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**PENDING REVIEW IN ACCORDANCE WITH E.O. 13233**  
**Ronald Reagan Library**

**Collection:** Blackwell, Morton C.: Files  
**OA/Box:** ~~0077~~ *DA 9088*  
**File Folder:** Veterans Administration: Budget (2)

**Archivist:** kdb  
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**Date:** 3/15/07 *sta 5/8/08*

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
A. memo	Blackwell to Elizabeth Dole re H.R. 6350, 1p	9/3/82	<i>open ddb 5/21/08</i>



**Veterans  
Administration**

*file*  
Office of the Deputy  
Administrator  
of Veterans Affairs  
Washington, D.C. 20420

March 19, 1982

Dear Mr. Blackwell: *Morton*

Attached is material regarding the Administrator's  
Facility Planning and Construction Committee (FPACC).

The enclosed information will hopefully give you a  
clearer understanding of how we intend to begin  
revalidating the VA's FY 1984 major construction  
projects.

Regards,

A handwritten signature in blue ink, appearing to read 'CHAGEL'.

CHARLES T. HAGEL  
Deputy Administrator

Enclosure

Mr. Morton C. Blackwell  
Special Assistant to the President  
for Public Liaison  
The White House  
Washington, D.C. 20500

FACILITY PLANNING AND CONSTRUCTION COMMITTEE

(FPACC) MEMBERS

CHAIRMAN - Charles T. Hagel (Deputy Administrator for Veterans Affairs)

VICE CHAIRMAN - William F. Sullivan (Associate Deputy Administrator  
for Logistics)

EXECUTIVE DIRECTOR OF FPACC - Dr. O. David West

DEPARTMENT OF MEMORIAL AFFAIRS

Paul Bannai (Chief Memorial Affairs Director)

Alternate: Vincent L. Corrado (Deputy Chief Memorial Affairs  
Director)

PROGRAM PLANNING & EVALUATION

Raymond S. Blunt (Assistant Deputy Administrator  
for Program Planning & Evaluation)

Alternate: Errol Clark (Acting Deputy for Evaluation & Management)

PROCUREMENT & SUPPLY

Clyde C. Cook (Assistant Deputy Administrator  
for Procurement & Supply)

Alternate: Eldon Humphries (Deputy Assistant Deputy Administrator  
for Procurement & Supply)

DEPARTMENT OF MEDICINE & SURGERY

Dr. Donald L. Custis (Chief Medical Director)

Alternate: Dr. Murray G. Mitts (Director, Program Analysis  
and Development)

BUDGET & FINANCE

Conrad R. Hoffman (Assistant Deputy Administrator  
for Budget & Finance)

Alternate: Emerson Markham (Director of Budget Service)

OFFICE OF CONSTRUCTION

William A. Salmond (Assistant Deputy Administrator  
for Construction)

Alternate: William D. Fote (Deputy Assistant Deputy Administrator  
for Construction)

DEPARTMENT OF VETERANS BENEFITS

Dorothy L. Starbuck (Chief Benefits Director)

Alternate: John W. Hagan, Jr. (Deputy Chief Benefits Director)

EX-OFFICIO MEMBERS

John P. Murphy (General Counsel)

Alternate: Robert E. Coy (Deputy General Counsel)

EX-OFFICIO MEMBERS

Frank S. Sato (Inspector General)

Alternate: May be determined by Inspector General

OTHER MEMBERS

Fielding (Butch) Cochran (Associate Deputy Administrator  
for Congressional and Public  
Affairs)

ROBERT W. SCHULTZ (Assistant Deputy Administrator  
for Reports & Statistics)

JOSEPH MANCIAS (Assistant Deputy Administrator  
for Public & Consumer Affairs)

GREGORY MCGOWAN (EXECUTIVE ASST. TO THE DEPUTY ADMINISTRATOR)

MARION (MANNY) LAWTON



Veterans  
Administration

Date: March 17, 1982

# Memorandum

To: FPAC Revalidation  
Steering Committee  
and FY 84 Revalidation  
Team Members

SUBJ: Revalidation Procedures  
for Central Office Review  
of FY 84 Major Construction  
Projects

1. A Central Office review of the projects on the FY 84 revalidation list is the first step in the revalidation process. Only those projects on the list which entail direct patient safety such as electrical deficiency corrections, fire and safety improvements, and seismic strengthening will be excluded from the revalidation process. The Office of Construction is reviewing these projects separately and will provide justification as to their life/safety necessity.
2. For each project assigned to it, each revalidation team shall review the project against a checklist of basic revalidation requirements. If deemed appropriate to a particular project, each team should evolve additional revalidation criteria as necessary.
3. The basic revalidation requirements for all Central Office FY 1984 reviews shall include the following:
  - a. A review of the project development schedule to determine if the project can realistically be expected to be ready for FY 1984 construction funding consideration. If full team consensus and concurrence by the Chief Medical Director are reached that a project absolutely will not be ready for consideration in the FY 1984 budget, no further revalidation should be done on that project and a brief report written as to why the project will not be ready for FY 1984 budget consideration;
  - b. A review of the veteran demographic data used to justify bed and workload projections, as appropriate;
  - c. A review and revalidation of the data package used by the Office of Construction for project development which DM&S will provide for each project on the revalidation list. Revalidation of this data package shall include bed projections, workload projections, staffing, space and functional deficiencies, and project scope. It is expected that for each

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FPAC Revalidation Steering Committee  
and FY 84 Revalidation Team Members

project, the team will contact the affected VAMC to request verbal or written verification of the data package as well as determine the priority the VAMC places on the project. The team also shall contact the affected DM&S Regional Director to seek his or her professional opinion on the project need;

d. A review of the project's space requirements to determine consistency with H-08-9 (or other guidelines) and the data package;

e. A review of the statement of task given the A/E or the project authorization (for in-house) that was used to guide the development of requirements, technical assessment, concepts, and preliminary drawings;

f. A request of the VAMC to provide the team with the current station space survey and marked-up "as built" drawings (to include, if possible, current and imminent construction) as applicable to the project being revalidated. The team will use these space surveys and "as built" drawings to assist in verifying space and functional deficiencies;

g. A review of the concepts or preliminaries if available, and associated cost information to ensure consistency with the data package and scope and to determine responsiveness to identified space, functional or technical deficiencies;

h. A review of the project submission and cost limit notification (if available) for each project; and

i. A review of the proposed project in the context of the facility's five-year construction plan to ensure proper coordination with future planned projects. This review also should include an assessment of the coordination of the project with minor construction/minor miscellaneous and NRM projects scheduled by the station.

4. As part of the revalidation process, each team also should review each project from the broader perspective of:

- the VAMC's mission (does DM&S still feel that the project is applicable to the VAMC's mission? Are changes in the VAMC's mission indicated by VAMC officials, the Regional Director or in the Five-Year Facility Plan?) It is important that as the teams focus on the applicability of projects to mission accomplishment, they focus to the extent possible on future mission. As projected VAMC mission

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FPAC Revalidation Steering Committee  
and FY 84 Revalidation Team Members

statements are not yet available through MEDIPP, the teams should seek guidance from the Department of Medicine and Surgery;

- the impact on outyear VAMC operating costs (e.g., will the project add or reduce operating cost and staffing needs);
- the age of the VAMC facility area for which the project is scheduled (e.g., is the area scheduled for additional construction one in which recent replacement or extensive renovation work has been performed. If so, why is this additional major construction needed?);
- the applicability of the space criteria and construction standards used to the particular VAMC's needs and mission (e.g., space planned vs. unassigned space, if any, at the VAMC). Also, does the team have any general concerns that the project, as planned, includes construction requirements in excess of project need or entails questionable building costs?;
- if the project will result in vacating existing VAMC space, what does the VAMC plan to backfill in that area;
- the availability of state or community health resources which, in keeping with eligibility, policy, and law, impact on the need for the project; and
- common sense concerns which team members might have with respect to a particular project. (Most team members will have a Regional or Medical District perspective and the project need should be evaluated in that context as well.)

*Bill*

WILLIAM F. SULLIVAN  
Associate Deputy Administrator  
for Logistics (005)





Veterans  
Administration

# Memorandum

Date: March 17, 1982

To: FPAC Revalidation  
Steering Committee  
and FY 84 Revalidation  
Team Members

SUBJ: FY 1984 Construction  
Revalidation Format

## THREE-STEP REVALIDATION FORMAT

1. My memo to you of February 26, 1982, (copy attached) set forth a three-step format for the Administrator's construction program review to revalidate projects potentially eligible for consideration for FY 1984 Construction, Major funding.

2. The three-step revalidation format for each project entails a Central Office review, an onsite visit if closer review is determined necessary, and based on the results of the two preceding reviews, selected projects may require a more in-depth onsite investigation of longer duration similar to a full-scale project audit. If it is determined that a project will require a full-scale audit, it is possible that the project may not be ready for FY 1984 budget consideration. Should this be the case, the revalidation team (see 4.) should complete work on other higher priority projects prior to conducting a lengthy, onsite audit of a project which clearly will not be ready for the FY 1984 budget.

## LIST OF FY 1984 REVALIDATION PROJECTS

3. Attached is a list of those major construction projects currently scheduled to have both their preliminary design and cost target completed by October 1982 and hence, those available for possible inclusion in the FY 1984 budget. While there may be some revision in this list based on unforeseen problems, this list provides the best estimate at this time of those potential FY 1984 projects which must be revalidated.

## REVALIDATION TEAMS

4. Potential FY 1984 projects will be divided into six (6) groups by Region and assigned to one of six (6) revalidation teams. As some teams have more projects to revalidate than others, it is recognized that such teams may need additional staff.

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FPAC Revalidation Steering Committee  
and FY 84 Revalidation Team Members

5. Each of the six revalidation teams is composed of representatives selected by the head of each of the following Departments or Staff offices:

- o The Department of Medicine & Surgery
- o The Office of Construction
- o The Office of Budget & Finance
- o The Office of Inspector General

6. While team membership may vary or be expanded depending on the particular project or project aspect being revalidated, the following lists the core membership for each of the six revalidation teams:

TEAM I - MEDICAL DISTRICT 1 (NORTHEASTERN)

Tom Breedlove	(10A4B)	x 5361-5362
Albert L. Reese	(086A)	x 3581
James I. Gracyalny	(041B2)	x 3476-3979
Pat Ronan	(IG)	x 2794

TEAM II - MEDICAL DISTRICT 2 (MID-ATLANTIC)

Burton L. Ziskind	(10A4B2)	x 5361
Edward P. (Ted) Demarest	(086B)	x 3581
Michael L. Young	(041C2)	x 3709-3476
Janet Bonds	(IG)	x 2794

TEAM III - MEDICAL DISTRICT 3 (SOUTHEASTERN)

Larry A. Wallace	(10A4B3)	x 5363
William B. (Brooks) Martin	(086C)	x 3823
Jerry A. Unklesbee	(041C2)	x 3709-3476
J. Valentich	(IG)	

3.

