STATEMENT OF
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THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
ON
BENEFITS–RELATED LEGISLATIVE INTITIATIVES

JUNE 23, 2005

Mr. Chairman and Members of the Committee:

The American Legion appreciates this opportunity to express our views on the many important bills being considered today by the Committee. We applaud the Committee for holding hearings on these vital issues.

S. 1234, "To provide a "cost–of–living" increase, effective December 1, 2005, in compensation, and indemnity and compensation, and other rates."

The American Legion supports this annual cost-of-living adjustment in compensation benefits, including for Dependency and Indemnity (DIC) recipients. It is imperative that Congress annually considers the economic needs of disabled veterans and their survivors and provide an appropriate cost-of-living adjustment in their benefits.

S. 1235, "The Veterans Benefits Improvements Act of 2005."

Section2.

Codify, in whole or part, scheduled–to–expire $250,000 increase in SGLI benefits;

The Act serves to make permanent the $150,000 insurance increase in the Servicemembers Group Life Insurance (SGLI) program from the current $250,000 coverage to a maximum of $400,000 already embodied in Public Law 109-13 signed by the President on May 11, 2005, but which has a termination date of September 30, 2005. The American Legion supports this increase as being an enhancement that brings the SGLI benefit more fully in line with the current economic needs of military families who suffer the loss of one who is in most cases their primary provider. The American Legion also views as in the best interests of the insured the Act's provision for requiring any lesser amounts of coverage elected by servicemembers to be only in increments of $50,000, rather then the previous $10,000. This change provides an incentive to make as great a use of the insurance benefit as possible in times of national emergency such as these.

Extend and modify certain other SGLI modifications in the Supplemental Appropriations Act;

A further provision of this Act requires the Secretary of Defense to notify the insured's spouse should the insured at any time take action to either reduce the amount of coverage or to name a beneficiary other than the insured's spouse. This is not in the best interests of the insured AND does not earn the support of The American Legion. It has historically been the position of The American Legion that this type of insurance benefit is a special contract between the servicemember or veteran and the federal government, is a matter personal and sacrosanct to those who serve or have served the nation in uniform, and that an insured's beneficiary information should not be released to third parties without the consent of the insured. We would support a change in the proposed Act to this end, so long as beneficiary changes remain a matter of confidence between the insured and the government.

Extend to two years the time frame within which discharged disabled veterans may convert their SGLI coverage into Veterans Group Life Insurance coverage;

The Act's proposal to extend to two years, from the present one year, the premium free period for totally disabled servicemembers in their initial coverage under the Veterans Group Life Insurance (VGLI) program, the program that enables them to directly continue their in-service coverage after leaving active duty, is acceptable to The American Legion. These veterans who leave service in such a disabled condition require as much time as possible to rehabilitate themselves to civilian life in many ways to include the financial, and this provision would ease their monetary burden of premium payments for a period more reasonable in consideration of their service disabled conditions.

Section 3.

Modify standards for "hybrid–ARM" adjustable rate home mortgages that VA will guarantee.

The American Legion is advised that Section 3 of S. 1235 contains a technical drafting error. As written, this bill would strike certain language from section 3707(c)(4) of title 38, United States Code, which does not appear in that section. The American Legion defers comment on this section and requests the Committee to allow us to submit for the record when corrected.

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

This legislation amends Title 38, United States Code, to make permanent the 1992 pilot program for direct housing loans to Native American veterans residing on trust lands. The American Legion supports the purpose of this loan program to give Native American veterans an opportunity to purchase, construct, or renovate homes on trust lands. The American Legion applauds the success this program has had in ensuring that qualified Native American veterans have the opportunity to purchase homes on trust land. Before this pilot program was implemented, commercial home loan institutions would not give individuals home loans on trust

lands because of the unique relationship between the trust land and the federal government. The government actually owns the land, but will lease the land to Native Americans for an extended period of time. However, with VA currently having the authority to make direct loans to Native Americans, there is no need to have commercial lending institutions involved in the lending process. Since the pilot program's inception, over 468 loans have been disbursed, resulting in a sharp rise of homeownership within the Native American veteran community. By making this program permanent and with continued outreach efforts by VA to the Native American veterans community, the number of home loans made to Native American veterans will continue to increase in the coming years.

