

RAYMOND C. KELLEY, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

STATEMENT OF

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BEFORE THE

SENATE VETERANS' AFFAIRS COMMITTEE

CONCERNING

PENDING LEGISLATION

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412 SENATE RUSSELL OFFICE BUILDING

Chairman Akaka, Ranking Member Burr, and members of the Committee:

Thank you for holding this hearing to discuss pending legislation.

S. 22

S. 22 the "Post-9/11 Veterans Educational Assistance act of 2007," is the most comprehensive and appropriate veterans educational reform bill, and for these reasons AMVETS wholly supports this legislation. The post WWII GI Bill allowed what is known as the Greatest Generation to achieve that greatness. It is an embarrassment to know that the greatest recruitment tool and the rationale for so many of our servicemembers to join the ranks of our military has eroded to nothing more than lip service to the true financial burden borne by our veterans to obtain their degrees.

S. 161

S 161, the "Veterans' Disability Compensation Automatic COLA Act" allows for automatic annual increase in rates of disability compensation and dependency and indemnity compensation. Veterans whose earning power is compromised or completely lost as a result of service-connected disabilities must rely on VA compensation for necessities of life, as must surviving spouses. Erosion of these rates due to inflation has a detrimental impact on recipients with fixed income. These benefits must adjust to increase with the increases in the cost of living. It is for all these reasons that AMVETS wholly supports this legislation.

S. 961

S 961, "Belated Thank You to Merchant Mariners of World War II Act of 2007" provides a monthly benefit payment of \$1,000 and a certificate of honorable service to Merchant Mariners or surviving spouses of those who served in World War II. AMVETS is not wholly opposed to this bill, although we would prefer those monies be appropriated for veterans of the armed forces.

S. 1718

AMVETS supports S. 1718 the "Veterans Education Tuition Support Act," that will amend the Servicemembers Civil Relief Act to provide increased financial protection to servicemembers who are college students and who are called to active duty. By adding Section 707 to the Servicemembers Civil Relief Act, oversights that adversely effect college students who are called to active duty will be corrected. Currently, if a student-veteran disenrolls from college due to military obligations they are at the mercy of the school to refund any tuition and fees that have already been paid for that quarter or semester. This legislation will mandate said reimbursement and allow the veteran to re-enroll at the same status upon returning to school. Furthermore, this bill will allow servicemembers to defer student loan repayment while deployed and ensure that the interest rate is held at no more than 6% providing parity with other loan obligations that can be reduced due to their service.

S. 2090

AMVETS sees S. 2090 as an administrative update to provide protection under HIPAA for documents filed electronically that will be otherwise made public information. It is important to protect the privacy and security of our veterans; therefore, AMVETS supports the provisions in S. 2090.

S. 2091

Allowing two additional judges to sit full time on the U.S. Court of Appeals for Veterans Claims will assist in reducing the 151,000 claims that are currently backlogged. Therefore, AMVETS supports this bill.

S. 2138

AMVETS is unclear of the intent of this bill; therefore we hold no position on S. 2138 at this time.

S. 2139

S 2139, the "National Guard and Reserve Educational Benefits Fairness Act of 2007" provides educational assistance under the Montgomery GI Bill for members of the National Guard and Reserve who serve extended periods of continuous active duty that include a prolonged period of service in certain theaters of operation and for other purposes. While AMVETS does not oppose anything in this bill, our organization supports Senator Webb's GI Bill, S. 22.

S. 2309

As a coauthor of the Independent Budget, AMVETS supports S. 2309 in clarifying Section 1152(b) of title 38 U.S.C., but under a more critical eye AMVETS would consider an amendment that would allow the Secretaries of the VA and DoD to determine what should be considered a combat zone. This change in thought came from the realization that some members of the military could be within the combat theater of operation without stepping foot into the country in which hostile activities are taking place.

S. 2471

S 2471 improves the Uniformed Services Employment and Reemployment Rights Act of 1994 by reforming the complaint process and expanding reporting requirements with respect to enforcement. AMVETS wholly supports this legislation and the affect it would have to ensure employers are following current regulations. It is important for veterans to understand employee eligibility and job entitlements. With such a large new veteran population due to Operation Enduring Freedom and Operation Iraqi Freedom, AMVETS supports any measure that seeks to assist veterans to understand their rights and compels employers to notify them of said rights.

S. 2550

Without the inclusion of home and small business loans AMVETS is unclear to which debts the bill refers. AMVETS would be more inclined to support this legislation if the types of indebtedness were outlined more specifically and included any death that occurs in the line of duty.

