



History of the Department of Veterans Affairs Part 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.

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.



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



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.

End of Part 7

VA operates hundreds of medical facilities, issues millions of checks for education, disability and pensions, and supervises 120 national cemeteries. With approximately 236,000 employees, VA is America's second largest federal agency. When eligible dependents and survivors are included, approximately 63 million people -- about one-quarter of the nation's population -- are eligible for VA benefits and services. On July 21, 2005, VA celebrated 75 years of serving America's veterans. VA is providing this 10-part "History of the VA" to help observe this 75th Anniversary year.