FPAC Revalidation Steering Committee  
and FY 84 Revalidation Team Members

TEAM IV - MEDICAL DISTRICT 4 (GREAT LAKES)

James H. Korjus	(10A4B4)	x 5363
Leo E. Estrella	((086D)	x 2775
Pamela J. Rinehart-Ganous	(041C2)	x 3709-3476
B. Gerow	(IG)	

TEAM V - MEDICAL DISTRICT 5 (MID-WESTERN)

Henry A. Garbelman	(10A4B6)	x 5026
J. R. (Russ) Daughtry	(086E)	x 2823
Edgar C. (Tony) Peoples	(041C)	x 2370-3418
B. Anthony	(IG)	

TEAM VI - MEDICAL DISTRICT 6 (WESTERN)

Steven Kleinglass	(10A4B)	x 5361-5362
Bruce A. Plecinski	(086F)	x 3681
Clarence E. Meade	(041A)	x 3464-3839
E. Geren	(IG)	

7. In addition to these team members, support will be provided to each team as needed from Departments and Staff Offices. For instance, the Office of Program Analysis and Development (DM&S) and the Office of Reports and Statistics will provide staff support to each team to validate workload requirements. The Office of Construction will provide Health Care Facilities Specialists, architects, engineers, and estimators to each team, as needed, to assist the team's revalidation effort.

TEAM LEADERS

8. The team leader for each team will be appointed by the Facility Planning and Construction Committee.

9. Each team will determine the schedule for revalidation of the project assigned to that team and the order of priority

4.

in which each project will be revalidated. The team leader will be responsible for reaching team consensus on the revalidation schedule for his or her team and ensuring that the schedule is followed.

10. The team leader will also be responsible for reaching team consensus, if possible, and justifying the team's decision on whether each project reviewed in the Central Office revalidation phase

- (a) either needs no further revalidation and is justified as scoped for possible FY 84 funding; or
- (b) needs to be further inspected onsite at the second stage of the revalidation process.

#### REVALIDATION STEERING COMMITTEE

11. The following members of the Facility Planning and Construction Committee (FPACC) will serve as the steering committee for the FY 84 project revalidation process including both the Central Office revalidation and the onsite revalidation review:

- o Mr. Charles T. Hagel, Deputy Administrator (001)
- o Mr. William F. Sullivan, Associate Deputy Administrator for Logistics (005)
- o Mr. O. Fielding Cochran, Associate Deputy Administrator for Congressional & Public Affairs (002)
- o Dr. Donald L. Custis, Chief Medical Director (10)
- o Mr. William A. Salmond, Assistant Deputy Administrator for Construction (08)
- o Mr. Conrad R. Hoffman, Assistant Deputy Administrator for Budget & Finance (04)
- o Mr. John P. Murphy, General Counsel (02)
- o Mr. Frank S. Sato, Inspector General (50)
- o Mr. Joseph Mancias, Jr., Assistant Deputy Administrator for Public & Consumer Affairs (06)
- o Mr. Robert W. Schultz, Assistant Deputy Administrator for Reports & Statistics (70)
- o Mr. Gregory McGowan, Executive Asst. to Deputy Administrator (001A)
- o Dr. O. David West, Executive Director of FPACC

12. As the Revalidation Steering Committee, this group will guide the revalidation process, resolve any problems which arise, and review and in consultation with the Administrator (00) make final decisions on the specific project recommendations of each revalidation team.

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FPAC Revalidation Steering Committee  
and FY 84 Revalidation Team Members

13. If the Revalidation Steering Committee cannot reach consensus on a specific project recommendation, the project will be forwarded to the Administrator for resolve.

14. The Revalidation Steering Committee will ultimately report to the Administrator (00) on the full results of the revalidation process.

15. For those projects revalidated and found eligible for FY 1984 construction funding consideration, the Chief Medical Director will provide to the Administrator a list of those projects in the order of priority assigned to them by the Department of Medicine and Surgery.

REVALIDATION COORDINATOR

16. The overall coordinator for the FY 1984 revalidation review will be William F. Sullivan, Associate Deputy Administrator for Logistics (005) who will report to the Revalidation Steering Committee.

17. Each team leader shall report to Mr. Sullivan through Dr. David West, Executive Director of FPACC, at least once a week on the progress of his/her team's revalidation review and identify problems which may need resolve by the Revalidation Steering Committee.

18. As each team completes the Central Office revalidation review of a particular project, the team leader shall report to the Associate Deputy Administrator for Logistics through Dr. West the recommendations of the team on that particular project for forwarding to the Steering Committee.

WRITTEN REPORTS

19. Each team will be responsible for producing a written final report for each of the projects it revalidates.

20. This report will detail the results of the team's revalidation for each project, including the team's recommendations on the project and the team's justification for these recommendations. The report will also contain any dissenting views by team members.

21. A basic format for the written reports will be provided to each team.

6.

FPAC Revalidation Steering Committee  
and FY 84 Revalidation Team Members

22. If a team decides that a project is fully validated at the completion of the Central Office review stage and that the project does not require further onsite inspection, the team will issue a final report on that project as soon after Central Office review as possible and submit it to the FPAC Steering Committee. This report will include the team's justification for determining that a further onsite investigation is not needed.

23. Brief interim reports will be issued for those projects which the teams determine will require onsite visit. These reports will be issued at the conclusion of the Central Office review and briefly state the team's initial findings and explain the need for the further onsite examination. These reports also will be submitted to the FPAC Revalidation Steering Committee.

SCHEDULE

24. The revalidation results for all potential FY 1984 projects are to be completed in time for review and decision on the Agency's FY 1984 budget request. To accomplish this goal, the Central Office project reviews should be completed by April 30. Onsite reviews will take place in May and June and final reports written for each project and submitted to the FPAC Revalidation Steering Committee. In July and August the Steering Committee will review the team reports and based on this review, finalize FY 1984 Major Construction budget recommendations to the Administrator.

25. Team leaders experiencing problems in meeting this revalidation schedule will immediately report such problems to the Executive Director of FPACC.

*Bill*

WILLIAM F. SULLIVAN  
Associate Deputy Administrator  
for Logistics (005)

Attachments



Veterans  
Administration

# Memorandum

To: FPAC Steering Committee

Date: February 26, 1982

Subj: FY '84 Construction Revalidation  
Format

1. This memo sets forth the format for validating FY 1984 construction projects. As you know, our goal is to revalidate all projects potentially available for inclusion in the FY 1984 budget in advance of formulation of the FY 1984 construction budget. The results of the revalidation process will determine those projects which may be included for FY 1984 funding.

2. The attached list details those projects currently scheduled to have both their preliminary design and cost estimate completed by October 1982 and hence, those available for inclusion in the FY 1984 budget. While there may be some revision in this list based on unforeseen problems, this list provides the best estimate at this time of those potential FY 1984 projects which must be revalidated.

3. The revalidation of these projects will entail a three-step process.

4. First, each project will be reviewed by one of six Central Office teams composed of representatives from:

- The Department of Medicine and Surgery
- The Office of Construction
- Budget and Finance
- The Inspector General

It will be up to the head of each of these organizations to select his office's team representative(s). A team leader for each team will subsequently be appointed by the Facility Planning and Construction Committee. In addition to these team members, support will be provided to the teams as needed from other Department and Staff Office sources. For instance, the Office of Reports and Statistics and the Office of Program Analysis & Development (DM&S) will assist the team in validating workload requirements. It is expected that for each project, the team will contact the affected DM&S Regional Director and VAMC and request verbal verification of the information used to justify the project's need, scope, staffing and space requirements.

Page 2.

TO : FPAC Steering Committee

SUBJ: FY '84 Construction Revalidation Format

The Central Office team will also ask DM&S for a current description of each facility's mission statement. In addition, each affected VAMC will be asked to update and send to Central Office the station space survey and the available current marked up "as built" drawings that apply to the particular project being reviewed.

5. Second, based on the Central Office review, those projects which are determined as requiring closer review will be scheduled for an onsite examination by the Central Office team. In addition, each team will decide whether or not the Regional Director and/or the project's A/E should be present during this onsite examination. The initial onsite review will look more closely at each project justification based on the updated space survey sent to Central Office, assess the VAMC's physical and functional needs which relate to the project, and evaluate any special circumstances at the VAMC which might impact on the identified project need. A uniform agenda for this onsite inspection will be evolved.

6. Third, based on the results of the two preceding reviews, selected projects may require a more in-depth onsite investigation of longer duration similar to a full-scale project audit.

7. While the revalidation process can ascertain if a project's need and scope are justified, it is obvious that without policy guidance, this process can only provide perspective on a project by project basis and cannot evaluate the priority of these projects on a systemwide basis. DM&S and the Office of Reports and Statistics are currently working on an update of the 1978 Guidance for presentation to the Administrator by the end of March, 1982. As soon as possible, the Administrator's subsequent policy decisions that pertain to medical programs and construction priorities will be incorporated into the FY 1984 revalidation process.

*Bill*

WILLIAM F. SULLIVAN  
Associate Deputy Administrator  
for Logistics (005)

Attachment





DISCUSSION PAPER

ON

VETERANS SERVICE ORGANIZATIONS INVOLVEMENT IN FPACC

MARCH 19, 1982

1. The Administrator has established a top-level Facility Planning and Construction Committee (FPACC) to conduct a comprehensive assessment of the VA's facility planning and construction program. A list of the FPACC membership is attached (Attachment A).
2. The basic goal of FPACC is to ensure that the VA has the best planning and construction program possible, guided by the health care needs of our veterans and based on defensible and accurate criteria.
3. The work of FPACC is progressing on several related tracks:
  - o FPACC is charged with guiding the construction program review the Administrator announced on February 19 which will revalidate Major Construction projects (those costing \$2 million or more) potentially eligible for construction funding in FY 1984 and the outyears. The revalidation review will begin with those projects potentially eligible for construction funding in FY 1984 and entails both Central Office review as well as onsite visits to revalidate each project's need, justification, workload data and scope. A list of the projects to be reviewed for FY 1984 and three memos as well as a letter to Senator Cranston detailing the basic revalidation format are attached (Attachment B).
  - o FPACC is further charged with updating the last major overview of veteran health care needs and the options to meet those needs which were done

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in 1977-1978. Based on these updated options, the Administrator will issue policy guidance to provide direction to the Agency's long-range planning for the VA's health care delivery system.