S. 552, "A bill to make technical corrections to the Veterans Benefits Improvements Act of 2004."

The American Legion has no position or comment on this legislation.

S. 1252, "The Service–Disabled Veterans Insurance Improvement Act."

As this legislation was not timely available to us, The American Legion defers comment and respectfully requests the Committee to allow us to submit for the record when text of the legislation is available.

S. 151, "The Veterans Benefits Outreach Act of 2005."

This legislation requires VA to prepare an annual plan for outreach activities for the following year to include; identification of veterans not enrolled or registered with VA for benefits or services, plans to inform veterans and their dependents of modifications to VA benefits and services, and consultation with veterans service organizations, state and local education, training and employment agencies and other concerned organizations. Further required is an assessment of previous outreach plans and incorporation of recommendations to improve outreach and awareness activities. Except for veterans of operations Iraqi Freedom and Enduring Freedom, VA's outreach activities to veterans have been minimal, especially as regards healthcare benefits. The American Legion supports this bill, but we recommend that Congress mandate more aggressive outreach for all veterans who are eligible for VA services and benefits.

S. 423, "A bill to make stillborn children insurable dependents for the purposes of Servicemembers Group Life insurance."

The American Legion supports this legislation as a logical extension of free dependent coverage, presently $10,000, which has been an intrinsic part of the SGLI program for years. We do not believe the small number of resulting claims would pose any burden to the SGLI program. This legislation would offer some needed assistance for the medical and funeral expenses incurred by military families who experience such a tragic loss.

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

VA's 2002 report, "Future Burial Needs," provides an assessment of the number of additional cemeteries that will be required to ensure a burial option for 90 percent of veterans living within 75 miles of a national or state veterans cemetery beginning in 2005 and projecting out to 2020. In addition, the report identifies those areas in the United States with the greatest concentration of veterans whose burial needs are not served by a national or state veterans cemetery as well as an estimate of the costs to construct, staff and equip a new national cemetery. VA's current threshold for siting a new national cemetery is 170,000 veterans residing within a 75–mile radius of an epicenter. With 12 new national cemeteries currently authorized and in varying stages of development, VA is well on the way to meeting the demand projected by the report. Not surprisingly, these sites are located in high population density areas. Colorado Springs, Colorado does not meet these threshold criteria. The American Legion does do object, *per se*, to the establishment of a national cemetery in Colorado Springs; however, if enacted, this project should be funded outside the ongoing national cemetery expansion effort, the largest since the Civil War.

S. 909, "A bill to expand eligibility for government–provided grave markers for veterans buried in private cemeteries."

Currently, the National Cemetery Administration provides headstones and markers for the graves of eligible veterans or eligible reservists who are buried in a private cemetery anywhere in the world regardless of whether the grave is already marked by a headstone or marker purchased at private expense. The veteran's death must have occurred on or after September 11, 2001, the onset of the Global War on Terror, for double marking. For eligible, veterans who died before September 11, 2001, a government headstone or marker may only be furnished if the grave is unmarked. This bill would allow VA to furnish markers for the graves of veterans who died on or after November 1, 1990, restoring the intent of the Veterans Education and Benefits Expansion Act of 2001**,** Public Law No.107-103, wherein the eligibility date was set at September 11, 2001 in conference committee. The American Legion agrees that this inequity should be rectified and we support this bill.

S. 1138, "A bill to A bill to authorize the placement of a monument in Arlington National Cemetery honoring the veterans who fought in World War II as members of Army Ranger Battalions."

The American Legion has no position or comment on this legislation.

S. 1259, "The Veterans Employment and Transition Services Act."

As this legislation was not timely available to us, The American Legion defers comment and respectfully requests the Committee to allow us to submit for the record when text of the legislation is available.

S. 1271, "The Prisoner of War Benefits Act of 2005."

As this legislation was not timely available to us, The American Legion defers comment and respectfully requests the Committee to allow us to submit for the record when text of the legislation is available.

Mr. Chairman, this concludes my testimony. I appreciate the opportunity to present The American Legion's views on these important and timely topics.