

CRS Report for Congress

Veterans' Benefits Issues in the 109th Congress

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Veterans' Benefits Issues in the 109th Congress

Summary

This report presents a brief overview of the Department of Veterans Affairs (VA) non-health benefit programs for veterans, as well as some of the issues that were subjects of congressional attention during the 109th Congress. In particular, it outlines the veterans' benefits provisions that have seen legislative action.

VA Budget and Appropriations. The FY2007 budget submitted by the Administration in February 2006 called for funding VA at a level of \$77.9 billion. This was an increase of \$6.5 billion, or 9.0%, over the FY2006 total, including the supplemental appropriations. The House Appropriations Committee approved its appropriations bill (H.R. 5385), including about the same amount as requested by the Administration for the VA on May 10, 2006. The bill, as passed by the House on May 19, 2006, would provide a total of \$77.9 billion for the VA budget, with \$36.5 billion for VA discretionary spending. The Senate Appropriations Committee approved the bill with the same totals on July 20, 2006. Along with many other federal agencies, the VA is currently operating under a continuing resolution for program funding.

Cost-of-Living Adjustment (COLA). The Veterans' Compensation Cost-of-Living Adjustment Act of 2005 (P.L. 109-111) provided a COLA to disability compensation payments of 4.1% for 2006. The Veterans' Compensation Cost-of-Living Act of 2006 (P.L. 109-361) provided a COLA for disability compensation payments of 3.3% beginning in 2007 equal to the COLA for Social Security benefits.

Other Veterans Legislation in the 109th Congress. The Servicemembers' Group Life Insurance Enhancement Act of 2005 (P.L. 109-80) made permanent the increase from \$250,000 to \$400,000 in maximum coverage under Veterans' Group Life Insurance. The Veterans' Housing Opportunity and Benefits Improvement Act of 2006 (P.L. 109-233) granted disabled veterans more flexibility in adapting their housing to their needs, made permanent the Native American Veterans' Housing Loan Program, and reauthorized the Homeless Veterans Reintegration Program. The Veterans Programs Extension Act of 2006 (P.L. 109-444) extended certain expiring provisions, including eligibility for certain programs. The Veterans Benefits, Health Care, and Information Technology Act of 2006 (P.L. 109-461) made changes related to the educational assistance and employment and training programs, and authorized specific construction projects.

This report was originally written by Paul J. Graney, and has been updated by Carol D. Davis and Christine Scott. This report will not be updated.

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Veterans' Benefits Issues in the 109th Congress

Introduction

The first section of Title 38 of the United States Code defines a veteran as a person who has been discharged under conditions other than dishonorable from active military, naval, or air service. Federal policy toward veterans recognizes the importance of their service to the nation and the effect that service may have on their subsequent civilian lives. This policy dates back to the first pensions granted by the Continental Congress to soldiers disabled by their service in the Revolutionary War and to the dependents of those who were killed. Some benefits require service during a period of war. Members of reserve units or the National Guard can gain eligibility for some veterans' benefits by virtue of being called to active duty by the federal government. Although military retirees are veterans, their retirement benefits are paid by the Department of Defense (DOD). Benefits administered by the Department of Veterans Affairs (VA), directly or in conjunction with other federal agencies, include the following, among other things:

- programs that provide compensation for disabilities sustained or worsened as a result of active duty military service;
- pensions for war veterans with low incomes who are either (1) permanently and totally disabled or (2) over the age of 65;
- cash payments for certain categories of dependents and/or survivors;
- free medical care for conditions sustained during military service, and medical care for other conditions, much of which is provided free to low-income veterans;
- education, training, rehabilitation, and job placement services to assist veterans upon their return to civilian life;
- loan guarantees to help them obtain homes;
- life insurance to enhance financial security for their dependents; and
- burial assistance, flags, grave sites, and headstones when they die.

The VA is divided into three administrative structures: the Veterans Benefit Administration (VBA), the Veterans Health Administration (VHA), and the National Cemetery Administration (NCA). This report is primarily concerned with benefits other than those provided through the VHA. It does not discuss health care issues. For discussion of the VHA and health care issues for veterans, see CRS Report RL32961, *Veterans' Health Care Issues in the 109th Congress*, by Sidath Viranga Panangala.