S. 2617

In partnership with the Independent Budget, AMVETS supports S. 2617, which will provide cost-of-living adjustments to those who are receiving compensation and pensions through the VA.

S. 2674

S. 2674 the "Americas Wounded Warriors Act," consists of provisions that will establish a new retirement system for members of the military who become disabled, and a new compensation system for service-connected disabilities. AMVETS opposes this bill. In each of the titles there are provisions that are either incomplete, unnecessary because of redundancy, or are a detriment to our disabled veterans' financial security.

Title I of this legislation amends Title 10 U.S.C. to provide for a new disability retirement system, but what the legislation does not provide for is an explanation of what this new system will look like, but requires a study to determine how to best implement this new system, with Congress enacting provisions from the report of the Secretary of Defense. If Congress does not enact provisions pertaining to the retirement system the Secretary of Defense will determine who is eligible for care and who is not. AMVETS believes the retirement provision of this bill could be separated from the compensation portion of the legislation.

Title II of S. 2674 calls for a study to consider the loss of earnings and loss of quality of life under the new rating schedule. There is already a study underway to evaluate these issues, so an additional study would be redundant and unnecessary. AMVETS also believes that using age as a factor for average loss of earnings is a contradiction. If compensation is adjusted for age a young veteran would be compensated at a higher rate than an older veteran. If age is used as a factor for loss of earnings than it must only be used to find the median loss of earnings over a life time and not as a sliding scale that will change the amount of compensation a veteran receives over their life time.

Also, AMVETS disagrees with using disability compensation as an incentive for veterans to undergo treatment. Disability compensation should not be seen or used as anything other than a payment to cover the difference in loss of earning capacity. To promote rehabilitation AMVETS suggests studying and understanding the reasons why veterans do not participate in rehabilitation services that are currently provided.

The biggest concern AMVETS has with S. 2674 is that a statute will be put in place that will require the Secretary to reevaluate all veterans who are receiving compensation. There are two overlaying problems with this provision. First, reevaluations would compound the backlog of claims by causing every veteran to routinely reenter the claims process. This will put unimaginable stress on an already weak claims system. Currently, the Secretary has the discretion to review cases as needed. AMVETS believes this existing provision is sufficient for conducting reviews.

Secondly, if every veteran is required to be periodically reviewed it would eliminate the permanent and total status for veterans. Removal of this status would adversely affect surviving spouses and family members of the permanent and total rated veteran. Currently, spouses of a veteran who has been rated as permanent and total for 10 years will receive dependency and indemnity (DIC). This benefit would be eliminated by virtue of reviews. Also, Survivors and Dependents Educational Assistance and CHAMPVA are provided when a veteran is rated permanent and total. Because of the mandatory review of this legislation, both of these benefits would no longer be provided and put disabled veterans' families in a position where they will not have insurance or assistance for college.

S. 2683

S 2683 would allow veterans to receive accelerated payments of basic educational assistance leading to employment in high technology industry that does not lead to an associate or higher degree. It also repeals the delimiting periods for expansion of work-study allowance opportunities as well as authorizes appropriations for amounts for reimbursement of expenses of state and local agencies in administration of education benefits. AMVETS supports this legislation and the positive effect it will have for veterans seeking post secondary education.

S. 2701

AMVETS supports S 2701 which would establish a national cemetery to serve veterans in eastern Nebraska. According to the bill, an independent analysis conducted by the Metropolitan Planning Agency concluded that 172,500 people reside in a 75 mile radius of Bellevue,

Nebraska. This number falls within the threshold set by the Department of Veterans Affairs and it is for this reason that AMVETS wholly supports this legislation.

S. 2737

AMVETS generally supports the spirit of this legislation, but feels that it raises more questions in resolving this matter. Making amendments to Section 503 and Section 7292 will provide reviewability by both the Circuit Courts and by the veterans or their representatives.

S. 2768

AMVETS supports S 2768, the temporary increase in maximum loan guaranty amounts for certain housing loans guaranteed by the Secretary of Veteran Affairs. This legislation corrects the VA Home Loan Guaranty exclusion from the Economic Stimulus Act. The Veterans Benefits Act of 2004 increased the guaranty amount to 25 percent of the Freddie Mac conforming loan limit. The Economic Stimulus Act of 2008 raised the Fannie Mae and Freddie Mac limits, however left the VA limit of \$417,000 in place. AMVETS supports raising the VA guaranty in this time of economic uncertainty.