- o Finally, FPACC is charged with a comprehensive assessment of the VA's current facility planning and construction process and procedures and with making recommendations, as appropriate, for improvements. FPACC will look at the Agency's organizational structure for facility planning as well as identify and evaluate perceived problems in the Agency's planning process, prioritization criteria, and the cost, quality and timeliness of the Agency's construction program.

4. Recognizing that the veterans service organizations represent the users of the VA health care system, the Administrator has directed that the Facility Planning and Construction Committee (FPACC) establish liaison with representatives of the service organizations.

5. Service organizations will periodically meet with the Committee to receive updates on the Committee's work. The role of the service organizations in FPACC is to ensure that FPACC has the benefit of veteran perspectives and concerns throughout the Committee's deliberations.

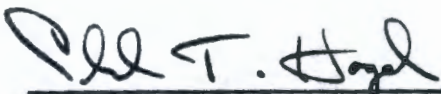
6. It is hoped that each of the following veterans service organizations will appoint one member to serve as a contact point:

- o American Legion
- o American Veterans of WW II, Korea & Vietnam (AMVETS)
- o Blinded Veterans Association (BVA)
- o Disabled American Veterans (DAV)
- o Paralyzed Veterans of America, Inc. (PVA)
- o State Directors of Veterans Affairs (Washington, DC Liaison)
- o Veterans of Foreign Wars of the United States (VFW)

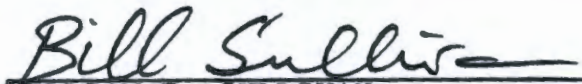
3.

7. These service organizations will be provided for them to review the format and projects planned for the FY 1984 revalidation review (copies attached). It would be particularly useful if the members of the service organizations can provide any demographic data they may have which will assist in revalidating these projects.

8. In the weeks and months to come, the service organizations will be briefed on the Administrator's updated policy guidance and their views sought. The assistance and cooperation of the service organizations in connection with the long-range planning process which guides the Agency's health care facility construction program is sincerely appreciated.



CHARLES T. HAGEL  
Deputy Administrator (001)



WILLIAM F. SULLIVAN  
Associate Deputy Administrator  
for Logistics (005)

Attachments

PROJECTS FOR REVALIDATION - MAJOR FY 1984

AS OF MARCH 5, 1982

NOTE:

Some of the projects on the following list indicate a preliminary completion date later than 10/82. These projects were included at the request of DM&S as the potential exists prelims could be completed earlier in time for the FY 1984 budget submission.

KEY:

\* Questioned by I.G.  
+ Split Funded  
o Fire/Safety

<u>MEDICAL CENTER</u>	<u>MEDICAL REGION</u>	<u>PROJECT ID</u>	<u>PROJECT TITLE</u>	<u>P.P. COMP</u>	<u>COST : (000)</u>
ALEXANDRIA, LA	3	502-058	Clin. Improvements & Relocate Support Function	6/82	30,000
AMARILLO, TX	6	504-026	Addn/Renov. Clin. Support	6/81	44,000
BATH, NY	1	514-068	Renovate Bldg. 78 for NHC	12/80	7,200
BATTLE CREEK, MI	4	515-083	Renovate Bldg. 82 (First & Second Floors - Patient Privacy)	2/82	5,800
* BECKLEY, WV	2	517-013	Clinical Addition & Alterations	10/80	25,000 *
+ BILOXI, MS	3	520-056	Modernize Various Buildings (BD & GD)	9/82	87,300
BROCKTON, MA	1	525-016a	Modernize Bldgs. 2 & 7	8/79	29,500
BROCKTON, MA	1	525-021	Addition & Renovation for SCI	6/82	6,800
* BUFFALO, NY	1	528-039	Res. & Education Facility	3/81	27,400 *
CASTLE POINT, NY	1	533-056	Building Addition	5/81	15,000
CHARLESTON, SC	3	534-015	Clinical Addition	4/82	20,000

2.

<u>MEDICAL CENTER</u>	<u>MEDICAL REGION</u>	<u>PROJECT ID</u>	<u>PROJECT TITLE</u>	<u>P.P. COMP</u>	<u>COST \$(000)</u>
CHEYENNE, WY	5	442-023	Exp/Renov. Bldg. 1 (Clinical Function)	11/82	7,700
+ CHICAGO (WESTSIDE), IL	4	537-024	OPC Addition/Renov. Bldgs. 11a & 11b	1/82	40,500
o CINCINNATI, OH	4	539-026	Upgrade Electrical Distribution	3/82	3,000
CLARKSBURG, WV	2	540-008	Clinical Addition & Alterations	12/82	15,000
CLEVELAND, OH	4	541-021	Clinical Impr. (Surg. Svc. Reloc.)	4/82	15,000
DURHAM, NC	2	558-025	Additional Elevators	12/81	4,300
EAST ORANGE, NJ	2	561-034	Reloc./Consol. Res.	10/82	5,300
EAST ORANGE, NJ	2	561-035	120-Bed NHCU	2/83	15,000
* FAYETTEVILLE, NC	2	565-027	Clinical Addition	4/82	15,800 *
FRESNO, CA	6	570-019	Clinical Addn. (Dental, Surg., RMS, etc.)	11/82	10,000
* HINES, IL	4	578-096	New Warehouse/Service Building	10/81	11,000 *
HINES, IL	4	578-097	HVAC Bldgs. 50, 51 & 53	2/82	44,000
* HOT SPRINGS, SD	5	579-040	Clinical Addition	8/80	14,700 *
LAKE CITY, FL	3	594-036	OP & Clinical Addition	8/82	6,000
o LEAVENWORTH, KS	5	686-062	F&S Improvements (Exit & Sprinklers)	3/82	7,500
* LEAVENWORTH, KS	5	686-060	208 Domiciliary	7/81	14,900 *
o LIVERMORE, CA	6	599-054	Fire & Safety Improvements	7/82	3,500
LOMA LINDA, CA	6	605-004	60-Bed NHCU	10/82	6,000
LOS ANGELES (WAD), CA	6	691-090	Renovate Bldgs. 212, 214 & 217 for DOM	9/81	17,300

3.

<u>MEDICAL CENTER</u>	<u>MEDICAL REGION</u>	<u>PROJECT ID</u>	<u>PROJECT TITLE</u>	<u>P.P. COMP</u>	<u>COST \$(000)</u>
LOS ANGELES (WAD), CA	6	691-098	120-Bed NHC (Conversion) Bldg. 213 (Phase II)	3/82	10,500
LYONS, NJ	2	604-064	120-Bed NHCU	8/82	18,200
MANCHESTER, NH	1	608-014	Laundry, Warehouse, Engineering Facility	10/82	10,000
MARTINEZ, CA	6	612-018	120-Bed NHCU	6/82	14,400
MIAMI, FL	3	546-014	120-Bed NHCU	8/82	16,000
+ * MINNEAPOLIS, MN	5	615-001	Replace Hospital Buildings	6/82	294,000 *
MONTGOMERY, AL	3	619-020	OPC Addition	9/80	18,100
NEWINGTON, CT	1	627-032	Addition to Bldgs. 1 & 2	4/80	45,000
o NEW YORK, NY	1	630-025	Upgrade Elec. Distribution, Phase II	10/78	4,000
NORTHPORT, NY	1	632-062	120-Bed NHCU	9/82	13,800
* OMAHA, NE	5	636-022	OPC Addition	9/80	24,200 *
PERRY POINT, MD	2	641-079	New Laundry Building	8/82	18,500
+ PITTSBURGH, PA (UD)	2	646-024	OPC Addition	2/82	22,680
PITTSBURGH, PA (HD)	2	645-017	Laundry	10/82	12,000
PITTSBURGH, PA (UD)	2	646-025	Centralized Warehouse Facility	10/82	4,200
* PRESCOTT, AZ	6	649-047	200-Bed DOM/60-Bed NHC	3/81	30,000 *
PROVIDENCE, RI	1	650-025	60-Bed NHC	10/82	6,500
RICHMOND, VA	2	651-003	Automated Transport System	5/78	4,200
ROSEBURG, OR	6	653-027	OPC Addition	2/82	28,000

4.

<u>MEDICAL CENTER</u>	<u>MEDICAL REGION</u>	<u>PROJECT ID</u>	<u>PROJECT TITLE</u>	<u>P.P. COMP</u>	<u>COST \$(000)</u>
+ SALEM, VA	2	658-038	Renovate Bldg. 76 (Intermed)	4/77	5,510
SAN ANTONIO, TX	5	671-009	Supply Warehouse & SPD	6/79	5,800
SAN FRANCISCO, CA	6	662-043	120-Bed NHCUC & Parking	6/82	14,400
* SIOUX FALLS, SD	5	438-020	Clinical & Support Service	10/82	22,000 *
o SYRACUSE, NY	1	670-016	F&S Improv., Pat. Priv. & Support Sys.	5/81	12,000
TOMAH, WI	4	676-031	Modernize Bldgs. 406 & 408	9/82	5,400
WACO, TX	5	685-041	Construction-New Dietetic Bldg.	3/81	8,400
56 PROJECTS TOTAL:					\$ 1,221,290

Wash Post  
Wed Mar 24, 1982

### Aid From the VA

In response to Judy Mann's column March 10 entitled "Commitment," it is true that the administration has proposed an amendment to Title II of the Social Security Act that would eliminate the payment of extended benefits to children of deceased, disabled or retired parents who continue their education full-time beyond age 18. This is applicable in all instances, including the families of individuals who were killed in action in Vietnam.

However, Mrs. Mann did not mention the fact that those children and wives of soldiers who died as a result of

injuries received in service, or who are permanently and totally disabled because of such injuries, are entitled to educational benefits administered through the Veterans Administration.

Thus, it is difficult for me, who took advantage of the benefits in order to earn a college degree following a tour in Vietnam, to swallow Mrs. Mann's inference that the children mentioned in her story are being punished by not getting an education. Granted, cost-of-living increases in all VA educational benefits are long overdue.

JOHN F. SOMMER JR.

