

ERIC A. HILLEMAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE SERVICE,
VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF

ERIC A. HILLEMAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE SERVICE
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BEFORE THE

UNITED STATES SENATE
COMMITTEE ON VETERANS' AFFAIRS

WITH RESPECT TO

PENDING BENEFITS LEGISLATION

May 7, 2008

MR. CHAIRMAN AND MEMBERS OF THIS COMMITTEE:

On behalf of the 2.3 million members of the Veterans of Foreign Wars of the United States and our Auxiliaries, I would like to thank this committee for conducting this hearing on the numerous veterans' benefit bills. Due to the number of bills and the relatively short period since receiving notices, we were unable to fully review each bill in its entirety. We would be happy to comment on any other bills for the record. While the bulk of these bills address the needs of veterans today, we would like to focus on one of the VFW's highest legislative priorities for the 110th Congress, the GI Bill.

For many years the VFW has advocated for a 21st Century GI Bill that mirrors the original WWII GI Bill. Our top five recommendations for improving this life-changing benefit are:

- Increase the GI Bill rates to cover the full cost of education: tuition, room, board, fees, and a cost-of-living stipend.
- Eliminate the current qualifying impediment for Guard and Reserve members, which reward the longest continuous tour of active duty. Our troops deserve a benefit that aggregates on a monthly basis and pays a percentage of the active-duty benefit with an equitable benefit.
- Repeal the \$1,200 MGIB buy-in charged to active duty troops during the first year of their enlistment.
- Allow all service members to utilize earned benefits throughout the duration of their lives, removing the 10-year delimiting date.
- Remove all laws and rules limiting veterans from accessing college financial aid due to military service income and/or GI Bill benefits.

These recommendations reflect the needs of veterans and the original spirit of the GI Bill. In 1944, President Franklin Roosevelt signed into law the Serviceman's Readjustment Act, known as the GI Bill of Rights. This bill helped millions of Americans realize the American dream. Nearly 12 percent of Americans served in uniform between 1945 and 1956 and more than 8 million returning veterans received debt-free college educations, low-interest home mortgages and small-business loan assistance. In 1947, half of the nation's college students were veterans. For many, they were the first in their families to further their education beyond high school. Today the WWII GI Bill is credited with creating the middle class. Subsequent wartime GI Bills were not nearly as robust as the WWII bill. The Vietnam-era GI Bill was a scaled-down version of the WWII bill. Nearly 6.8 million veterans out of 10.3 million eligible veterans used their benefit. Education benefits during the Vietnam era aided veterans in their transition from active duty to civilian life, but the benefit fell short WWII version. The current MGIB is not meeting the need of our veterans. The inflationary rate of higher education is much greater than Consumer Price Index (CPI), to which the current MGIB is pegged. Over time, this disparity in inflation is causing the current GI Bill rate to erode. It is time for a new GI Bill. It is time to revitalize the American dream and provide the one percent of our population that dons the uniform a life-changing benefit. The VFW has long advocated for the creation of a GI Bill for the 21st Century in the fashion of the original WWII bill. We envision a transition benefit that will be a lasting contract with our veterans. The VFW wants:

- A GI Bill that increases military recruitment efforts, broadening the socio-economic makeup of the military, and strengthening our national security by attracting an increased number of young talented recruits - many of whom may not have considered military service.
- A powerful transition assistance program, allowing veterans to readjust to civilian life, improving their ability to care for themselves and their families, and becoming the leaders of tomorrow.
- A GI Bill that recognizes the unique sacrifices of the hundreds of thousands of Guard and Reserve members who have served in Iraq, Afghanistan, the Horn of Africa, during Katrina and other national/international emergencies; and is proportional to their Active Duty counterparts.

We are not a nation at war; we are a nation with a military at war. Many troops have been to Iraq and/or Afghanistan multiple times. Some Guard and Reserve units are serving their second or third tours in country. Now is the time to honor their service with a GI Bill for the 21st Century, providing them with opportunities to become future leaders of our nation.