S. 2825

S 2825, "Veterans' Compensation Equity Act of 2008" provides a disability rating of at least 10 percent to any veteran requiring continuous medication or the use of one or more adaptive devices such as hearing aids. AMVETS wholly supports this legislation as indicated by its inclusion in the Independent Budget for FY 2009. Currently the VA Schedule for Rating Disabilities does not provide a compensable rating for hearing loss at certain levels severe enough to require hearing aids. AMVETS believes providing a compensable rating for this condition would be consistent with minimum ratings provided elsewhere when a disability does not meet the rating formula requirements but requires continuous medication.

S. 2864

AMVETS supports changing the language of Title 38 sections 3104, 3109, and 3120 to include the language "and to improve such veteran's quality of life" therefore we support S 2684. Removing the cap on enrollment and provisions to improve success in vocational rehabilitation are critical in improving the lives and providing independent living for many veterans.

S. 2889

Section 7 or S 2889 would repeal Title 38, Section 5317 and allow the Secretary of Veterans Affairs to continue to obtain information from the Secretary of the Treasury or the Commissioner of Social Security for the purpose of verifying income. AMVETS supports this measure as it will qualify many low income veterans for benefits.

Section 8 of S. 2889 calls for increase in rates of disability compensation and dependency and indemnity compensation. According to section 8, dollar amounts for disability compensation,

clothing allowance, and DIC rates shall increase at the same percentage by which benefit amounts payable under title II of the Social Security Act are increased. AMVETS supports this section as it is important for disability payments and other benefits increase as the cost of living in the United States increases. Without such increases, disabled veterans will not be able to maintain a comfortable living.

S. 2938

S 2938 seeks to improve retention and recruitment by enhancing education benefits for servicemembers and veterans. AMVETS supports some provisions of this bill, including the transfer of education benefits to dependents after 12 or more years of service. AMVETS also supports the immediate increase of education benefits outlined in this bill; however our organization supports Senator Webb's new GI Bill, S 22.

Senator Akaka's Housing Refinance Bill

This piece of legislation increases the maximum percentage of loan-to-value of refinancing loans subject to guaranty from 90 to 95 percent. Because of declining home prices in many markets, people who had a 90 percent loan-to-value ratio some years ago might have found themselves shut out of the refinancing market. AMVETS fully supports this measure which allows veterans and servicemembers to take advantage refinancing options that would not be available to them at a 90 percent loan-to-value ratio.

Senator Menendez's bill to provide plot allowances for spouses and children

This legislation allows for a plot allowance of \$300 for spouses and dependent children of a veteran buried in a State cemetery on or after the date of enactment of this measure. While AMVETS is not opposed to the bill, we would first like to see the recommendations of the Independent Budget.

Senator Boxer's bill to include severe and acute PTSD among conditions covered under Servicemembers' Group Life Insurance

While AMVETS supports this legislation and its effort to research the effects of PTSD and ensure that veterans are compensated appropriately, we are hesitant to make an official stance without seeing the final draft of the legislation. This legislation requires the Secretary of Defense to provide a report to the Secretary of Veterans Affairs as to the feasibility and advisability of including severe and acute Post Traumatic Stress Disorder (PTSD) as a direct result of military service in a combat zone among the conditions covered by traumatic injury protection coverage under Servicemembers' Group Life Insurance. It also requires the report to include the effects of financial strain incurred by family members of the Armed Forces who suffer from severe and acute PTSD.

Senator Baucus's bill to address variances in compensation payments for veterans with service connected disabilities

AMVETS supports this legislation and its effort to create uniformity in disability ratings for service-connected disabilities and compensation payments.

Senator Casey's "Disabled Veterans Home Ownership Preservation Act of 2008

As it stands now, AMVETS supports the idea behind the Disabled Veterans Home Ownership Preservation Act of 2008. We agree that servicemembers who become seriously injured or ill during their military service should be given a one-year protection from foreclosure after their service ends. AMVETS would like to see the final draft of this legislation however before taking an official stance on the bill.

Senator Vitter's bill to address insurable dependents under Servicemembers' Group Life Insurance

AMVETS supports Senator Vitter's legislation to include stillborn children as insurable dependents under Servicemembers' Group Life Insurance (SGLI).

Senator Akaka's Veterans' Benefit Enhancement Act of 2008

While AMVETS supports the enhancement to benefits outlined in Title One and Title Two of the Veterans' Benefit Enhancement Act of 2008, we would like to see the final draft of this legislation before reaching a final opinion.

Chairman Akaka, this concludes my testimony. I am happy to respond to any questions the Subcommittee may have.