Alexandria



# Nimmo Admits He Was Sometimes the Last to Know What the VA Was Up To

The departing Veterans Administration chief concedes he was distant from the centers of Administration power and was often kept in the dark by subordinates.

BY DOM BONAFEDE

Even in a government where bigness is taken for granted, everything about the Veterans Administration (VA) is inordinately big. Its 235,000 employees trail only the Defense Department. Its estimated 1983 outlays of \$24.4 billion, from which it will provide compensation, educational assistance and health care to 30 million veterans, rank fifth in the government.

But none of that was enough to put VA administrator Robert P. Nimmo into the center of power. Although he was a member of the "California crowd" brought to Washington by President Reagan, he conceded recently that he did not know Office of Management and Budget (OMB) director Dave Stockman. "I met him once," he said, "but I'm not sure he knew who I was."

Now Stockman may never find out. Citing "compelling personal considerations," Nimmo resigned on Oct. 4.

Twenty House Members had asked Reagan to fire Nimmo because of the personal controversies that had swirled around him since his appointment in July 1981. "I believe that the VA and veterans everywhere can only be better off with a new, understanding VA chief," said Rep. Allen E. Ertel, D-Pa.

But Nimmo's successor will step into one of the most difficult bureaucratic slots in Washington. Something of a foster child in the bureaucracy, the agency lacks Cabinet status and operates in a kind of limbo without direct access to the President or clear lines of communication to the White House.

Within his own agency, the administrator lacks the authority to fill certain key jobs, which are now occupied by holdovers from the Carter Administration who were appointed to fill terms that have still not expired. To make matters

more uncomfortable for Nimmo, career VA officials made a habit of going around him to deal directly with Congress and the organizations representing the nation's veterans. "It is not uncommon for Congress to ask about a project I haven't heard about," Nimmo conceded shortly before his resignation.

His penchant for saying or doing the wrong thing only aggravated his problems. Among his difficulties: statements he made that angered the veterans' lobbies, his cost-cutting proposals and his management style, which led to the resignation of two deputies and the removal and transfer of other subordinates within his first year.

Then there was unfavorable publicity concerning Nimmo's redecorating of his 10th-floor executive suite, including the installation of a private bathroom and shower, and his use of a government car and chauffeur to drive him to and from work—a perquisite that the government manual does not grant the VA administrator. Such activities are criticized in an upcoming report from the General Accounting Office.

These sudden developments made Nimmo, who had no Washington experience, an easy prey for the veterans' lobbies, whose power derives from the fact that veterans, together with their 60 million dependents or survivors, account for 40 per cent of the population. "That," said Thomas E. Harvey, chief counsel and staff director of the Senate Veterans' Affairs Committee, "is an awesome voting bloc."

So Nimmo discovered. Representatives of the service organizations, some of whom had called for his removal, contend that he was not a strong enough advocate for veterans' rights.

"He couldn't adjust to the fact there were strong, organized consumer advocates, and he had to be put in a position of

listening to them," said Mylio S. Kraja, the American Legion's executive director.

According to Cooper Holt, executive director of the Washington office of the Veterans of Foreign Wars (VFW), "Nimmo underestimated the clout of the veterans' organizations."

The turmoil surrounding Nimmo reached as high as the Oval Office. On at least two occasions, White House chief of staff James A. Baker III reportedly urged the President to replace Nimmo, while presidential counselor Edwin Meese III, an old friend and colleague of Nimmo, argued in his behalf.

Chastened by the critical broadsides, Nimmo, a World War II bomber pilot, admitted while still in office that he had made mistakes but defended his basic philosophical position.

"Some of the service organizations feel that the administrator should be total in his advocacy on behalf of veterans for increased entitlement benefits," he said. "I think he has an obligation to deliver in the most effective way the benefits which Congress provides. . . . I try to strike a balance on those things which seem to be legitimate and those which I don't think are legitimate."

## TROUBLE AT THE TOP

Among his burdens, Nimmo was hampered by political and institutional barriers that inhibited his freedom of action.

It is no secret that others were initially sounded out for the job, including former Defense Secretary Melvin R. Laird. Nimmo was finally persuaded to accept at the urging of William P. Clark, a friend and California neighbor who is now assistant to the President for national security affairs.

Nimmo admitted that although he had been associated with Reagan for about 15 years and served under him in California

as the state's property and fiscal officer, he was not a member of the President's intimate circle. He had a closer relationship, he said, with Clark, Meese and deputy White House chief of staff Michael K. Deaver.

Nimmo did not join the Administration until six months after its debut. Although he is a veteran, he had not been active in veterans' affairs, and the service organizations knew little or nothing about him. By the time he took office, the 1982 budget process was already under way and with Stockman taking the lead, the VA was virtually left out of negotiations involving its own budget.

Stockman, a pariah to veterans because he had been exempted from military service while attending theology school, dealt mainly with Rep. G. V. (Sonny) Montgomery, D-Miss., chairman of the Veterans' Affairs Committee, and his Senate counterpart, Alan K. Simpson, R-Wyo.

In talks with Montgomery, Stockman proposed an \$840 million reduction in the VA's 1982 budget, contending that the agency was not included in the Administration's "safety net" and hence unprotected from cuts. The OMB director proposed that \$330 million could be saved by consolidating the VA's 58 regional offices, which now include at least one in each state. Aware of the increasing needs of World War II veterans for medical treatment, hospitals and nursing care, Montgomery, as reported by a witness, turned to Stockman and said, "That isn't going to happen." The plan was abandoned.

Congress rejected about half the Administration's proposed budget cuts in veterans' programs; legislation was adopted reducing veterans' burial benefits and eliminating \$20 million from medical research funds. (Almost all of the \$20 million was reinstated in the 1983 budget.)

Publicly, Nimmo got off to an inauspicious start, notably by charging that organized veterans are principally concerned with wanting "more, more, more." During congressional testimony, he questioned whether veterans to whom military service was "only an inconvenience" should be entitled to the broad range of government benefits. "People have an obligation to serve their country and are not necessarily entitled thereby to a permanent social welfare system," he said.

As Nimmo would quickly learn, equating veterans benefits with "welfare" is tantamount to declaring war on the service organizations. Few Members of Congress would quarrel with Gen. George C. Marshall, who once said, "There is no pay scale that is high enough to buy the services of a single soldier during even a few minutes of agony of combat, the physical miseries of the campaign or the extreme personal inconvenience of leaving his home to go out to the most unpleasant and dangerous spots on earth to serve the nation."

Nimmo further alienated the veterans' groups by proposing a moratorium on VA medical facility construction projects and

tive to the problems of veterans and "woefully underqualified" for the VA position.

Clark's successor, Charles Hagel, another Vietnam veteran, lasted 10 months before resigning effective July 1. Popular with the service organizations for his forthright concern for veterans' needs, Hagel was given the responsibility but presumably not the authority to manage the VA's Agent Orange review, the agency's Vietnam veterans counseling centers and a data processing project. He too left with criticism of Nimmo's policies and management style.

"I very much wanted to enlarge the scope of involvement within the VA, ex-

pressly to include more participation by the service organizations, the congressional oversight committees, the career people and others who follow veterans' concerns," Hagel said. "I wanted to legitimately open the process to stimulate creative thought on how the agency should address veterans' problems over the next several years. I was stymied at every turn in trying to accomplish that. I don't think policy should be made in a corner of the 10th floor of the Veterans Administration building with political types in a clandestine manner. That was the way it was done and is still being done."

Hagel, who is now a member of a communications consulting firm, said that although the service organizations and other VA constituencies exercise great influence, "it is mostly by engaging in guerrilla warfare and throwing grenades, rather than through regular channels."

On May 25, Hagel took his concerns about Nimmo's operations to Helene von Damm, assistant to the President for personnel. "I told her," he said, "that I didn't want to make any trouble and that if that is the way the White House wants the VA to be run, then Nimmo deserves a deputy who is on his wavelength. There were no hard feelings. I said I was willing to wait 30 days to see if there were to be any changes; if not, I would submit my resignation on June 25. On that date, my letter of resignation was handed to the White House."

The present deputy is Everett Alvarez Jr., a prisoner of war in North Vietnam for eight and a half years, whose role was still not clearly defined when Nimmo resigned. Alvarez, who previously served



*Robert P. Nimmo, reflecting on his stormy tenure as head of the Veterans Administration: "After a year and a half in the agency, I find leadership is a hazardous occupation." Nimmo took care of that "hazard" by submitting his resignation to President Reagan.*

suggesting the curtailment of free, non-service-connected medical care for veterans over 65. And to his ultimate regret, he stated there was no medical evidence that Agent Orange, a defoliant widely used in Vietnam, causes "anything more than a case of teenage acne."

Not for nothing did Nimmo once concede that he suffers from "service-connected foot-in-mouth disease."

Within the VA, Nimmo also got off to a bad start. His first deputy, Allen Clark, a Vietnam double-amputee veteran, quit after three weeks on the job over personal and policy differences with Nimmo. Afterward, Clark fired off a telegram to Reagan, stating that Nimmo was insensi-

as deputy director of the Peace Corps, was described as "a model bureaucrat who gets along by going along."

Normally, the top three posts at the VA—administrator, deputy and general counsel—are filled by veterans. But as Kraja pointed out, the current general counsel, John P. Murphy, is not a veteran.

In July, representatives of the Big Three service organizations—Kraja of the American Legion, the VFW's Holt and Norman B. Hartnett, national director of services for the Disabled American Veterans (DAV)—met with Meese to express their apprehensions about Nimmo's public statements and the direction he was apparently taking the VA. They were additionally worried about reports that OMB was planning recommendations for the reduction of veterans' entitlement benefits.

"We wanted to know if there had been a shift in Administration policy and its declared support for veterans," Kraja reported. "Meese assured us there was no change from the Administration's original commitment."

Hartnett observed, "After the meeting with Meese, Nimmo's attitude seemed to change."

## GOVERNMENT OF STRANGERS

The VA chief has the authority to appoint only about 19 people. Nimmo says only six or seven are key slots.

Furthermore, some agency officials are appointed for specific terms and, as a result, are virtually immune from removal or transfer. Donald L. Custis, the VA's chief medical director, and Dorothy Starbuck, chief benefits director, who hold probably the most vital positions in the agency, were appointed by the previous administrator, Max Cleland, for terms that overlap into Nimmo's administration.

"It is difficult to make changes in the system," Nimmo said. "Congress has adopted legislation which prohibits us from making any changes or consolidations affecting 25 or more employees."