Pause for one moment and consider the quality of life that WWII GI Bill recipients passed on to their children and grandchildren. We as a nation need to recognize the indirect benefits our families received thanks to the education, housing and small business investment benefits a grateful nation gave to the Greatest Generation.

Many in Congress have recognized the importance of improving the GI Bill and have introduced bills toward this end. The VFW recognizes the value of each of these various proposals. We urge you to examine these bills in a bipartisan spirit and with an eye toward enacting a robust GI Bill that fully realizes the debt of honor we as a nation owe our young men and women in uniform. We call on Congress to pass a GI Bill for the president's signature by the 4th of July.

So, in celebration of the birth of our nation, we may also celebrate the GI Bill as a grateful nation's thanks to the patriots that have surrendered their freedoms to protect ours.

S. 22, the Post-9/11 Veterans Education Assistance Act of 2007

This legislation enhances military strength while providing an educational benefit that equips a generation of veterans to face the challenges of tomorrow. The VFW has long advocated for a GI Bill in the spirit of the original WW II bill, which would cover tuition at the highest State institution, housing, fees, books, and provide a cost-of-living stipend.

This legislation accomplishes these goals and more. It provides a dollar for dollar match for private schools that forgive tuition above the highest in-state rate cap. It recognizes the tens of thousands of guard and reserve members who have actively served multiple tours in Iraq and Afghanistan. It allows our guard and reserve veterans to aggregate multiple months of service toward an equitable percentage of the full time active duty benefit. It lengthens the post-service usage period from 10 to 15 years from date of discharge and establishes a post-service benefit for the guard and reserve. At its core, this bill is a promise of a full ride scholarship at any institution in the nation. The VFW enthusiastically supports this bill.

S.161, Veterans' Disability Compensation Automatic COLA act, and S. 2617, Veterans' Compensation Cost-of-Living Adjustment Act of 2008

Both these bills would make a cost-of-living adjustment in the rates of disability compensation, dependents compensation, the clothing allowance and DIC rates. This adjustment would be linked to the rate of increase of the Social Security benefit. We support this annual adjustment as it allows our disabled veterans and their dependents to keep pace with the rising costs of goods and services, which is especially difficult lately with the rise in food and fuel prices. It is a small increase, but it makes a positive difference in the lives of thousands.

We would note that we continue to oppose the rounding-down of compensation to the lowest dollar, which was instituted several years ago as a budget reduction measure. We feel that this unfairly penalizes those who have given much to this country, and that Congress and the Administration should look to other areas to balance the budget, instead of using the backs of veterans.

S. 161 also includes a provision, which would make the cost-of-living adjustment permanently benchmarked to the Social Security Rates. We have no objection to this provision.

S. 961, The Belated Thank You to the Merchant Mariners of World War II Act of 2007

This bill would amend title 46, United States Code to provide benefits to certain individuals who served in the United States merchant marine during WWII.

The VFW recognizes the heroic service of Merchant Mariners during WWII. Their sacrifices and heroic efforts were instrumental in winning the Second World War. We cannot, however, support this legislation to pay a monthly benefit of \$1000 to these merchant mariners or to their surviving spouses, which would be in addition to any current veterans' benefit that would be otherwise payable. We believe that this payment would be disproportionate, in terms of recognition and benefits, to what other veterans who have gone in harm's way in service to the country currently receive. With regard to their service as Merchant Mariners, and the proposal that they should be recognized for this Merchant Marine service in addition to being recognized as veterans, or for a period extending beyond the currently recognized dates of WWII, the VFW has not taken a position on this matter.

S. 1718, the Veterans Education Tuition Support Act

The VFW is pleased to support S. 1718, the Veterans Education Tuition Support Act. This bill would amend the service members Civil Relief Act to provide reimbursement to service members of tuition for programs of education interrupted by military service, for deferment of student's loans and reduced interest rates for service members during periods of military service. It would also prohibit a court from allowing a creditor to exceed the 6% limit on interest charged against student loan indebtedness. During this time of war, with members of the armed forces as well as their families under tremendous psychological stress and financial strain, this measure would provide a well-deserved measure of monetary relief and protection while actively encouraging our men and women in uniform to pursue essential educational goals.

