

STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
WITH RESPECT TO
H.R. 1108, H.R. 2095, H.R. 2222 & H.R. 3731

WASHINGTON, DC

APRIL 11, 2002

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the 2.7 million members of the Veterans of Foreign Wars of the United States and our Ladies Auxiliary, I would like to thank you for the opportunity to express our views on the four veterans' benefits bills under consideration today. I would also like to convey our strong support for these bills and urge the Subcommittee to act favorably towards them.

H.R. 1108

To amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 55 shall not result in termination of dependency indemnity compensation

This bill would allow surviving spouses of veterans to continue receiving dependency and indemnity compensation (DIC) if they remarry after age 55. DIC is provided for the spouses,

children, and, in certain cases, parents of a deceased veteran who has died from a service connected illness. Under current regulation, however, surviving spouses forfeit their rights to DIC when they remarry for the duration of the remarriage.

No other federally funded survivorship program including the Civil Service, Social Security, and Congress' own program, makes a distinction between unmarried and remarried surviving spouses. The surviving spouses of the heroic public safety officers who gave their lives on September 11, for example, are entitled to full survivor compensation; yet, the surviving spouses of those who heroically gave their lives in the mountains of Afghanistan could eventually have their pensions terminated by this rule. It is our position that the families of our men and women who bravely serve in uniform are every bit as deserving as the families of our heroic public safety officers. Our nation has made a promise to our veterans that their families will be taken care of should they die for our country. It is our duty to ensure that that promise is kept and H.R. 1108 is a good step towards that goal.

While not part of this legislation, we would like to take the opportunity to point out what we consider to be an inequity created by previous legislation. When the *Transportation Equity Act* (P.L. 105-178) restored DIC for remarried surviving spouses upon termination of their remarriage, death pension benefits were not included. VFW Resolution 667 urges Congress to enact legislation to restore the eligibility to a death pension for remarried surviving spouses upon the termination of a subsequent remarriage. Providing a minimal stipend to these surviving spouses would greatly assist those men and women who have the most need.

H.R. 2095
The Reservist VA Home Loan Fairness Act

The Veterans of Foreign Wars also strongly supports this bill that recognizes the important contributions the members of the Reserve Components make as part of our nation's total military force by lowering the VA funding fee for Reservists to the same rate that active duty service members pay. Currently, Reservists pay an additional $\frac{3}{4}$ of a percent above the 2 percent that active duty service members pay for a no-down payment loan. Our Reservists deserve an equal chance at the most basic of American Dreams: home ownership. This current inequity in fees serves as a barrier to that dream as fewer than 5% of VA Home Loans are provided to Reservists.

Over the last decade, members of the Guard and Reserve have repeatedly been called upon to supplement or completely carry out the mission of our active duty troops. Since September 11, for example, over 80,000 Guard and Reserve members have been called to active duty both here and abroad. The men and women that serve overseas frequently endure the same conditions and many of the same hardships faced by those on active duty, including separation from family and loved ones and the dangers they encounter every day through their service. Since their conditions are so similar, these individuals should be entitled to the same benefits and services as our active duty military.

H.R. 2222, The Veterans Life Insurance Improvement Act

The VFW supports this legislation that makes several needed changes to the various veterans' insurance programs.

Section 2 of this bill would allow payment to an alternate beneficiary when the first beneficiary does not enter a claim within two years of a veteran's death for the National Service Life Insurance and United States Government Life Insurance programs. In addition, it authorizes the Secretary to designate an appropriate beneficiary when no claim is made within four years of the insured's death. The VFW believes that this is the fair thing to do.

The provisions of Section 3 would reduce the insurance premiums for those under the Service-Disabled Veterans Insurance program by using an updated actuarial table. The program was created to assist service-connected veterans in obtaining life insurance at lower rates than would be available to them on the commercial market. Despite the good intentions of the program, an outdated actuarial table created in 1941 is being use, which, we believe, actually harms today's veterans. This table does not reflect the increased life span and improved health all Americans enjoy due to improvements in medicine and technology. As a result, veterans are being charged higher premiums for insurance than is necessary. This provision would require the use of an actuarial table from 1980 that we believe more accurately reflects today's mortality and life expectancy rates and would have the effect of lowering the premiums our veterans pay for their insurance.

Sections 4 and 5 would make several much-needed changes to the Veterans' Mortgage Life Insurance (VMLI) program. VMLI was created as a way to provide mortgage life insurance to severely disabled veterans who have received VA adapted housing grants. VMLI is payable to the mortgage holder and assists those veterans who would have the greatest difficulty in securing fair-priced financing.

Section 4 of this legislation would increase the amount payable under VMLI to \$200,000. This amount would be the first change since 1992 when the *Veterans' Benefits Act* (P.L. 102-568) increased coverage to \$90,000. Given the large increase in housing costs over the last decade, it is important that the maximum coverage be raised to keep pace. The veterans eligible for this program are those most in need of assistance. Their disabilities frequently place them at an economic disadvantage, which is, in part, alleviated by the VMLI program. The VFW believes that these disadvantages would be further lessened by this legislation's proposed increase in coverage and we strongly support this provision.

Section 5 allows VMLI coverage to continue beyond age 70. Currently, veterans, upon turning 70, have their VMLI coverage dropped. They and their families are no longer eligible for this program's protection. We feel that this could potentially place an unfair burden upon them. The current policy is clearly unfair and discriminatory. We feel that all veterans, not just young ones, should have access to this benefit. Their needs do not disappear when they reach age 70, nor should their benefit.

H.R. 3731

To amend title 38, United States Code, to increase amounts available to State Approving Agencies

The VFW is also proud to strongly support this legislation that would increase the amount of funding available to State Approving Agencies (SAAs). SAAs are an essential component of the administration of the Montgomery GI Bill and other VA educational programs. They evaluate, approve, and supervise the GI Bill programs within their respective states. It is their responsibility to ensure that veterans have access to a quality education that will benefit them long into the future.

Increasing their funding is essential. Between 1995 and 2000, their budget was flat-lined. Only in the last two years have they received a slight increase. If this legislation does not pass, their funding will revert to the same level they had seven years ago. SAAs have had to deal with this difficult budgetary situation all while dealing with many increased responsibilities. Passed just last year, *The Veterans' Education and Benefits Expansion Act* (P.L. 107-103) greatly increases the responsibilities of SAAs, particularly through its emphasis on benefits for training in hi-tech courses and schools. These classes must all be evaluated for their appropriateness and educational value. Once approved, the SAAs must ensure continued compliance with all state and federal regulations. It is clear that their burden has increased. It is time that their budget do the same.

Increasing SAA funding is truly in the best interest of the veterans' community. We all rely on their evaluations to ensure that our veterans continue to receive the training and education that they so richly deserve. For the GI Bill to remain the first-rate program it is today, SAAs must have the necessary funding to maintain their critical mission.

Mr. Chairman, this concludes our testimony. I would be happy to answer any questions that you or the members of the Subcommittee may have.