The Veteran and Benefit Populations

The VA is the major source for information on the total veteran population and beneficiaries of veterans benefits. Estimates of the veteran population will be different from the population receiving benefits during a specific time period for several reasons, including not all veterans may be receiving benefits in a given period of time; benefits may be, depending on the specific benefit, provided to veterans, surviving spouses, and children; and some veterans, surviving spouses, or children may receive more than one type of benefit in a given period of time.

The Veteran Population. The VA estimates¹ the veteran population by various characteristics, including age, sex, state, and period of service. As of September 30, 2005, there were an estimated 24.4 million living veterans, with 24.3 million of them living in the United States and Puerto Rico.

Six states each had an estimated veteran population of 1 million or more: California (2.3 million), Florida (1.8 million), Texas (1.7 million), New York (1.1 million), Pennsylvania (1.1 million), and Ohio (1.0 million). These states were home to 37.0% of the total veteran population. The three largest states (California, Florida, and Texas) were home to 23.5% of the total veteran population.

Six states had an estimated veteran population of less than 100,000: Delaware, South Dakota, Alaska, Vermont, Wyoming, and North Dakota. Together these six states were home to 1.6% of the total veteran population.

As of September 30, 2005, the majority of all veterans (63.6%) were age 55 or older, with 11.0% aged 80 or older. Female veterans were 7.0% of the total veteran population and had an age distribution that was generally younger than for all veterans. As of September 30, 2005, only 30.4% of female veterans were aged 55 or older, and 9.7% were aged 80 or older. Almost half (49.8%) of female veterans were between 35 and 55 years of age.

The Benefit Population. The VA also provides data on the number of beneficiaries of veterans benefits. In FY2005, disability compensation benefits were

¹ The Department of Veterans Affairs estimates (VetPop2004 Version 1.0, Office of the Actuary, Office of Policy, U.S. Department of Veterans Affairs, December 2004) are based on a model that uses detailed data on veterans from the decennial Census through April 2000; actual DOD separations, including reserve and National Guard forces with a federal activation through September 2003; and projected DOD separations, including an estimate for an increased level of reserve separations through September 2009. At this time, the model output does not distinguish among cohorts of veterans by time of entry into and departure from the military nor whether they were Reserve or National Guard members activated for duty in Iraq or Afghanistan. Nor does the model incorporate any particular assumptions about the long-term effects of the war in Iraq and Afghanistan on the size or composition of the veteran population, save for the assumption that the Gulf War would end on Sept. 30, 2006, which is done to allocate veterans to period of service. It should also be noted that many Reserve and National Guard members activated for duty in Iraq or Afghanistan were veterans at the time of activation. That is, they were discharged from active duty military service before joining the Reserve or National Guard.

provided to 2,600,583 veterans, 326,272 survivors, and 1,171 children. In addition, there were 82,333 veterans provided with a clothing allowance and 803 Equal Access to Justice (EAJA) payments. In FY2005, pension benefits were provided to 337,787 veterans and 211,240 survivors. The caseload for readjustment benefits (including education and training, work-study, tuition assistance, and the all-volunteer force educational assistance programs) in FY2005 was 568,059.²

VA Budget and Appropriations

Summary: VA Appropriations

FY2006.³

- The total FY2006 request for VA was \$69.5 billion. This included an additional \$1.977 billion dollars for discretionary medical care spending requested on July 14, 2005, in a letter (H.Doc. 109-46) the Administration sent to Congress.
- The total FY2006 request would have been an increase of \$2.1 billion, or 3.1%, over the total enacted for FY2005 including the supplemental amounts added by P.L. 108-324 and P.L. 109-54.
- H.R. 2528, as approved by the House Appropriations Committee on May 18, 2005, and by the House on May 26, 2005, would have provided a total of \$68.1 billion for the VA budget with \$31.5 billion going for VA discretionary spending.
- The Senate Appropriations Committee approved its version of H.R. 2528 on July 21, 2005, and the Senate passed the bill on September 22, 2005. This bill would have provided a total of \$70.7 billion for VA including \$34.1 billion in new budget authority for discretionary spending.
- The conference report (H.Rept. 109-305) was passed by the House and cleared by the Senate on November 18, 2005. The bill was signed by the President on November 30, 2005, making it P.L. 109-114. The FY2006 appropriation is \$33.0 billion in discretionary and \$37.2 in mandatory funding for a total of \$70.2 billion.