He was further frustrated by the apparent low priority given veterans' affairs by the Reagan White House. On the White House organization chart, the area is assigned to Morton C. Blackwell, a non-veteran who is better known as the Administration's liaison to right-wing political groups. As a special assistant to the President, Blackwell is a third-level White House aide whose areas of responsibility include fraternal organizations, native Americans and religious affairs, as well as veterans.

Like Stockman, Blackwell was a stranger to Nimmo. "The lines of communications with the White House are not clearly defined," Nimmo acknowl-

edged. "On crucial issues, I go to Ed Meese. But I'm careful not to abuse that relationship."

Spokesmen for veterans' groups say they know Blackwell only as a White House intermediary for setting up appointments. A top official with a congressional Veterans' Affairs Committee said he never heard of Blackwell.

"I don't know why he was given the job or what he is supposed to do," said an official at the VA. "To do this job properly, you need unqualified White House support. Once you get below Meese, you get the feeling, they are not really concerned."

On occasion, Health and Human Ser-



*Max Cleland, head of the VA during the Carter Administration, says the VA "is manageable, but the administrator must have credibility in setting the tone and providing expertise."*

vices Secretary Richard S. Schweiker acts as a spokesman for Administration policy affecting veterans. But this does not sit well with VA officials, who feel, as one said, that Schweiker "likes to take political credit, but we don't think he's a very competent spokesman for this agency."

Nimmo admitted he had "very little relationship with Schweiker." And he candidly reported that he was frequently kept in the dark as to what was going on within his own agency by entrenched VA officials who bypassed his office and dealt directly with the Veterans' Affairs Committees and the service organiza-

Not long ago, Rep. Barber B. Conable Jr., R-N.Y., called Nimmo to complain that a VA medical facility in his district was earmarked for a change of mission and that he had not even been informed in advance. Conable made it abundantly clear that such a move was not politically smart in an election year. Nimmo rather abashedly explained that he did not know anything about the proposal but would look into it.

"The old-boy network is days and weeks ahead of me in knowing what's coming up," he confessed. "The tragedy is that changes which have to be made won't be made because of the underhanded way of operating."

All this intrigue, political maneuvering and clannishness raise the question of whether the VA is a manageable institution.

"It's one of the toughest, most thankless jobs in Washington, a no-win position," commented Mack G. Fleming, chief counsel and staff director of the House Veterans' Affairs Committee.

"Nimmo's problem is that he can't reach into the old-line bureaucracy," an OMB official contended before his departure. "The heads of the departments within the VA are protected by Congress: Nimmo can't touch them."

Kraja maintained, "The structure of the congressional veterans' committees is such that they are so powerful they can dictate to the agency."

Former administrator Cleland, who said the agency is "equivalent to IBM worldwide," said: "It takes strong leadership. You've got to lean into the system all the time or else it reverts to business as usual. From the top down, that has to be a high priority. It is manageable, but the administrator must have credibility in setting the tone and providing expertise."

Nimmo admitted that when he took the job, "I didn't realize the size or complexity of the agency or the divergent pressures put on the administrator by so many interests and elements. I should have realized it but I didn't. I didn't realize the extent to which the veterans organizations were able to apply pressure. . . . It becomes difficult to do anything that won't upset them or the congressional groups. . . . I think the agency should be given Cabinet rank simply to balance the power equation."

## POLICY AND POLITICS

Veterans' affairs and politics are natural bedfellows. An estimated five million veterans belong to service organizations, creating a formidable voting bloc. Among the Big Three, the American Legion's membership is counted at 2.6 million (including 720,000 Vietnam veterans), with a women's auxiliary of about a

million; the VFW has 1.9 million members (535,000 Vietnam veterans) and 670,000 in its auxiliary; and the DAV lists 680,000 members (193,200 Vietnam veterans).

All the major veterans' groups based in Washington employ lobbyists; some, such as the American Legion and the DAV, have as many as four. "We have a contact for every Member of Congress," said Kraja, "as well as a specialist on each of the big issues." He said the legion's auxiliary communicates with every congressional district office in the country.

On a critical issue, the service organizations can swiftly bring the full weight of their national membership to bear on Members of Congress via computerized communications.

In a classic political trade-off, the VFW's Holt recalled: "During the 1981 tax fight, the Administration needed our support real bad. Stockman at that time was proposing cuts in veterans' programs amounting to about \$500 million. We agreed to support the Administration-backed tax compromise if they would restore the cuts."

The VFW in 1980 became the first service organization to establish a political action committee. The VFW-PAC, Holt said, endorsed Reagan and 229 House candidates, of whom 205 were victors; of the 26 Senate candidates it supported, 17 won.

This year, the VFW-PAC will endorse 296 House and Senate candidates, based mainly on their positions on defense and veterans' issues. It is seeking to raise \$400,000, of which \$320,000 will be contributed to endorsed candidates.

While they may have been displeased with Nimmo and fearful of possible efforts to tighten eligibility standards for veterans' entitlements, the service organizations feel that Reagan, for the most part, has kept his campaign commitment to support veterans' programs. "If we base Reagan's record on two budgets, '82 and '83, [the VA] probably came out better than any other agency," Holt acknowledged. Beyond the established veterans' groups, however, not all spokesmen agree that Reagan has kept his promises to veterans.

"His rhetoric doesn't match reality," declared John F. Terzano, director of the Washington office of the Vietnam Veterans of America. Terzano maintained that

the Vietnam veterans' outreach counseling program, started during the Carter Administration, was almost shut down by Reagan's hiring freeze and austerity budget. He also charged the VA with dragging its feet on resolving the dispute over Agent Orange.

The DAV's Hartnett said, "The President's commitment has not always been carried out by members of his Administration; their actions belie their words." He noted that OMB tried to reduce dependency allowances and disability compensation for veterans receiving social security in certain cases but was turned down by Congress.

Describing Reagan's attitude toward



*Mylio S. Kraja, executive director of the American Legion, says Nimmo "couldn't adjust to the fact there were strong, organized consumer advocates, and he had to be put in a position of listening to them."*

veterans, an Administration official said. "He reflects a World War II mentality; he remembers their contribution and recognizes the value of veterans' programs to individuals." When Reagan declares his philosophical support, the official said, "we have to continually remind him of the price."

#### THE DUTCH UNCLE

White-haired, 60, neatly dressed and dignified in bearing, Nimmo seemed poorly cast for the internecine political warfare that characterizes Washington. An aide described him as "a kindly Dutch uncle."

Nimmo recalls that William Clark,

when he asked him to take the VA job, advised him to "take one step at a time and apply common sense." But as Nimmo probably discovered, common sense is not a highly valued commodity in Washington.

Nimmo suffered in comparison to his predecessor. The politically astute Cleland, a triple-amputee Vietnam veteran, is credited with raising the nation's consciousness over the plight of Vietnam veterans. Now running for Secretary of State in Georgia, Cleland had a special relationship with President Carter and was allowed to attend Cabinet meetings as a back-bench participant.

"When it came to budget time," Cleland recalled, "I was able to say, 'Mr. President, here is the situation.'" That privilege was denied Nimmo.

Yet even Cleland got bogged down in the bureaucracy and was unable to accomplish all he had set out to do.

Nimmo admits that his public image was frayed and that he had been told by the White House to see if he could reconstruct it. From early July to mid-September, he spent only about 19 days in his office. "The rest of the time I was on the road talking to veterans' groups and attending dedications," he said.

Commenting on the brouhaha over the refurbishing of his VA quarters, he said, "It wasn't just my office, it was the whole half of the 10th floor. When I came here I felt it was substandard. The whole thing came to about \$45,000."

He further pointed out that he wrote the U.S. comptroller a check for \$6,411 to cover the use of the government car and driver. "Now my wife drives me to and from work," he said.

Nonetheless, the VFW at its national convention in Los Angeles this summer passed a resolution calling on Reagan to "reprimand" Nimmo for "being indiscreet in his public utterance . . . and offer assurance that any recurrence will lead to deeper corrective measures."

But for all the criticism hurled at him, Nimmo was not without defenders. Editorials in several prominent newspapers, including *The Wall Street Journal* and *The Christian Science Monitor*, praised his boldness in trying to effect reforms in veterans' programs.

Simpson declared during a Senate Veterans' Affairs Committee hearing: "Bob Nimmo has worked very hard in his first months as administrator to protect the benefits of veterans and promote their interest within the severe budget restraints. . . ."

Now perhaps that can be of some comfort to Nimmo, who, looking back on his stormy tenure at the VA, observed, "After a year and a half in the agency, I find leadership is a hazardous occupation." □

UNITED STATES  
OFFICE OF PERSONNEL MANAGEMENT  
WASHINGTON, D.C. 20415

NOTE FOR MORTON BLACKWELL

Morton,

As per your request,  
attached please find  
a copy of our VETO  
MESSAGE regarding  
H.R. 6350.

If you have any  
questions, feel free  
to call me at 632-6514.

Bob Martiner  
(Deputy)

From—Robert E. Moffit  
Assistant Director for  
Congressional Relations

TO THE HOUSE OF REPRESENTATIVES:

I am returning herewith to the Congress, without my approval, H.R. 6350, the "Veterans' Administration Health-Care Programs Improvement and Extension Act of 1982."

This bill would extend several valuable programs, including a scholarship program for VA nurses. However, the bill would also make certain expensive and unneeded changes in the provisions of law governing pay and hours of work for VA nurses. The bill would provide premium pay of up to 25 percent for Saturday work by nurses and certain other personnel, even though other Federal employees do not get such premium pay, and the bill would allow nurses to work as little as 24 hours a week and yet receive full pay, while all other Federal employees are required to work a full 40-hour workweek. I recognize that both of these special provisions in H.R. 6350 would be nominally discretionary, but the requirement in the bill that governing regulations be issued promptly makes clear that the existence of these authorities in law would soon be used to force their use.

I am deeply committed to maintaining a high quality of health care for our Nation's veterans, and this commitment has been consistently demonstrated in the positions my Administration has taken on funding for the VA hospital system. However, a concern for quality health care for our veterans must not be distorted into unwarranted and excessive pay for those Federal employees who work in the hospitals. These workers already receive pay which is more generous than that provided other Federal workers in several respects, and this disparity must not be allowed to grow.

I urge Congress to return this bill to me without the premium pay and hours-of-work provisions of section 2, so that the worthy and needed programs in the rest of the bill can be continued without interruption.

