential rehabilitation treatment programs, nearly 90 comprehensive home-care programs, and more than 200 Veterans Centers where approximately 2 million veterans have been served since the first center opened in 1979. In 2005 alone, Veterans Centers handled more than 1 million visits by nearly 133,000 veterans and members of their families.

VA manages the largest medical education and health professions training program in the United States. VA facilities are affiliated with more than 105 medical schools, 55 dental schools and more than 1,200 other schools across the country. Each year, about 83,000 health professionals are trained in VA medical centers. More than half of the physicians practicing in the United States had some of their professional education in the VA health care system.

VA's medical system also serves as a backup to the Defense Department during national emergencies and as a federal support organization during major disasters.

VA conducts an array of research on some of the most difficult challenges facing medical science today. VA is a world leader in research areas such as spinal-cord injury, amputation care, prosthetics, blind rehabilitation, aging, women's health, AIDS, Agent Orange exposure, post-traumatic stress disorder and other mental health issues.

VA researchers played key roles in developing the cardiac pacemaker, the CT scan, radioimmunoassay and improvements in artificial limbs. The world's first liver transplant in the was performed by a VA surgeon-researcher. VA clinical trials established the effectiveness of new treatments for tuberculosis, schizophrenia and high blood

pressure. The “Seattle Foot” developed in VA allows people with amputations to run and jump.

In 2005, VA supported approximately 3,800 researchers at 115 VA medical centers.

In 2005, VA supported approximately 3,800 researchers — more than 80 percent of whom are practicing physicians — at 115 VA medical centers. Funding for VA research is nearly $400 million with another $341 million from VA’s medical care account supporting research efforts. Funding from non-VA sources, such as the National Institutes of Health, other government agencies and pharmaceutical companies, contributes an additional $800 million to VA research.

VA research achievements have not only benefited veteran patients but have contributed to medical science as a whole. Two VA researchers — Rosalyn Yalow and Andrew Schally — shared the Nobel Prize for Medicine in 1977. They top a long list of VA researchers who have been recognized for their advances in medicine and science.

In 2006, VA hired 100 Global War on Terrorism veterans to inform other returning veterans of VA services available to help deal with the stress of combat, including professional readjustment counseling for war trauma, family readjustment counseling, and other social readjustment problems. Already, they are averaging more than 13,000 outreach contacts each month with returning Operation Iraqi Freedom and Operation Enduring Freedom veterans and their families.

From 1944 — when VA began helping veterans purchase homes under the original GI Bill — through May 2006, VA issued more than 18 million VA home loan guarantees, with a total value of $892 billion. In fiscal year 2005 alone, VA guaranteed 165,854 loans valued at $25 billion and, at the beginning of fiscal year 2006, had 2.3 million active home loans reflecting amortized loans totaling $202.1 billion. VA’s specially adapted housing programs helped about 587 disabled veterans with grants totaling more than $26 million in 2005.

In fiscal year 2005, VA guaranteed 165,854 loans valued at $25 billion.

VA programs provide $1.1 trillion insurance coverage.

VA directly administers six life insurance programs and supervises the Servicemembers' Group Life Insurance and the Veterans' Group Life Insurance programs. These programs provide $1.1 trillion in insurance coverage to 4.5 million veterans, active-duty servicemembers, reservists and Guardsmen, plus 3 million spouses and children.

In 2005, the VA life insurance programs returned $462 million in dividends to 1.5 million veterans holding some of these VA life insurance policies, and paid an additional $2.1 billion in death claims and other disbursements. In 2005, traumatic injury protection was added to insurance benefits to provide benefits ranging from $25,000 to $100,000 to seriously injured service members during recovery.

While the proportion of veterans among the nation's homeless is declining, VA provides medical care, benefits assistance and transitional housing to more than 100,000 of them each year. VA has made more than 300 grants for transitional housing, service centers and vans for outreach and transportation to state and local governments, tribal governments, non-profit community and faith-based service providers.

VA maintains national cemeteries in 39 states and Puerto Rico as a final salute and lasting tribute to those who have served in America's armed forces. In 1973, the Department of the Army transferred 82 national cemeteries to VA. By 2005, that number had grown to 123.

Fort Rosecrans National Cemetery, San Diego, Calif.

In 2005, VA national cemeteries conducted more than 93,000 interments, provided nearly 364,000 headstones or markers for veterans' graves and approximately 488,000 Presidential Memorial Certificates to veteran's next of kin and loved ones to commemorate honorably discharged, deceased veterans. Since 1973, the department has provided more than 9.2 million headstones and markers. Additionally, VA has awarded more than $258 million for the development, expansion or improvement of 63 state veterans cemeteries. In 2005, nearly 21,000 veterans and family members were buried in those cemeteries.

More than 92 percent of the approximately 236,000 employees on VA's rolls in 2006 work in the health care area. Among all departments and agencies of the federal government, only the Department of Defense has a larger work force.

No discussion of the Department of Veterans Affairs would be complete without discussing the invaluable contributions of the thousands of dedicated volunteers who contribute their time and effort every day of the year to bring companionship and care to hospitalized veterans. In 2005 alone, more than 94,000 volunteers in VA's Voluntary Service (VAVS) donated 13 million hours of service. For more information on VAVS and examples of what can be done in 13 million hours, see the May/June edition of *VAnguard* magazine, available on the Internet at:

http://www.va.gov/opa/feature/vanguard/index.asp.

Primary statistical source: "Facts About the Department of Veterans Affairs," which can be found on the Internet at http://www.va.gov/opa/fact/.