

Mr. Richard Jones, National Legislative Director, AMVETS

TESTIMONY

of

Richard "Rick" Jones
AMVETS National Legislative Director

before the

Committee on Veterans' Affairs
U.S. Senate

on

S.1234, a bill to authorize a cost-of-living adjustment; S.1235, the "Veterans' Benefits Improvements Act of 2005"; S.552 a bill to make technical corrections to the Veterans' Benefits Improvements Act of 2004; S.917, a bill to make permanent an existing Native Americans home loan pilot program; S.____, the "Service Disabled Veterans Insurance Improvement Act"; S.151, the "Veterans Benefits Outreach Act of 2005"; S.423, a bill to make stillborn children insurable dependents for purposes of Servicemembers Group Life Insurance; S.551, a bill to expand eligibility for government-provided grave markers for veterans buried in private cemeteries.

Thursday, June 23, 2005

Committee Hearing Room,
412 Russell Office Building
United States Senate

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

Thank you for the opportunity to present testimony to the Veterans' Affairs Committee on legislation subject to this hearing devoted to improvements in veterans benefits programs and related matters. My name is Richard Jones, AMVETS National Legislative Director.

AMVETS is pleased to present our views the legislation before the Committee: S.1234, a bill to authorize a cost-of-living adjustment; S.1235, the "Veterans' Benefits Improvements Act of 2005"; S.552 a bill to make technical corrections to the Veterans' Benefits Improvements Act of 2004; S.917, a bill to make permanent an existing Native Americans home loan pilot program; S.____, the "Service Disabled Veterans Insurance Improvement Act"; S.151, the "Veterans Benefits Outreach Act of 2005"; S.423, a bill to make stillborn children insurable dependents for purposes of Servicemembers Group Life Insurance; S.551, a bill to expand eligibility for government-provided grave markers for veterans buried in private cemeteries.

Mr. Chairman, AMVETS has been a leader since 1944 in helping to preserve the freedoms

secured by America's Armed Forces. Today, our organization continues its proud tradition, providing not only support for veterans and the active military in procuring their earned entitlements but also an array of community services that enhance the quality of life for this nation's citizens.

Throughout our sixty-one year history, our focus and indeed our passion have been to represent the interests of veterans as their advocates. In this regard, this Committee and our organization share a common purpose ? we support veterans in their efforts to receive the benefits that a grateful nation intended them to have in recognition of their dedicated service to our country.

As a nation, we owe veterans an enormous debt of gratitude ? for their service, their patriotism, and their sacrifices. The benefits to which they are legally entitled are not the product of some social welfare program, as some might argue. Rather they are yet another cost of freedom that unfortunately is too often forgotten.

As a national veterans service organization, chartered by Congress, AMVETS is committed to assisting veterans in their times of need. For example, during the past eighteen years, we, together with DAV, PVA, and VFW, have co-authored a document titled The Independent Budget in which we identify the funding requirements necessary to support the Department of Veterans Affairs.

We believe that America's promises made to veterans for their military service need to be recognized and honored as our forebears intended. We believe that veteran's benefits should be provided in a timely and compassionate manner. We believe that to do less dishonors those whose service in defense of this nation provides a central underpinning for the prosperity and freedoms we all enjoy.

We appreciate the opportunity you provide to testify on pending legislation to enhance, update, and strengthen veterans legislation.

S.1234, a bill to provide a cost-of-living increase, effective December 1, 2005, in compensation, and dependency and indemnity compensation, and other rates

S.1234, introduced by Chairman Craig, would increase in rates of disability compensation and dependency and indemnity compensation, effective December 1, 2005, the rates of compensation for service-connected disabilities and the rates of dependency and indemnity compensation (DIC) for surviving spouses and children of veterans who die of service-connected causes, as well as the additional amounts for dependents and survivors, and clothing allowances for certain veterans.