THE WHITE HOUSE

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THE WHITE HOUSE

THE WHITE HOUSE  
WASHINGTON

*Veterans  
Benefits*

September 3, 1982

MEMORANDUM FOR ELIZABETH H. DOLE

THRU: DIANA LOZANO  
FROM: MORTON C. BLACKWELL *MB*  
SUBJECT: H.R. 6350

I recommend that we sign the bill. The arguments of OPM about the need to coordinate policy across the Administration are good arguments. If this were a bill to grant special privileges to nurses employed by HHS I think that we would have to support the OPM position.

This bill on the other hand has to do with veterans and is of great interest to the veterans organizations which are part of the President's winning coalition. It is not demonstrated that this will cost the government additional money.



WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/2/82 ACTION/CONCURRENCE/COMMENT DUE BY:

SUBJECT: ENROLLED BILL H,R, 6350 - VETERANS ADMINISTRATION HEALTH-CARE PROGRAMS IMPROVEMENT AND EXTENSION ACT

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	GERGEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HARPER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	WILLIAMSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DOLE →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	VON DAMM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

May we have your comments on the attached bill by close of business tomorrow, Friday, 9/3. Thank you.

Richard G. Darman  
Assistant to the President  
(x2702)

Response:



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

SEP 2 1982

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 6350 - Veterans Administration  
Health-Care Programs Improvement and Extension Act  
Sponsor - Rep. Montgomery (D) Mississippi and 31 others

Last Day for Action

September 8, 1982 - Wednesday

Purpose

Provides the Veterans Administration (VA) with discretionary authority to permit flexible pay and work schedules for nurses and certain other health care personnel; expands VA's health professional scholarship program; extends the State veterans' homes and contract programs; and makes some other changes to veterans' programs.

Agency Recommendations

Office of Management and Budget	Approval
Veterans Administration	Approval
Department of Health and Human Services	Defers to VA (Informally)
Office of Personnel Management	Disapproval (Veto message attached)

Discussion

H.R. 6350 incorporates provisions from a number of bills that had been considered separately in Congress. H.R. 6350 was initially passed by a 390-0 vote in the House and by voice vote in the Senate; the final version was approved by voice votes in both Houses.

The most significant features of H.R. 6350 -- including the one troublesome section -- are discussed below. More detailed descriptions of all the bill's provisions are provided in the analysis enclosed with VA's attached views letter.

The following provisions of H.R. 6350 were proposed or supported by the Administration, or are not seriously objectionable. Specifically, these provisions would:

-- extend for one year, until September 30, 1983, VA's authority to provide contract care and medical services for veterans in Puerto Rico, the Virgin Islands, and other U.S. Territories;

-- extend for four years, through fiscal year 1986, the appropriations authorization for the program of grants to States for construction, remodeling, or renovation of State veterans homes at "such sums as may be necessary" annually to carry out the program;

-- authorize the VA to exchange and share, on a reimbursable basis, medical data, information, and techniques with State veterans' home health-care facilities;

-- extend for 1 year, until March 31, 1984, the date by which VA must report to Congress on its pilot program for treatment and rehabilitation of alcohol or drug dependencies;

-- revise the Civilian Health and Medical Program of the VA (CHAMPVA), which provides health care eligibility for the survivors and dependents of certain service-connected disabled veterans, to provide for a reinstatement of CHAMPVA eligibility if an individual, after losing such eligibility by becoming eligible for Medicare, exhausts some or all Medicare eligibility. The VA opposes this provision because it is not aware of any significant problems affecting CHAMPVA beneficiaries in connection with exhaustion of Medicare coverage that call for a legislative remedy. This provision, however, would have such a minor cost, less than \$200 thousand in 1983, that it is not seriously objectionable; and

-- expand VA's health professional scholarship program to permit current full-time VA employees to participate in the program while continuing to work for the agency on either a full- or part-time basis. Although the VA initially had objected to making VA employees eligible for the scholarship program, believing that the limited funds available for the program should not be diverted to students enrolled part time, the enrolled bill's prohibition against paying a stipend to VA employees eliminates VA's most serious concern. Moreover, this provision will enable the VA to compete, to some degree, with non-Federal health-care facilities, many of which offer tuition reimbursement programs for their nursing personnel.

The remaining feature of H.R. 6350, dealing with pay and work schedules of nurses and certain other health-care personnel, was strongly opposed by the Administration and presents some serious concerns. Section 2 of H.R. 6350 would give the VA Administrator discretionary authority to allow nurses employed at VA facilities who work two regularly scheduled 12-hour weekend tours of duty to be considered to have worked a full 40-hour basic workweek and be compensated on that basis. This practice is commonly referred to as the "Baylor Plan". The bill would

also give the VA Administrator discretionary authority to allow premium pay of up to 25 percent for Saturday work, and to increase additional pay for night, weekend, holiday, or overtime work by VA nurses, physicians' assistants, and expanded-function dental auxiliaries.

The VA, in its views letter on H.R. 6350, notes that given current authority to effect pay increases, provide additional pay, and implement compressed work schedules, the "Baylor Plan" is unnecessary. The VA also believes that the bill's requirement to publish in the Federal Register proposed regulations for implementing the various pay and scheduling authorities is unwise and burdensome. The VA is concerned that the "Baylor Plan" is inflexible and could cause serious morale problems by creating disincentives to work necessary irregular tours of duty. VA's concerns, however, are somewhat allayed because H.R. 6350 gives the Administrator broad discretion in determining whether or not to implement the "Baylor Plan". In fact, this bill gives the Administrator full flexibility to use any of the pay authorities on a nationwide, local, or other geographic basis, as deemed necessary for the recruitment or retention of nurses. As a result, VA expects use of the "Baylor Plan" authority to be very limited.

OPM, in recommending a veto because of section 2, notes that other Federal employees do not generally receive premium pay for non-overtime work on a Saturday, and that they are not paid 40 hours' pay for 24 hours' work. Furthermore, OPM believes that these pay provisions would set a costly and dangerous precedent for other Federal employees who might seek similar treatment.

The provisions in section 2, as the OPM views letter states, are the latest in a series of pay provisions that have been enacted in the last several years to provide special premium pay and other special treatment for VA hospital workers in situations where their counterparts in other Federal agencies do not receive such special treatment.

The Congressional Budget Office estimates that the pay provisions contained in section 2 of this bill will cost \$1.9 million in 1983, and will cost a total of \$21.5 million over the next five years. This estimate assumes that Saturday premium pay would be implemented in 25 VA medical facilities in fiscal years 1983 through 1987. Further, it assumes that the use of the "Baylor Plan" would be limited, beginning with 5 facilities in 1984 and increasing to 15 facilities by 1987 (15 VA facilities are located in communities in which the "Baylor Plan" is currently offered by private and municipal hospitals).

#### Recommendation

While the VA notes its reservations concerning some of the provisions of H.R. 6350, especially with the "Baylor Plan," on

balance VA recommends approval of the bill, because none of the provisions poses so significant a problem as to warrant a veto.

As noted above, OPM recommends a veto because of its serious objection to the granting of special pay privileges to a group of Federal employees in situations where their counterparts in other Federal agencies do not receive such special treatment. This type of practice hinders OPM's efforts to treat all Federal employees fairly and as a whole.

We share OPM's concern about the pay provisions in this bill. We believe, however, that the broad discretionary authority provided the VA Administrator on whether or not to implement these pay authorities is a sufficient safeguard to allay most of our concerns. Furthermore, Congress made it very clear that the pay authorities of this bill are to be exercised by the VA only when necessary for recruitment and retention purposes. The bill is specific on this point. The Senate Committee's report emphasized that the Administrator should use the authority only in the specific locations where the need is clear and where the use of a compressed workweek would not be a sufficient employment incentive. Senator Cranston, in presenting the Conference Report on H.R. 6350, emphasized that the exercise of these new pay authorities is discretionary with the Administrator, and that they could be used only when determined necessary to improve the agency's ability to recruit or retain needed personnel.

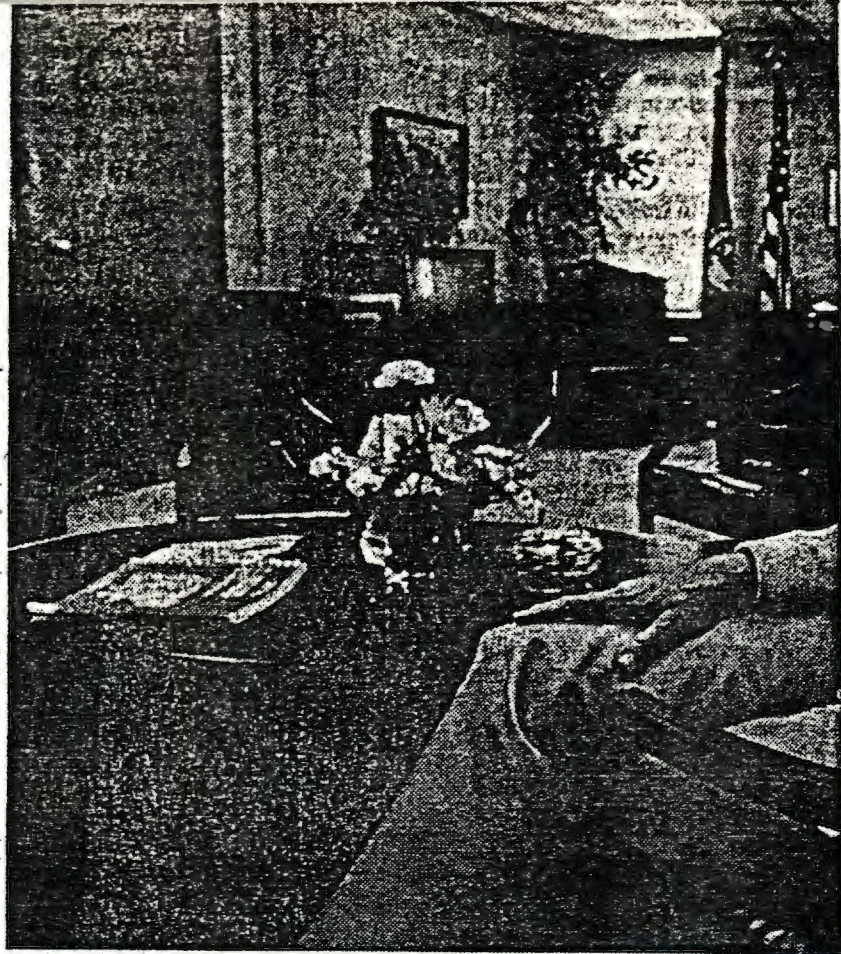
We recommend, therefore, that you approve the bill.