² Department of Veterans Affairs, FY2007 Budget Submission, Summary Volume, Benefits Programs, p. 3A-3. [<http://www.va.gov/budget/summary/1514Chapter3A.pdf>]

³ For further discussion of the VA FY2006 appropriations, see CRS Report RL33017, *Military Quality of Life/VA (House) and Military Construction/VA (Senate): FY2006 Appropriations*, by Daniel H. Else, Paul J. Graney, and Sidath Viranga Panangala.

FY2007.⁴

- The total FY2007 request for VA was \$77.9 billion.
- The total FY2007 request would be an increase of \$6.5 billion, or 9.0%, over the total enacted for FY2006 including the supplemental amounts added by P.L. 109-148 and P.L. 109-234.
- H.R. 5385, as passed by the House on May 19, 2006, would provide a total of \$77.9 billion for the VA budget with \$36.5 billion for VA discretionary spending.
- The Senate Appropriations Committee approved its version of H.R. 5385 on July 20, 2006. This bill would provide the same totals as the House-passed bill.

Current State of the VA Budget. Division B of the FY2007 Department of Defense Appropriations Act (P.L. 109-289/H.R. 5631) contained a continuing resolution to provide FY2007 funding for a number of federal government agencies, including the Department of Veterans Affairs, through November 17, 2006. A subsequent continuing resolution (P.L. 109-369/H.J.Res. 100) extended the funding through December 8, 2006. A third continuing resolution (P.L. 109-383/H.J.Res. 102) extended the funding through February 15, 2007. The third continuing resolution contained a provision granting the Department of Veterans Affairs the authority to transfer up to \$683.97 million of the funds available under the continuing resolution to the Veterans Health Administration - Medical Services, during the period covered by the resolution.

**Table 1. Appropriations: Department of Veterans Affairs,
FY2006-FY2007**

(budget authority in billions)

Program	FY2006 Enacted	FY2007 Request	FY2007 House	FY2007 Senate Approp Comm.	FY2007 Conf.
Total: (VA)	\$71.458	\$77.909	\$77.909	\$77.909	
Compens., pension, burial	\$33.898	\$38.007	\$38.007	\$38.007	
Readjustment benefits	3.309	3.262	3.262	3.262	
Insurance/indemnities	0.046	0.050	0.050	0.050	
Housing prog. (net, indef.)	-0.047 ^a	0.097	0.097	0.097	
<i>Subtotal: Mandatory</i>	<i>\$37.206</i>	<i>\$41.416</i>	<i>\$41.416</i>	<i>\$41.416</i>	
Medical services	21.322	25.512	25.412	28.689	
Emerg. funding	1.225	—	—	—	
Emerg. funding (P.L. 109-148)	0.225	—	—	—	

⁴ For further discussion of the VA FY2007 appropriations, see CRS Report RL33427, *Military Construction, Military Quality of Life and Veterans Affairs: FY2007 Appropriations*, by Daniel H. Else, Paul J. Graney, and Sidath Viranga Panangala.

Program	FY2006 Enacted	FY2007 Request	FY2007 House	FY2007 Senate Approp Comm.	FY2007 Conf.
Medical administration	2.858	3.177	3.277	—	
Medical facilities	3.298	3.569	3.594	3.569	
Med. & prosthetic research	0.412	0.399	0.412	0.412	
Med. care collection fund ^b					
(offsetting receipts)	-2.170	-2.329	-2.329	-2.329	
(approps. indefinite)	2.170	2.329	2.329	2.329	
<i>Subtotal: Med. programs & admin. (appropriations)</i>	<i>29.341</i>	<i>32.657</i>	<i>32.695</i>	<i>32.670</i>	
<i>Total available to VHA</i>	<i>31.511</i>	<i>34.986</i>	<i>35.024</i>	<i>34.999</i>	
Gen. admin. exp. (total)	1.411	1.481	1.481	1.468	
Emerg. funding (P.L. 109-148)	0.025	—	—	—	
Information technology	1.214	1.257	1.302	1.256	
National Cemetery Admin.	0.156	0.161	0.161	0.161	
Emerg. funding (P.L. 109-148)	^c	—	—	—	
Inspector General	0.070	0.069	0.069	0.071	
Construction	0.806	0.597	0.494	0.597	
Emerg. funding (P.L. 109-148 & 234)	0.955	—	—	—	
Grants; state facilities	0.085	0.085	0.105	0.085	
State veteran cemeteries	0.032	0.032	0.032	0.032	
Housing & other loan admin.	0.155	0.154	0.154	0.154	
Disaster comp. — emerg. (P.L. 106-148)	0.003	—	—	—	
<i>Subtotal: Discretionary</i>	<i>\$34.252</i>	<i>\$36.493</i>	<i>\$36.493</i>	<i>\$36.493</i>	