This legislation follows the congressional practice of setting the COLA by reference to the Social Security increase, which will be determined as of September 30, 2005. Eligible veterans and family members would expect to see this increase in their January checks, if approved. Last year's increase was 2.7 percent.

More than 2.5 million veterans receive service-connected disability compensation as of April 2005. The basic purpose of the disability compensation program is to provide a measure of relief from the impaired earning capacity of veterans disabled as the result of their military service.

The amount of compensation payable varies according to the degree of disability. This amount in turn is required by law to represent, to the extent practicable, the average impairment in earning capacity in civilian occupations resulting from such disability or combination of disabilities. To be eligible to receive disability compensation, a veteran must have a disability incurred or aggravated during military service, which is not the result of willful misconduct, and have been discharged under other than dishonorable conditions. The responsibility for determining a veteran's entitlement to service-connection for a disability rests solely with the Department of Veterans Affairs.

More than 296,000 surviving spouses and nearly 30,000 children receive dependency and indemnity compensation (DIC). Widows and children of veterans who died of disabilities determined by VA to be service-connected (including veterans who died while on active duty) are entitled to receive monthly DIC benefits.

The purpose of DIC benefits, authorized under chapter 13 of title 38, United States Code, is to provide partial compensation to the appropriate survivors for the loss in financial support due to the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement because the Nation in part assumes the legal and moral obligation of the veteran to support the spouse and children.

The Senate and House Committees annually review the service-connected disability compensation and DIC programs to ensure such benefits provide reasonable and adequate compensation for disabled veterans and their families. Based on this review, Congress acts annually to provide a cost-of-living adjustment (COLA) in compensation and DIC benefits. Congress has provided annual increases in these rates for every fiscal year since 1976.

AMVETS supports our nation's commitment to care for the men and women who have served in our military service. This legislation will increase current rates of disability compensation and help meet rising costs. We support the COLA increase contained in this legislation.

S.1235, the "Veterans' Benefits Improvements Act of 2005"

Under Senator Craig's legislation, the maximum amount of Servicemembers Group Life Insurance and Veterans Group Life Insurance coverage would increase to \$400,000 from \$250,000. In addition the bill would require the Secretary of Defense to notify spouses of insured servicemembers when those covered select a beneficiary other than their spouse or when they elect to reduce their coverage amount. Also it would provide VA with the capacity to adjust hybrid adjustable rate mortgage loans above the annual limits currently set in law.

The Emergency Supplemental Appropriations Act for Defense, the Global War on Terrorism and Tsunami Relief of 2005 enacted the SGLI and VGLI improvements earlier this year. However, the provisions terminate September 30 at the close of the current fiscal year. The Chairman's bill

would make this coverage permanent at the higher rate of \$400,000. AMVETS supports this section of the legislation.

The bill also would require the Secretary of Defense to notify, in writing, the spouses of service personnel who name beneficiaries other than the spouse or who reduce their SGLI coverage. AMVETS is inclined to oppose this provision since, as an adult, the servicemember's decision regarding initial coverage, the amount of coverage and insurance beneficiary or beneficiaries should be the individual's alone, unless the person freely chooses to discuss the decision with family members or others.

AMVETS fully supports provisions in the bill to extend the free of SGLI coverage and VGLI conversion for one year following military discharge. The one-year extension coverage enables individuals more time to convert military life insurance to VGLI. Too many disabled veterans simply do not apply for currently available extensions due to rehabilitation efforts or any number of other related aspects of their recover or readjustments. This extension will allow better rates of conversion to veterans coverage and improve their security since totally disabled veterans have little chance of finding coverage in the private sector due to the affect on life expectancy of their disabling injuries.

The final section of the Chairman's legislation would grant authority to VA to make enhanced adjustments in VA hybrid ARM loans. AMVETS is informed that the VA hybrid ARM loan program is an attractive alternative to a number of veterans. It improves the overall home loan program and assists veterans and their families in affording a home. We approve of the flexibility granted to set annual interest rate adjustments at actuarially sound levels to ensure continued availability of this contemporary home loan option.

