

108TH CONGRESS
1ST SESSION

S. 1133

To amend title 38, United States Code, to improve the authorities of the Department of Veterans Affairs relating to compensation, dependency and indemnity compensation, pension, education benefits, life insurance benefits, and memorial benefits, to improve the administration of benefits for veterans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 22, 2003

Mr. SPECTER (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve the authorities of the Department of Veterans Affairs relating to compensation, dependency and indemnity compensation, pension, education benefits, life insurance benefits, and memorial benefits, to improve the administration of benefits for veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38,**
4 **UNITED STATES CODE.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Veterans Programs Improvement Act of 2003”.

1 (b) REFERENCES.—Except as otherwise expressly
2 provided, wherever in this Act an amendment is expressed
3 in terms of an amendment to a section or other provision,
4 the reference shall be considered to be made to a section
5 or other provision of title 38, United States Code.

6 **SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSA-**
7 **TION AND DEPENDENCY AND INDEMNITY**
8 **COMPENSATION.**

9 (a) RATE ADJUSTMENT.—The Secretary of Veterans
10 Affairs shall, effective on December 1, 2003, increase the
11 dollar amounts in effect for the payment of disability com-
12 pensation and dependency and indemnity compensation by
13 the Secretary, as specified in subsection (b).

14 (b) AMOUNTS TO BE INCREASED.—The dollar
15 amounts to be increased pursuant to subsection (a) are
16 the following:

17 (1) COMPENSATION.—Each of the dollar
18 amounts in effect under section 1114.

19 (2) ADDITIONAL COMPENSATION FOR DEPEND-
20 ENTS.—Each of the dollar amounts in effect under
21 section 1115(1).

22 (3) CLOTHING ALLOWANCE.—The dollar
23 amount in effect under section 1162.

4 (5) OLD DIC RATES.—Each of the dollar
5 amounts in effect under section 1311(a)(3).

6 (6) ADDITIONAL DIC FOR SURVIVING SPOUSES
7 WITH MINOR CHILDREN.—The dollar amount in ef-
8 fect under section 1311(b);

12 (8) DIC FOR DEPENDENT CHILDREN.—Each of
13 the dollar amounts in effect under sections 1313(a)
14 and 1314

15 (c) DETERMINATION OF INCREASE —

5 (d) SPECIAL RULE.—The Secretary may adjust ad-
6 ministratively, consistent with the increases made under
7 subsection (a), the rates of disability compensation pay-
8 able to persons within the purview of section 10 of Public
9 Law No. 85-857 (72 Stat. 1263) who are not in receipt
10 of compensation payable pursuant to chapter 11 of title
11 38, United States Code.

12 (e) PUBLICATION OF ADJUSTED RATES.—At the
13 same time as the matters specified in section 215(i)(2)(D)
14 of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are
15 required to be published by reason of a determination
16 made under section 215(i) of such Act during fiscal year
17 2004, the Secretary of Veterans Affairs shall publish in
18 the Federal Register the amounts specified in subsection
19 (b) as increased pursuant to subsection (a).

20 SEC. 3. REPEAL OF 45-DAY RULE FOR EFFECTIVE DATE OF

21 AWARD OF DEATH PENSION.

22 Subsection (d) of section 5110 is amended—

23 (1) by striking the designation "(1)":

24 (2) by striking “death compensation or depend-
25 ency and indemnity compensation” and inserting

1 “death compensation, dependency and indemnity
2 compensation, or death pension”; and
3 (3) by striking paragraph (2).

4 **SEC. 4. EXCLUSION OF LUMP-SUM LIFE INSURANCE PRO-**
5 **CEEDS FROM DETERMINATIONS OF ANNUAL**
6 **INCOME FOR PENSION PURPOSES.**

7 Subsection (a) of section 1503 is amended—
8 (1) by striking “and” at the end of paragraph
9 (9);
10 (2) by striking “materials.” at the end of para-
11 graph (10)(B) and inserting “materials; and”; and
12 (3) by adding at the end the following new
13 paragraph:
14 “(11) lump-sum proceeds of any life insurance
15 policy or policies on a veteran, for purposes of pen-
16 sion under subchapter III of this chapter.”.