Source: Table prepared by the Congressional Research Service based on H.Rept. 109-464 and S.Rept. 109-286.

- a. This negative budget authority is the result of combining the loan subsidy payments estimated to be needed during FY2006 with the offsetting receipts expected to be collected.
- b. Medical Care Collections Fund (MCCF) receipts are restored to the VHA as an indefinite budget authority equal to the revenue collected.
- c. \$200,000.

Spending for VA Programs

The cash benefit programs, that is, compensation and pensions (and benefits for eligible survivors); readjustment benefits (education and training, special assistance for the disabled); home loan guarantees; and veterans' insurance and indemnities are mandatory (entitlement) spending, although required amounts are annually appropriated. Veterans' entitlement benefits were once increasing rapidly, but now they are a relatively stable federal obligation to a declining population of veterans.

The remaining programs, primarily those associated with medical care, facility construction, and medical research are annual discretionary appropriations, as are funds for the costs of administering VA programs. In FY1976, entitlements constituted 73% of VA's budget, with the remaining 27% of the budget comprised of discretionary appropriations for VA health care, administration, and construction. For FY2007, mandatory spending is expected to be about 53% of the total VA budget, with discretionary spending at 47%. For the entire federal budget, a little more than one-third of spending is discretionary.

VA Cash Benefits. Spending for the VA cash benefit programs is mandatory, and the amounts requested by the budget are based on projected caseloads. Definitions of eligibility and benefit levels are found in various sections of Title 38 of the U.S. Code. While the overall number of veterans is declining, outlays for VA entitlement benefits, mostly service-connected compensation, pensions, and readjustment (primarily education) payments, were expected to be \$38.1 billion for FY2006, and are projected to reach \$38.2 billion in FY2007.⁵ Much of the projected increases for recent years result from a greater proportion of surviving veterans receiving benefits and liberalizations to the Montgomery GI Bill (MGIB), the primary education program.

Compensation and Pensions. The compensation program pays benefits to living veterans who have suffered a loss or reduction in earning capacity as a result of a condition traceable to a period of military service,⁶ and to the dependent survivors of certain veterans. The VA pension program is a means-tested benefit for permanently disabled (from a condition unrelated to their military service) veterans of war-time service, whose incomes and assets fall below certain levels. After taking into consideration the financial circumstances and dependents of eligible veterans, the pension payments, along with countable income, are intended to bring their total

⁵ Calculated by the Congressional Research Service for projected net outlays for FY2006 and FY2007 for disability compensation, pensions, and readjustment (education programs and vocation rehabilitation and employment program) data provided in the Department of Veterans Affairs, FY2007 Budget Submission, Summary Volume, Benefits Programs, p. 3A-4; p. 3A-9; and p. 3A-14, [<http://www.va.gov/budget/summary/1514Chapter3A.pdf>].

⁶ For more information on disability compensation, see CRS Report RL33113, *Veterans Affairs: Basic Eligibility for Disability Benefit Programs*, by Douglas Reid Weimer and CRS Report RL33323, *Veterans Affairs: Benefits for Service-Connected Disabilities*, by Douglas Reid Weimer.

incomes to the targeted amounts.⁷ Given the broad availability of other sources of income, including social security, program caseload is diminishing as fewer veterans have incomes below the categorical levels.