S.552, a bill to make technical corrections to the Veterans Benefits Improvement Act of 2004

Under the Ranking Member's legislation, severely disabled members of the Armed Forces, still on active duty, would have their specially adapted housing benefits restored. It is the understanding of AMVETS that these individuals' adapted housing benefits were accidentally repealed when efforts were made in the last Congress to improve related aspects of the adapted housing benefit. We strongly support Senator Akaka's legislation to correct this situation.

S.917, a bill to make permanent an existing ?pilot? program of direct home loans to Native American veterans

Under Senator Akaka's legislation, VA would be able to continue offering loan guarantees to individuals who live on trust lands that protect lenders against loss up to the amount of the guarantee if the borrower fails to repay the loan. The legislation would upgrade a successful pilot program begun in 1992 to permanent status. It is AMVETS understanding that the pilot program of providing home loan assistance to individuals living on tribal lands has enhanced the benefits earned by Native Americans who have served in America's military. We support the bill.

S.151, the ?Veterans Benefits Outreach Act of 2005?

AMVETS believes it is important that veterans understand the benefits they have earned through military service. Senator Coleman's legislation would require the Department of Veterans Affairs to develop an annual plan to identify veterans who are eligible but not receiving their benefits and establish an outreach plan to enroll them. AMVETS supports the bill.

S. 423, a bill to make stillborn children insurable dependents for purposes of Servicemembers Group Life Insurance

Incredible advances in health care have reduced dramatically childbirth deaths and injuries. Yet, pregnancy issues and medical situations can result in a baby that is stillborn. It is our understanding that a stillbirth is a baby born after 20 weeks of pregnancy with no signs of life and stillbirths occur in about four to nine cases for every 1,000 births. Senator Santorum's bill would recognize stillborns as an insurable dependent under the Servicemembers Group Life Insurance. AMVETS supports the bill.

S.551, a bill to direct VA to establish a national cemetery in Colorado Springs, Colorado

In 1999, Congress directed VA to study improvements to Veterans Cemeteries through passage and enactment of the Veterans Health Care and Benefits Act of 1999. In accordance with the provisions of the Act, VA contracted Logistics Management Institute to examine providing a burial option for 90 percent of veterans residing within a 75-mile service area of an open national or state cemetery. The study concluded that 31 additional veteran's cemeteries will be required over the next 20 years in order to provide 90 percent of veterans with a burial option in each five year period beginning in 2005 and extending to 2020. A national cemetery located in Colorado Springs was not identified in the study among the 31 that will be required.

S.909, a bill to expand eligibility for government-provided grave markers for veterans buried in private cemeteries

Under Senator Dodd's legislation, veterans and their families would be entitled to receive VA's official grave marker if the veteran had passed away during the period between November 1, 190, and September 11, 2001, when law forbid receipt of the honor. According to Senator Dodd's introductory statement, The Congressional Budget Office estimates that the cost of this favorable decision would be minimal, no more than \$3 million per year for the first 5 years. AMVETS trusts that the Senate Committee can locate the funds necessary to incorporate these veterans with an official recognition. AMVETS supports the bill.

S. _____, the ?Veterans Employment and Transition Services Act of 2005?

Senator Salazar's legislation would likely strengthen participation in the Transition Assistance Program of separating service members during their period of transition into civilian life. Under this legislation, service members would have greater access to veterans service organizations through enhanced VSO access to military facilities as well as to DoD data on separating service members. It is AMVETS understanding that the bill separate employment and benefits

counseling to those military personnel ready for separation from reenlistment counseling. AMVETS supports the goal of this bill to strengthen participation in TAP programs and enhance the servicemember's transition to civilian life and work.

This concludes AMVETS testimony. Again, thank you for the opportunity to testify on these important bills, and thank you as well for your continued support of America's veterans.