  
Joseph R. Wright, Jr.  
Acting Director

Enclosures

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Robert P. Nimmo, embattled administrator of the Veterans Administration

# Battle in Veterans Director Under Fire for Statement

To care for him who shall have borne the battle and for his widow and orphan.

Quote from Abraham Lincoln, on a plaque outside the Veterans Administration Building.

What has to be recognized, I think by these people (veterans), if they want to be realistic, is there are more words in the dictionary than 'more, more, more.'

Quote from Veterans Administrator Robert Nimmo.

By BETTY CUNIBERTI,  
Times Staff Writer

WASHINGTON—The United States may be at peace, but its military veterans are not.

Nothing short of a full-blown war is being waged against former California legislator Robert Nimmo, the administrator of Veterans Affairs appointed a year ago by President Reagan.

The battle involves:  
—Nimmo's illegal use of a government chauffeur between his home and the office.

—The successive resignations of two Vietnam veterans who had served as deputy administrator, the No. 2 job at the VA, both because of differences with Nimmo.

—The \$18,264 redecorating of Nimmo's office, including the addition of a private shower, all in violation of a presidential directive that forbids the redecorating of offices.

—Sharp disagreements over possible cuts in veterans' benefits.

—His refusal to grant Vietnam veteran employees an hour off to attend the groundbreaking ceremony of the Vietnam Veterans Memorial, while he decided to keep a golf date rather than attend the event himself.

—The improperly handled trans-



BERNIE BOSTON / Los Angeles Times

Charles T. Hagel, the second deputy administrator to resign

from Nimmo's office; furniture of his daughter's office at the Department of Commerce.

—Nimmo's televised statement saying there is "no medical evidence" the effects of Agent Orange are any worse than "teen-age acne."

—A government investigation, looking into most of the above.

The chauffeur matter caused particular embarrassment to the "waste-fraud-and-abuse" crusaders in the Reagan Administration because Nimmo's predecessor, Max Cleland, had driven himself to and from work, despite having lost both legs and his right arm in the Vietnam War.

Nimmo loyalists have praised the 60-year-old World War II veteran



BERNIE BOSTON / Los Angeles Times

administration, discussed issues that have brought him under criticism.

## Administration Budget-Cutting Moves



Cooper T. Holt, executive director, Washington office of VFW.

as being the first with enough bravery to say "no" to veterans, to hold up construction of new VA hospitals to see if they are really needed, to question the scope of military pensions and medical care for veterans over 65 who receive similar benefits from Social Security, to "touch the untouchable," as a favorable editorial in the Wall Street Journal put it.

If he is indeed the first to say "No," (and three former administrators dispute that), Nimmo also figures that, "Given recent experience, I may well be the last."

Last month, the combat reached such a pitch that Reagan was forced to meet on the matter with his closest advisers. Reportedly going against the recommendation of

White House Chief of Staff James A. Baker III, Reagan announced he would retain Nimmo, overlooking his breaking of the law on the chauffeur matter and his violation of the presidential directive on redecoration of offices. Nimmo redecorated not only his own office but also eight others of his immediate staff at a cost of \$54,183.90. (At least six members of the Cabinet have also redecorated their offices.)

Nimmo reimbursed the government more than \$6,000 for the cost of the chauffeur. But the lingering perception that Nimmo is more concerned about budget cuts and his own comfort than the needs of veterans has prompted public demands for his ouster from twenty-four members of the House of Representatives (including one Republican), former VA deputy administrator-designate Allen Clark and the Texas branch of the American Legion.

### Not Without a Fight

But if Nimmo is going to go down, as some have speculated, he won't go without a fight.

He agreed to be interviewed by The Times for an hour and half in his office. He is also touring the country to speak to veterans' conventions, "on the campaign trail," he said.

"I'm going to try to tell them what the facts are. I think I can go with a positive approach about what we have actually done as distinguished from what we're being accused of.

"I have tremendous loyalty to Ronald Reagan and as long as he's satisfied with the way I'm doing the job I'll be inclined to stay here. But if there ever comes a time when I am perceived as a liability or when what I do is an embarrassment to the President, I'll leave quietly and quickly."

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# VETERANS: Administrator Under Fire

Continued from First Page

In dozens of interviews with Nimmo's critics and his admirers, all of them managed to agree on one thing.

Nimmo sits on a hot seat.

"I can't imagine a grislier task," said Sen. Alan K. Simpson (R-Wyo.), chairman of the Senate Veterans Affairs Committee. "There are 30 million veterans, and each and every one with some special reason why he should have his benefits extended or have special consideration, and it's very real.

"I watched Max (Cleland, the triple amputee Vietnam veteran who preceded Nimmo) and how they cannibalized him. And he was assuredly one of them. Somebody gets a hold of a juicy, emotional thing and they slap it on your head like a dead fish.

"It's the greatest no-win shot I've ever seen in Washington."

Although the administrator does not have Cabinet

status, he heads the second-largest government agency in numbers of people with 220,000 employees, trailing only the Department of Defense. The VA's federal expenditures of \$23.8 billion in fiscal year 1982 will be exceeded only by the Department of Defense, the Department of Health and Human Services, interest payments on the national debt and unemployment assistance.

There are 30 million veterans, including 1,138,430 in Los Angeles County, more than any other county in the nation.

Into this fiefdom of big dollars and high emotionalism came Robert P. Nimmo, plucked out of retirement in Atascadero by the Reagan Administration after a drawn-out, prickly process in which several candidates were considered but none appointed. Ultimately settling on a friend of White House counselor Edwin Meese III, presidential personnel assistant E. Pendleton James described the search as "a nightmare."

Los Angeles Times

In retirement, Nimmo said, "I was a golfer and a waiter. I'd play golf in the morning and wait for my wife to come home from work (a real estate business) in the afternoon. At least coming back here, if it didn't do anything else, it finally got her to sell that business she was working at 10 and 12 and 14 hours a day.

"I was beginning to find that I was not really ready for retirement. I saw the things happening back here in Washington and sort of had a feeling maybe of not being in the action.

"And I sure as heck got in the action.

"Had I not come I would have always wondered, I suppose, could I have made a difference?"

Born in Balboa, Calif., in 1922, Nimmo graduated from Newport Harbor High School in 1940, attended Cal Poly San Luis Obispo for two years, majoring in animal husbandry, and entered the Army Air Corps prior to graduation. He attended the Army Supply Management School in Ft. Lee, Va., and completed his education at the U.S. Army Command and General Staff College.

An Army B-24 bomber pilot he served with the 8th United States Air Force in England in World War II. He

later served as a supply officer in Korea.

He spent three years raising livestock and grain in Terrebonne, Ore., before returning to California and working at various jobs for the California State Military Department from 1955 to 1970.

Next Reagan, then governor of California, appointed Nimmo to serve as United States property and fiscal officer for the state of California.

After three years of that, Nimmo was elected to the California Assembly for two terms before moving on to the state Senate in 1976, serving four years. In 1980 he was the honorary chairman of the Reagan for President Committee in San Luis Obispo County.

Financially, Nimmo draws a state-paid military pension of more than \$36,000, earns \$60,662 as administrator of Veteran Affairs and, according to his government financial disclosure statement, was receiving additional income between \$23,300 and \$70,500 from rental properties in California at the time he came to Washington. He and his wife, Pat, then owned property, the report said, in excess of \$750,000.

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## VETERANS

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Nimmo had never run anything the size of the Veterans Administration, which he compares to "General Motors or Sears, Roebuck."

Why would he come out of retirement to do this?

"I ask myself that on almost a daily basis," he said with a chuckle. "I knew this was not going to be a rose garden."

Nimmo sat in his office, which now surrounds him with peaceful, beige, grass cloth-patterned wallpaper (price tag: \$2,058.75) instead of the bright blue paper with VA seals all over it that had been specially designed for the previous, younger administrator.

The old office, Nimmo said, "was intolerable."

"It was bright, bright blue with little silver medallions all over, with bright blue chrome and steel furniture. It was, to me, unsettling."

Nimmo settled the unsettling situation by completely

refurbishing his office complex, stating on the procurement documents that the wall covering was not bright, but "damaged, faded and dirty." He was unaware, he said, of Reagan's directive forbidding it.

"You know, what so frequently happens with the President's directives and executive orders is they are distributed to Cabinet level agencies and frequently the rest of us don't get them," Nimmo said.

"Ignorance of the law is never an excuse anywhere any time, but I was not aware of it. But I still regard the overall improvements as being reasonable and necessary for people to do their work. I just don't think it's appropriate for the career people (who are not political appointees) in the agency to have substantially better working conditions than the people who run the agency."

There was some amusement and at least a little indignation when it became known that the furniture that Nimmo hated so much ended up in the office of his daughter, Mary, the director of public affairs at the Department of Commerce.

She, too, said her office was "a disaster."

Thursday, August 5, 1982/Part V

11

"You should not have to sit in an office that looks like someone threw up on the floor."

She said the oiled walnut credenza, two tables, six chairs, and blue sofa and love seat from her father's office that are now in an area of the office where the public visits "are an improvement on what we had, which was nothing. We managed to fill a need and not spend any money."

There is nothing improper about agencies trading furniture, but in this case, the transfer was completed without prior approval by the General Services Administration, which oversees government acquisition of property. It was later approved.

If he had known about the presidential order forbidding redecorating, Nimmo said, "I would have sought exception to that order. I couldn't stand to be in this room."

Not everyone is convinced the redecorating was a good idea.

"Frankly, I think it's outrageous," said Rep. Allen Ertel (D-Pa.), who is leading the campaign to fire Nimmo. "If I were the President and I put out an order—and it's

a good order—and they violated that order and I warned them and they continued to do it, the only remedy is, get rid of them."

Nimmo dismisses such criticism as so much election-year Muzak.

Calmly and pleasantly, he agreed to answer questions about each of the controversies.

"Do we have time?" he quipped.

The VA inspector general, who acts as an agency watchdog, twice warned Nimmo that use of a government chauffeur between the home and office was illegal.

"The fact is that this agency was in a sense singled out for greater restrictions than other agencies of similar size and complexity," said Nimmo. "In the Department of Defense and a number of other agencies unrestricted use is done on the grounds that those people must remain available on a 24-hour basis. And the Veterans Affairs Administrator is in precisely the same status. He has an emergency backup role with 172 hospitals in case of national emergency."