S. 2090, a bill to protect the privacy and security concerns in court records.

This bill would protect privacy and security concerns in court records. The VFW supports this legislation; it is consistent with the privacy and security rules adhered to by other Federal courts.

S. 2091, a bill to increase the number of court's active judges.

S. 2091 would increase the number of active judges to the Court of Veterans Appeals for Veterans' Claims from seven to nine. The VFW supports this legislation as a way to decrease the growing number of appeals that contribute to the growing backlog. We believe that the addition of two judges called to serve on behalf of veterans is a positive step in helping to protect the interest of those filing claims for disability benefits. We encourage the committee to move this legislation quickly.

S. 2138, Department of Veterans Affairs Reorganization Act of 2007

The Department of Veterans Affairs Reorganization Act was introduced by request. It makes changes to the number and scope of VA's assistant and deputy assistant secretaries. It also clarifies that two of the duties of the assistant secretaries shall be "construction capital" and "acquisition."

The VFW has no objection to this legislation.

S. 2139, the National Guard and Reserve Educational Benefits Fairness Act of 2007

The VFW lends its support to S. 2139 the National Guard and Reserve Educational Benefits Fairness Act of 2007. This bill provides educational assistance under the Montgomery GI Bill

for members of the National Guard and Reserve for extended service on continuous active duty that includes prolonged service in certain theaters of operation. Thousands of Reservists have returned from mobilizations longer than 20 months, including extended deployments in Iraq or Afghanistan, to find that while their length of service qualifies them for Chapter 30 benefits, due to Army procedures their orders fall short of the current 730-day threshold and rendering them ineligible for full educational benefits. This bill would remedy this fundamental injustice by amending Chapter 30 of Title 38 to eliminate the 730-day order requirement for members of the Selected Reserve who have served at least twelve months in combat theaters of operation. In eliminating eligibility for benefits based solely on length of actual service, this bill recognizes their contribution and sacrifice through educational benefits, the most valuable benefits veterans receive.

S. 2309, Compensation for Combat Veterans Act

S. 2309 would amend title 38, United States Code, to clarify the service treatable as service engaged in combat with the enemy for utilization of non-official evidence for proof of service-connection in a combat-related disease of injury. The VFW supports this legislation. This amendment to 38 USC 1154 eases the evidentiary requirements on veterans while relieving development burdens on DOD and VA.

S. 2471, Uniformed Services Employment and Reemployment Rights Act (USERRA) Enforcement Improvement Act of 2007

The VFW supports this bill, which would work to improve the enforcement of the USERRA of 1994. This legislation would require the Secretary of VA, upon receiving a complaint, to notify the veteran of his or her rights. The legislation would also likely increase the completion time of USERRA claims, as it would require expedition of referrals in certain cases to both the Attorney General and Special Counsel. The legislation would also require the Attorney General or Special Counsel to notify the veteran within 45 days of receiving referral whether they will act as the veteran's attorney.

The VFW believes that this legislation will help clarify the length and complicated USERRA process. Also, the bill would set forth more reporting requirements for the departments overseeing USERRA cases.

S. 2550, Combat Veterans Debt Elimination Act of 2008

The VFW supports this legislation prohibiting the Secretary of Veterans Affairs from collecting certain debts owed to the United States by members of the Armed Forces and veterans who die because of an injury incurred or aggravated on active duty in a combat zone.

While the VFW does support this benefit, we would like to see it expanded to include all active duty military that die while serving their country. It is our belief that we should not to distinguish between the locations of deaths, but honor all of these men and women proudly serving our country in a time of war.

S. 2674, The America's Wounded Warriors Act

The America's Wounded Warriors Act would improve and enhance procedures for the retirement of members of the Armed Forces for disability and improve and enhance authorities for the rating and compensation of service-connected disabilities in veterans. VFW supports the recommendations made in Title I of the bill - Reform of Military Disability Retirement System & Aid to Families

We especially applaud the change that would eliminate the offset between VA and DOD compensation payments and reform the military disability retirement system by simplifying the claims process and eliminating the need for duplicative DOD/VA ratings and disability examinations. We also support Section 103(a), which calls on DOD to study TRICARE benefits for those retired under Chapter 61 of title 10 USC. VFW believes that all members regardless of time in service and level of disability should be provided TRICARE benefits. And we hope that the study makes those recommendations to DOD.