17 **SEC. 5. CLARIFICATION OF PROHIBITION ON PAYMENT OF**
18 **COMPENSATION FOR ALCOHOL OR DRUG-RE-**
19 **LATED DISABILITY.**

20 (a) CLARIFICATION.—Chapter 11 is amended—
21 (1) in section 1110, by striking “drugs.” and
22 inserting “drugs, even if the abuse is secondary to
23 a service-connected disability.”; and

4 (b) APPLICABILITY.—The amendments made by sub-
5 section (a) shall apply to any claim—

6 (1) filed on or after the date of enactment of
7 this Act; or

10 SEC. 6. ALTERNATIVE BENEFICIARIES FOR NATIONAL
11 SERVICE LIFE INSURANCE AND UNITED
12 STATES GOVERNMENT LIFE INSURANCE.

13 (a) NATIONAL SERVICE LIFE INSURANCE.—

14 (1) Section 1917 is amended by adding at the
15 end the following new subsection:

16 “(f)(1) Following the death of the insured and in a
17 case not covered by subsection (d)—

18 “(A) if the first beneficiary otherwise entitled to
19 payment of the insurance does not make a claim for
20 such payment within two years after the death of
21 the insured, payment may be made to another bene-
22 ficiary designated by the insured, in the order of
23 precedence as designated by the insured, as if the
24 first beneficiary had predeceased the insured; and

1 “(B) if, within four years after the death of the
2 insured, no claim has been filed by a person des-
3 ignated by the insured as a beneficiary and the Sec-
4 retary has not received any notice in writing that
5 any such claim will be made, payment may (notwith-
6 standing any other provision of law) be made to
7 such person as may in the judgment of the Secretary
8 be equitably entitled thereto.

9 “(2) Payment of insurance under paragraph (1) shall
10 be a bar to recovery by any other person.”.

11 (b) UNITED STATES GOVERNMENT LIFE INSUR-
12 ANCE.—Section 1952 is amended by adding at the end
13 the following new subsection:

14 “(c)(1) Following the death of the insured and in a
15 case not covered by section 1950 of this title—

16 “(A) if the first beneficiary otherwise entitled to
17 payment of the insurance does not make a claim for
18 such payment within two years after the death of
19 the insured, payment may be made to another bene-
20 ficiary designated by the insured, in the order of
21 precedence as designated by the insured, as if the
22 first beneficiary had predeceased the insured; and

23 “(B) if, within four years after the death of the
24 insured, no claim has been filed by a person des-
25 ignated by the insured as a beneficiary and the Sec-

1 retary has not received any notice in writing that
2 any such claim will be made, payment may (notwith-
3 standing any other provision of law) be made to
4 such person as may in the judgment of the Secretary
5 be equitably entitled thereto.

6 “(2) Payment of insurance under paragraph (1) shall
7 be a bar to recovery by any other person.”.

8 (c) TRANSITION PROVISION.—In the case of a person
9 insured under subchapter I or II of chapter 19, title 38,
10 United States Code, who dies before the date of the enact-
11 ment of this Act, the two-year and four-year periods speci-
12 fied in subsection (f)(1) of section 1917 of title 38, United
13 States Code, as added by subsection (a), and subsection
14 (c)(1) of section 1952 of such title, as added by subsection
15 (b), as applicable, shall for purposes of the applicable sub-
16 section be treated as being the two-year and four-year pe-
17 riods, respectively, beginning on the date of the enactment
18 of this Act.

19 SEC. 7. TIME LIMITATION ON RECEIPT OF CLAIM INFORMA-
20 TION PURSUANT TO REQUEST BY DEPART-
21 MENT OF VETERANS AFFAIRS.