During FY2005, about 2.6 million veterans drew an average of \$783 in monthly compensation for service-connected disabilities; about 326,300 of their dependent survivors averaged about \$1,072 in monthly payments.⁸ Pensions for 337,787 veterans averaged about \$654 monthly; 211,240 survivors of veteran pensioners averaged about \$288 monthly.⁹

One of the issues that arises in determining who should receive compensation and how much is the inconsistency of VA representatives in the 57 regional offices applying written criteria to individual cases.¹⁰ Out of concern for the disparity in the amounts of disability compensation awarded to veterans living in different regions of the country, Congress included a provision in the FY2006 appropriations bill for VA (P.L. 109-114) to instruct the VA to conduct a veterans' disability compensation information campaign in states with an average annual disability compensation payment of less than \$7,300. In response to this provision, VA is conducting outreach efforts in Illinois, Indiana, Michigan, Ohio, New Jersey, and Connecticut.

Readjustment. Near the end of World War II, Congress enacted a series of programs to assist veterans in readjusting to civilian life and to help the national economy adapt to the influx of demobilizing armed forces. The GI Bill has entered the national lexicon as an example of federal responsibility for this readjustment responsibility, and many citizens continue to refer to the current array of programs by that historical name. Indeed, the largest current program providing readjustment education benefits is named the Montgomery GI Bill (MGIB) program, after its congressional sponsor and the heritage it brought into the age of an all-volunteer military service.

Without conscription to fill the ranks of active duty armed services, the inducements to potential recruits must be sufficient to attract them to enlist. The MGIB provides recruits with the promise of educational assistance when they separate, and the amounts that eligible participants receive has climbed significantly over the last few years, from \$800 per month for 36 months for a three-year enlistment in FY2002, to \$985 per month in FY2004, and \$1,034 per month in

⁷ For 2005, the annual basic level for an eligible single veteran was \$10,162; with one dependent, \$13,309; and each additional dependent, \$1,734. For 2006, these amounts have been adjusted to \$10,579; \$13,855; and \$1,806, respectively. Additional amounts are available for eligible veterans who are housebound or in need of aid and attendance.

⁸ Department of Veterans Affairs, FY2007 Budget Submission, Summary Volume, Benefits Programs, p. 3A-4, [<http://www.va.gov/budget/summary/1514Chapter3A.pdf>].

⁹ *Ibid.*, p. 3A-9.

¹⁰ The Government Accountability Office (GAO) addressed this and other processing problems in several reports, for example, *Veterans' Benefits: Further Changes in VBA's Field Office Structure Could Help Improve Disability Claims Processing*, GAO-06-149 (December 2005) and *Veterans Benefits: VA Needs Plan for Assessing Consistency of Decisions*, GAO-05-99 (November 2004).

FY2006. About \$2.6 billion in total payments for education during FY2005 went to 336,347 active duty veterans, 87,589 reservists, and 74,360 dependents.

Veterans Housing Benefits. The VA program to guarantee home loans for veterans has made a significant contribution to the national goal of increasing the number of families who own their own homes by supporting the loan applications of more than 200,000 veterans a year. Because of the guarantees, lenders are protected against losses up to the amount of the guarantee, thereby permitting veterans to obtain mortgages with little or no down payment and with competitive interest rates. These guarantees, and certain direct loans to specific categories of veterans are obligations of the federal government that constitute mandatory spending; administrative expenses are discretionary appropriations transferred from the home loan programs to the General Operating Expenses account.¹¹

VA Construction. Congress provided \$1.561 billion in major construction for FY2006 and \$201 million in minor construction, including supplementals. These construction funds are used primarily for health care facilities, such as hospitals, community based outpatient clinics, and nursing homes, but these funds are also used to design, build, and acquire land for cemeteries and administrative centers. The Administration request is \$399 million for major construction projects for FY2007 and \$198 million for minor construction. H.R. 5385, as passed by the House, would provide \$284 million for major construction and \$210 million for minor construction. The Senate Appropriations Committee approved \$429 million and \$168 million, respectively.¹² Major construction projects are those with an estimated cost of \$7 million or more. Many of the minor construction projects will continue VA's overall strategy of expanding outpatient access.¹³

Burial and Cemetery Benefits. Payments to honor and help defray the cost of veterans' burials will total about \$171 million in FY2006, and cover an estimated 82,000 burials, 66,000 burial plots, 14,000 service-connected deaths, 542,000 flags, and 343,000 headstones and markers.¹⁴

¹¹ For more information on VA housing guarantees, see CRS Report RS20533, *VA-Home Loan Guaranty Program: An Overview*, by Bruce E. Foote, updated by Meredith Peterson.