VFW does not support provisions in Title II - Modernization of VA Disability Compensation System. This section does nothing to expedite claims process or improve quality within VA. A "new, modern" disability compensation system may be different but not necessarily better for veterans. In our view, this legislation would create a new rating schedule adding and deleting disabilities with new rates of compensation applied. Creating a second compensation program requires massive retraining within VA, which we believe will further exacerbate current backlogs and delays. While some veterans may benefit from this legislation, significant members of veterans young and old could be harmed.

We firmly believe that a one-time adjustment of the current schedule will not be sufficient to keep pace with the changing nature of "quality of life" and the evolving science of medicine, technology, and warfare. We would like to see a permanent advisory committee made up of medical professionals, and other stakeholders to oversee the continuous updating of the current ratings schedule. Any single plan to revamp the current rating system will make things only marginally simpler and easier on the VA bureaucracy and will occur at the expense of the rights and benefits of at least some veterans, dependents and survivors. Any such plan is simply unacceptable.

S. 2683, the GI Bill Miscellaneous Improvements Act of 2008

We support S. 2683, the "GI Bill Miscellaneous Improvements Act of 2008," introduced by Chairman Akaka of this committee. Firstly, this bill corrects a misapplication of rules determining educational accelerated payments that are made to individuals pursuing any courses in the high technology sector including associate and degree programs as well as the intended "short term" programs. It would also make permanent authority established under Public Law 107-103 expanding the scope of work that could be assigned to individuals participating in VA work-study programs. This encompasses such activities as certain veteran outreach services programs, activities relating to hospital and domiciliary care to veterans in State homes, and activities relating to the administration of national or state veterans' cemeteries. Lastly, this bill would authorize appropriations for VA payments to State Approving Agencies (SAAs). Since 1988, VA payment for the services of SAAs has been made only out of funds available for readjustment benefits, a mandatory funding account, and has thus been subject to funding caps.

We concur that in authorizing appropriations for the SAAs, the program will be able to justify increases in the current funding level beyond the current or future caps.

S. 2701, a bill to direct the Secretary of Veterans Affairs to establish a national cemetery in the eastern Nebraska region to serve veterans in the eastern Nebraska and western Iowa regions.

This bill would direct the Secretary of VA to establish a national cemetery in Nebraska to serve veterans in the eastern Nebraska and western Iowa regions. The VFW supports this legislation as it would provide an estimated 172,500 veterans residing in this area a final resting place. It fulfills the requirement by VA under the Veterans Millennium Health Care and Benefits Act (PL 106-117) of a population threshold of 170,000 people living within a 75-mile radius of a state cemetery. The VFW's Department of Nebraska has worked diligently with the VA to encourage the establishment of this cemetery as many family members of veterans have to drive over four hours to the closest national cemetery - We encourage the committee to approve a national cemetery for this region.

S. 2737, Veterans Ratings Schedule Review

It would amend title 38, USC granting jurisdiction to the US Court of Appeals for Veterans Claims to review compliance of the schedule. It applies to ratings for disabilities under section 1155 of that title with statutory requirements applicable to entitlement to disability compensation under chapter 11 of the same title.

The VFW believes that while this may benefit some veterans it has the potential to introduce further judicial chaos into the VA compensation program. We are concerned that this legislation may stem from the complaints of a few plaintiffs' attorneys and would ask that the committee hold a separate hearing to review the efficacy of this proposal

S. 2768, a bill to provide a temporary increase in the maximum loan guaranty amount of certain housing loans guaranteed by the Secretary of Veterans Affairs.