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## VETERANS: Waging War in the VA

Continued from 11th Page

"I got a number of options from my own general counsel as well as previous general counsels, as well as a controller general letter on the subject some years back, and I looked at the legislative history of the whole matter, and I looked at the practices around town of agency heads who are similarly situated and it appeared to me there was doubt about where the matter really stood, both legally and as a matter of accepted practice.

"And I considered my own personal safety. I have had a death threat.

"The alternative is to use public transportation or to drive my own car and park in a garage across the street. I don't work the hours a regular civil service employee works. If I park my car over there in the garage, when I go over there at night it's dark, it's a big, empty garage. There is simply no security."

Nimmo concluded about his chauffeur, "As it turned out, obviously, the decision appears to have been a bad one. So I've accepted the Inspector General's findings and reimbursed the government. I consider that a closed issue now. I wish it had not occurred."

Some members of Congress feel the issue is not at all closed.

"We cannot allow Mr. Nimmo or any other government official in any Administration to adopt the philosophy of 'innocent until caught,'" said Ertel (D-Pa.).

Nimmo's wife drives him to and from work now—a new chauffeur, as it were.

"A far more attractive one than I had before," Nimmo added.

### THE DEPUTIES

Of particular concern to many veterans have been the departures of Allen Clark and his successor Charles Hagel, Vietnam veterans (and active Republicans) who held the No. 2 job of deputy administrator.

Clark resigned after just 22 days and is now running for treasurer of Texas. Last month, after Hagel resigned, Clark went public for the first time with his concerns about Nimmo, sending President Reagan a Mailgram recommending Nimmo's replacement.

In the Mailgram Clark cited "not only his (Nimmo's) ineptitude for the position but his incapacity for personal sensitivity and caring about people."

Clark said he was especially dismayed because Nimmo never had a meeting with him and Clark felt his job responsibility was "basically undefined."

"When asked about redecorating my own office, I refused to spend taxpayer money. I was given very reluctant permission to visit with Vietnam veteran hunger strikers in Lafayette Park (across the street from the White House.)"

Clark told The Times that Nimmo said of the hunger strikers, who were concerned about treatment of Agent Orange effects, "they were the same as the protesters in California in the '60s."

Nimmo said that he and Clark "did have some policy differences on management structure, so Allen elected not to be confirmed."

Hagel replaced Clark Sept. 1 and resigned July 1.

### Pleased With Hagel

"We were very, very upset to see Hagel go," said John Terzano, director of the Washington office of the Vietnam Veterans of America, echoing the sentiment of many veterans' organizations. Vietnam veterans were particularly pleased with Hagel's efforts to move along action on the study of the effects of Agent Orange, the defoliant sprayed there. In late June, Nimmo authorized \$5 million for the first of a three-phase study, and promised to ask the President for an additional \$7 million to complete it over two more years. Suspecting that

Nimmo signed the document only because of mounting public pressure, Vietnam veterans are still uneasy about Hagel's departure, even though he was replaced with another Vietnam veteran, Everett Alvarez Jr.

"If this means the sensitivity and awareness that Hagel brought won't be there," said Terzano, "we won't sit around and be complacent about it."

Hagel said he resigned for a number of reasons, among them his view that "the leadership (of the VA) should be advocates for veterans and I didn't see it at the top.

"There is more of a budget-cutting mentality than is probably healthy for the VA. The VA is not the Department of Transportation. It is not social welfare. It has a whole different character and personality. I would have liked to have seen him appreciate the differences between the two and not be so gleeful about cutting the budget, programs and people."

Hagel thinks Reagan has kept Nimmo because "the California connection is very strong."

Nimmo denies charges that he is insensitive to veterans' needs. "I think the most difficult thing for me has been the attacks on my personal integrity," said Nimmo. "My mission here is not to dismantle the agency. Despite all the charges of foot-dragging (on Agent Orange), being anti-Vietnam veteran, anti-veteran generally, charges of being in a conspiracy with (Office of Management and Budget Director) Dave Stockman to

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# VETERANS

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reduce the 1984 budget by \$4.5 billion . . . I hope somewhere in all of this it finally comes out that I really, simply am trying to make the agency better, that I fully intend to preserve and protect the integrated health-care system, improve it if I can, save some money if I can, be sure we build the health-care facilities we need where we need them for the people we need them for, look at every program not with a view toward doing away with it but simply to be ensuring it is carried out in the most efficient manner at the least possible cost.

"The cost of running the Veterans' Administration has gone up from \$12 billion in 1957 to \$25 billion now. At that rate 10 years from now it will be \$50 billion. I had a perception when I came here I was expected to examine programs and try to find out what we could do to contain costs. I had no idea the violent reaction that would come from that.

"You have, really, a problem of balance in trying to carry out what you perceive to be the administration program when you have two committees on the Hill (the House and Senate Veterans Affairs Committees) which have really nothing to do on a day-to-day basis but watch the VA and expect it to acquiesce to the wishes of all those congressmen and senators up there."

"It matters not to me how much heat I have to take. Better for me to be attacked than for him (the President) to be attacked."

## Free Hospital Care

Veterans are perhaps most enraged by Nimmo's questioning of whether or not all veterans at age 65 should continue to receive free hospital care, since they will also be receiving Social Security benefits.

Several veterans said that Nimmo has referred to this as "one social welfare system on top of another."

Nimmo didn't deny that statement.

"I'm the first one who dared raise the issue of what the level of service should be, given the Social Security . . . whether free medical care at age 65 and all of the other veterans' benefits, with respect to non-service connected veterans, constitute a sort of social welfare system on top of another system, the social security system," Nimmo said. "I wish to goodness I had never even addressed that subject. It's gotten me into trouble ever since. That's a question for Congress."

(Congress, not Nimmo, makes all the rules governing entitlements.)

Said one government worker involved at a high level of veterans' affairs, "the veterans' groups go absolutely bananas if you say 'welfare' and 'veterans' in the same sentence. It sure would look like welfare to a lot of people. But it is inpolitic to say it."

The reason the issue has come bubbling to the forefront is that 12 million World War II veterans are now an average age of 62 and there is concern over whether there will be enough funds and VA facilities to care for them after age 65, particularly since Nimmo has frozen the construction projects.

Mylio Kraja, the executive director of the American Legion's Washington office, points out, "less than 10% will be interested in obtaining the free care. We find over the years that the non-service-connected veteran who uses the facilities is the one who is destitute, old and alone in life. It is his last resort. If he did not have

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# VETERANS: Embattled Administrator

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the dignity of this hospital he would become a ward of a federal hospital."

Said Hartnett of the Disabled Veterans, "We don't believe the eligible veteran should be relegated to Social Security. He paid his premium in the form of service to his country."

Nimmo's image problem is in great part self-inflicted through his public statements. Many months ago, two Associated Press interviews and one on a morning television talk show did him considerable damage.

The talk show contained his statement about there being "no medical evidence" that Agent Orange causes "anything more than a case of teen-age acne," a statement he essentially stands by now.

"We don't know what the Agent Orange problem is. That's what these studies are geared to find out," Nimmo told The Times. "There are complaints of migraine headaches, nervous tension, birth defects, almost any condition you want to name is being related by one veteran or another to Agent Orange. Until we do all of these studies the only thing we know Agent Orange causes is severe acne. But we are treating every Vietnam veteran, no matter what his complaint, if he thinks it was caused by Agent Orange."

An interview with the Associated Press contained his statement about veterans having to realize "there are more words in the dictionary than 'More, more, more.'" In the other AP story, which followed Nimmo's decision to freeze \$2.7 billion worth of planned construction of new, modernized or replacement hospitals, clinics and nursing homes, Nimmo almost appeared to be bragging when he said, "I'm going to get tons of flak. There will be outrage expressed."

"The percentage of the VA's portion to the total federal budget has declined since 1975 from 5.4% to 3.2%," said Kraja of the American Legion. "So veterans have not asked for more, more, more. We're not on a gimme kick. What's in place is sound. All we ask is it be addressed with the proper amount of money."

Even Hagel said he does not expect huge slashes in the 1984 budget. The VA budget emanates from Nimmo, is edited by the Office of Management and Budget and is subject to changes by Congress before Congress ultimately votes on it.

In fiscal 1982, the VA had budget authority of \$24.8 billion, and in fiscal 1983, Congress has approved \$24.6 billion, which takes into account a Congressional Budget Office estimate that the need for pensions, which are need-based, would be \$900 million less than estimated.

One high-level employee at the VA who supports Nimmo, a Vietnam veteran who asked not be named,

said, "The veterans' organizations are making a lot of noise and using Nimmo as an issue in an effort not to have the 1984 budget cut. Unfortunately Nimmo has given them enough ammunition. Some of it just doesn't look good, but he's got a lot of integrity."

Besides finding Nimmo to be less than a champion of veterans causes, Hagel said one of the many differences he had with Nimmo was that he wanted to get veterans' organizations more involved in the decision-making process.

Nimmo told The Times that Hagel "never on any occasion differed with me on any policy matter. Never."

But Hagel recalled at least one matter he said he and Nimmo did not see to eye to eye on. It was . . .

## THE GOLF GAME

Hagel went to Nimmo with a memo asking that Vietnam veteran employees be given an hour off to attend the ground-breaking ceremony of the Vietnam Veterans Memorial, "the first significant recognition of Vietnam veterans since the war," said Hagel.

Nimmo remembers replying, "I said that conceptually I think the idea has merit but I'm inclined to think it would be more appropriate to attend the dedication ceremony, which would be the really big one, in November."

It is well known around the VA that the dedication ceremony was scheduled for Nov. 11, which is Veterans' Day, a federal holiday the employees would have off anyway.

Hagel also learned of Nimmo's previous commitment to play in a golf tournament at Andrews Air Force Base sponsored by attorneys of the agency. Hagel did not consider this a valid reason to skip the ceremony.

"I thought it was very, very important that he be there," said Hagel.

Nimmo told The Times, "I won't expect you to understand, because I'm still having difficulty understanding myself, the extent to which, among employees of the agency, the administrator is held almost in awe. Two or three months before that tournament I was asked by the defending champion, who is an engineer in the office of construction, if I would play with him in the tournament and I said I would. It was a very important thing for him. I asked Mr. Hagel if he would make the appearance for me (at the ground-breaking ceremony), which seemed to be appropriate, a twice-wounded Vietnam veteran, and I saw nothing wrong with him representing me at that function."

It's a long way to the VA from the putting greens of Atascadero. As veterans become increasingly nervous over the 1984 budget and what it may not hold, the war figures to rage on.