¹² U.S. Congress, Senate Committee on Appropriations, *Military Construction and Veterans Affairs and Related Agencies Appropriations Bill, 2007*, report to accompany H.R. 5385. S.Rept. 109-286, 109th Cong., 2nd sess., July 20, 2006, pp. 60 and 63.

¹³ For further discussion of the construction of health care facilities, see CRS Report RL32961, *Veterans' Health Care Issues in the 109th Congress*, by Sidath Viranga Panangala.

¹⁴ Department of Veterans Affairs, FY2007 Budget Submission, Summary Volume, Benefits Programs, p. 3A-11, [<http://www.va.gov/budget/summary/1514Chapter3A.pdf>].

A Closer Look at Ongoing Issues

Cost-of-Living Adjustments (COLAs)

Each year Congress typically passes legislation to provide a COLA equal to the Social Security increase in payments for disability compensation to veterans and for dependency and indemnity compensation to their eligible survivors. The COLA for these programs is not in permanent law, unlike the COLA for Social Security benefits.

The COLA for 2006 (of 4.1%), first payable in checks issued in January 2006, was provided by P.L. 109-111, which the President signed on November 22, 2005. The House passed its version of the Veterans' Compensation Cost-of-Living Adjustment Act of 2006 (H.R. 4843) on June 27, 2006, and the Senate version (S. 2562) was reported on July 27, 2006. P.L. 109-361 provides a 3.3% cost-of-living adjustment beginning in January 2007, which is equal to the COLA for Social Security.

Concurrent Receipt of Military Retirement and VA Disability Benefits

Until 2004, simultaneous payment of military retirement and VA disability benefits was prohibited as a duplicate payment for the same period of service. Retirement pay has been reduced on a dollar-for-dollar basis by the amount of disability compensation received because retirement pay is taxable while disability benefits are not. The FY2004 National Defense Authorization Act (NDAA) approved concurrent receipt for retirees with at least a 50% disability, but set up a 10-year schedule to phase in full payment of retirement benefits. The FY2005 NDAA repealed this phase-in after December 31, 2004, for a "qualified retiree receiving veterans' disability compensation for a disability rated as 100%." The Senate version of the FY2006 NDAA extended the repeal of the phase-in to veterans with a full, or 100% "unemployability" rating, but the House version only accelerated the phase-in for these veterans. The House provision was adopted in the conference report. The House version of the FY2006 NDAA (H.Rept. 109-89, passed House May 25, 2005), contained a partial step toward inclusion of 100% unemployables. The House would authorize full concurrent receipt for 100% unemployables beginning October 1, 2009, over four years earlier than the date of January 1, 2014, in current law (the date of full concurrent receipt for all retirees, regardless of disability rating). The Senate version once again would have authorized immediate concurrent receipt for all those with a 100% unemployability rating. The House version was again accepted in the conference report (now P.L. 109-163).¹⁵

¹⁵ Further discussion of this issue is included in CRS Report RL33449, *Military Retirement: Major Legislative Issues*, by Charles A. Henning.

Legislation

New Laws Affecting Benefits for Veterans

Servicemembers' Group Life Insurance Enhancement Act of 2005 (P.L. 109-80). This law makes permanent the increase from \$250,000 to \$400,000 in maximum coverage under Servicemembers' Group Life Insurance (SGLI) and Veterans' Group Life Insurance (VGLI). This increase was first provided for FY2005 by the supplemental spending bill that was signed into law (P.L. 109-13/H.R. 1268) on May 11, 2005. It also provides for the notification of the servicemember's spouse if less than the maximum coverage is chosen or if a beneficiary other than the spouse or a child is designated. VA offers life insurance to servicemembers and veterans because the extra risks of military service or a service-connected disability might prevent them from obtaining coverage in the private sector at a reasonable price. SGLI is available in \$50,000 increments up to the \$400,000 maximum for a monthly premium of \$3.25 for each \$50,000 of coverage. After discharge servicemembers are able to switch to VGLI in \$10,000 increments up to the maximum coverage they carried while on active duty. The premiums for VGLI are based on age with the lowest monthly rate being \$0.80 per \$10,000 of coverage for those under 30 years of age.