This bill would provide a temporary increase in the maximum amount of a loan guaranty for housing loans guaranteed by the VA. The VFW applauds this legislation as it will correct an inequity in the Economic Stimulus package which provided a temporary increase in Fannie Mae, Freddie Mac, and FHA home loan guarantees to 125% of medium home prices in metropolitan areas, while neglecting the VA home loan program. This guaranty would raise the VA amount from \$417,000 to about \$520,000 as well as exempting homeowners from down payments or need for private mortgage insurance. It would also extend the VA increase through 2011, which offers some relief for homeowners during this time of economic uncertainty.

S. 2825, Veterans Compensation Equity Act of 2008

The VFW is pleased to support this bill, which would require a minimum disability rating for veterans receiving medication or treatment for a service-connected condition. Under current law, there are cases where a veteran receives medical treatment or adaptive devices for a condition found to be service connected, but that are not compensable. One example of this is a hearing aid. Veterans suffering from hearing loss who use an aid often receive disability ratings below the 10% threshold for compensation. This is unfair.

We believe that if the disability is severe enough to warrant the need of a prosthetic or adaptive device, the disability should be compensable. In the cause of a hearing aid, there are major

inconveniences including the artificial nature of the hearing restoration and the problems associated with wearing one that should require a compensable award. There are other conditions, such as hypertension, which can require continuous medication - daily changes in a veteran's life - that should also grant a minimum compensation award.

We support this legislation and the small, but meaningful difference it would make in the lives of those service-connected veterans.

S.2864, Training and Rehabilitation for Disabled Veterans Enhancement Act of 2008
The VFW strongly supports S. 2864. This important legislation would help severely injured veterans in three ways. First, it would repeal the limitation of the number of veterans enrolled in programs of independent living services. Second, it would make the Independent Living program mandatory. Finally, it would concentrate on increasing the quality of life for these veterans.

As the war continues to produce injuries, independent living becomes a reality for more and more service members. As of 2001, the Independent Living cap was raised to \$2,500. The VFW believes the cap removed, as the VA has found this cap is causing a delay in services to severely disabled veterans. Our veterans should not wait for their service-connected injuries to be treated.

The VFW appreciates Senator Akaka's rigor in ensuring that severely injured veterans receive treatment that will pursue an increased quality of life for the nation's veterans.

S. 2938, the Enhancement of Recruitment, Retention, and Readjustment through Education Act of 2008

* Due to the constraints of this hearing, we were unable to fully review this bill in its entirety. We would be happy to comment on this bill for the record.

S. 2951, a bill to require reports on the progress of the Secretary of Veterans Affairs in addressing causes for variances in compensation payments for veterans for service-connected disabilities.

* Due to the constraints of this hearing, we were unable to fully review this bill in its entirety. We would be happy to comment on this bill for the record.

S. 2961, a bill to enhance the refinancing of home loans by veterans.

* Due to the constraints of this hearing, we were unable to fully review this bill in its entirety. We would be happy to comment on this bill for the record.

Draft Bill, Preventing Unnecessary Foreclosure for Service Members Act of 2008

* Due to the constraints of this hearing, we were unable to fully review this bill in its entirety. We would be happy to comment on this bill for the record.

Draft Bill, Veterans Benefits Enhancement Act of 2008
Titles I & II only

* Due to the constraints of this hearing, we were unable to fully review this bill in its entirety. We would be happy to comment on this bill for the record.

Draft Bill, a bill to make stillborns insurable dependents for purposes of Servicemembers' Group Life Insurance (SGLI) program.

VFW has no objection to draft legislation, which would amend title 38, U.S.C., to make a stillborn child an insurable dependent under the SGLI program. The loss of a child, at any age, is very difficult and tragic event for a family. While monetary compensation will not replace or lessen the emotional strain of such a devastating event. This provision would provide a measure of support military families at an extremely troubling time.

Draft Bill, a bill to require a report on the inclusion of severe and acute Post Traumatic Stress Disorder (PTSD) among the conditions covered by the Traumatic Injury Protection coverage under SGLI.

* Due to the constraints of this hearing, we were unable to fully review this bill in its entirety. We would be happy to comment on this bill for the record.

Thank you, this concludes our testimony. We welcome any questions this committee may have.