Veterans' Housing Opportunity and Benefits Improvement Act of 2006 (P.L. 109-233). S. 1235 was introduced on June 14, 2005, and marked up on July 28, 2005. It was reported by the Senate Committee on Veterans' Affairs on September 21, 2005 (S.Rept. 109-139) and passed by the Senate on September 28, 2005. The bill was amended in the House to include some provisions of H.R. 2046, which passed on May 23, 2005, and of H.R. 3665, which passed on November 10, 2005. The amended bill passed the House on May 22, 2006, and was approved by the Senate on May 25, 2006. It was signed by the President on June 15, 2006. The new law will do the following:

- authorize grants of \$2,000 to \$14,000 to adapt homes of relatives who are providing temporary housing for disabled veterans;
- allow disabled veterans more flexibility in the use of grants up to \$50,000 for the purpose of adapting their own home;
- grant the Secretary of VA authority to adjust the interest rate on adjustable rate mortgages under the VA housing loan program by more than 1%;
- make permanent the Native American Veterans' Housing Loan Program and extend eligibility to any veteran who is the spouse of a Native American;
- make technical amendments to the section on eligibility for specially adapted housing as previously amended by the Veterans Benefits Improvement Act of 2004;
- transfer to the Department of Labor responsibility for promoting the hiring of veterans, with a transition plan due to the Veterans' Affairs Committees by July 1, 2006;

- expand the name, duties, and membership of the Advisory Committee on Veterans Employment, Training, and Employer Outreach by encouraging the involvement of employers;
- reauthorize the Homeless Veterans Reintegration Program at \$50 million (the same amount as currently authorized through FY2006) per year for FY2007 through FY2009;
- raise from one year to two years after separation from active duty the amount of time those who are totally disabled can remain covered by Servicemembers' Group Life Insurance until September 30, 2001, and reduce period to 18 months after that;
- add a new chapter on outreach activities to Title 38 of the U.S. Code that would require VA to prepare a biennial outreach plan that will include efforts to identify veterans who are not enrolled or registered for benefits or services and to inform veterans and their dependents of program changes, and require VA to submit to Congress a biennial report on these outreach activities;
- extend the reporting requirement through 2009 on cases where equitable relief was granted because of administrative error;
- add heart disease and stroke to the list of diseases and conditions presumed to be associated with prisoner of war status; and
- make technical, clarifying, and technical amendments to SGLI and other provisions of Title 38 of the U.S. Code.

Veterans' Compensation Cost-of-Living Adjustment Act of 2006 (P.L. 109-361). The Senate Committee on Veterans' Affairs marked up and reported (H.Rept. 109-296), its version of the Veterans' Compensation Cost-of-Living Adjustment Act of 2006, S. 2562, on September 21, 2006. P.L. 109-361 provides that the cost-of-living increase for disability compensation equal the cost-of-living increase provided for Social Security beginning in January 2007.

Veterans Programs Extension Act of 2006 (P.L. 109-444). P. L. 109-444 provides for the extension of certain provisions, including the grant and per diem grant for homeless veterans; treatment and rehabilitation and additional services for seriously mentally ill and homeless veterans; the advisory committee on homeless veterans; government markers in private cemeteries; and the additional education allowance for work-study. The law also provides an expansion of eligibility for Survivor's and Dependent's Educational Assistance; makes permanent the report requirement for the educational assistance program; reauthorizes the biennial report of the Advisory Committee on Women Veterans; and codifies into law the cost-of-living increases provided for by P.L. 109-361.

Veterans Benefits, Health Care, and Information Technology Act of 2006 (P.L. 109-461). The new law will do the following:

- allow veterans to be represented by attorneys after a notice of disagreement has been filed in a case; allow VA to suspend an attorney from practicing if the attorney charges excessive or unreasonable fees, and to charge an assessment when a fee for services is provided from past-due benefits;

- authorize grants to tribal organizations to assist in establishing, expanding, or improving veterans' cemeteries on tribal land;
- expand the availability of government headstones or markers for veterans buried at private cemeteries;
- expand eligibility for the Dependents' Educational Assistance program;
- extend authority and/or funding for several homeless veterans assistance programs through 2011 or 2012;¹⁶
- make housing loans available to veterans moving into residential cooperative housing units; and
- provide authority for specific construction projects.

¹⁶ For further information on programs for homeless veterans, see CRS Report RL30442, *Homelessness: Recent Statistics, Targeted Federal Programs, and Recent Legislation*, coordinated by Libby Perl.

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