22 (a) IN GENERAL.—Section 5102 is amended by add-
23 ing at the end the following new subsection:
24 “(c) TIME LIMITATION.—

1 “(1) If information that a claimant and the
2 claimant’s representative, if any, are notified under
3 subsection (b) is necessary to complete an applica-
4 tion is not received by the Secretary within one year
5 from the date of such notification, no benefit may be
6 paid or furnished by reason of the claimant’s appli-
7 cation.

8 “(2) This subsection shall not apply to any ap-
9 plication or claim for Government life insurance ben-
10 efits.”.

11 (b) REPEAL OF SUPERSEDED PROVISIONS.—Section
12 5103 is amended—

13 (1) by striking “(a) REQUIRED INFORMATION
14 AND EVIDENCE.—”; and

15 (2) by striking subsection (b).

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall take effect as if enacted on November
18 9, 2000, immediately after the enactment of the Veterans
19 Claims Assistance Act of 2000 (Public Law 106-475; 114
20 Stat. 2096).

21 **SEC. 8. BURIAL PLOT ALLOWANCE.**

22 (a) Subsection (b) of section 2303 is amended—

23 (1) in the matter preceding paragraph (1), by
24 striking “a burial allowance under such section
25 2302, or under such subsection, who was discharged

1 from the active military, naval, or air service for a
2 disability incurred or aggravated in line of duty, or
3 who is a veteran of any war" and inserting "burial
4 in a national cemetery under section 2402 of this
5 title"; and

6 (2) in paragraph (2), by striking "(other than
7 a veteran whose eligibility for benefits under this
8 subsection is based on being a veteran of any war)"
9 and inserting "is eligible for a burial allowance
10 under section 2302 of this title or under subsection
11 (a) of this section, or was discharged from the active
12 military, naval, or air service for a disability in-
13 curred or aggravated in line of duty, and such vet-
14 eran".

15 (b) Section 2307 is amended in the last sentence by
16 striking "and (b)" and inserting "and (b)(2)".

17 **SEC. 9. PROVISION OF MARKERS FOR PRIVATELY MARKED**
18 **GRAVES.**

19 (a) IN GENERAL.—Subsection (d) of section 502 of
20 the Veterans Education and Benefits Expansion Act of
21 2001 (Public Law 107-103; 115 Stat. 995), as amended
22 by section 203 of the Veterans Benefits Act of 2002 (Pub-
23 lic Law 107-330; 116 Stat. 2824), is further amended by
24 striking "September 11, 2001" and inserting "November
25 1, 1990".

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect as if included in the enact-
3 ment of section 502 of Public Law 107–103.

4 **SEC. 10. EXPANSION OF BURIAL ELIGIBILITY FOR REMAR-
5 RIED SPOUSES.**

6 (a) IN GENERAL.—Paragraph (5) of section 2042 is
7 amended by striking “(which for purposes of this chapter
8 includes an unremarried surviving spouse who had a sub-
9 sequent remarriage which was terminated by death or di-
10 vorce)” and inserting “(which for purposes of this chapter
11 includes a surviving spouse who remarries following the
12 veteran’s death)”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall apply to deaths occurring on or after
15 the date of the enactment of this Act.

16 **SEC. 11. MAKE PERMANENT AUTHORITY FOR STATE CEME-
17 TERY GRANTS PROGRAM.**

18 (a) PERMANENT AUTHORIZATION.—Paragraph (2)
19 of section 2408(a) is amended—

20 (1) by striking “for fiscal year 1999 and for
21 each succeeding fiscal year through fiscal year
22 2004”; and

23 (2) by adding at the end “Funds appropriated
24 under the preceding sentence shall remain available
25 until expended.”.

1 (b) TECHNICAL AMENDMENT.—Subsection (e) of sec-
2 tion 2408 is amended by striking “Sums appropriated
3 under subsection (a) of this section shall remain available
4 until expended.”.

5 **SEC. 12. FORFEITURE OF BENEFITS FOR SUBVERSIVE AC-
6 TIVITIES.**

7 (a) ADDITION OF CERTAIN OFFENSES.—Paragraph
8 (2) of section 6105(b) is amended by striking “sections
9 792, 793, 794, 798, 2381, 2382, 2383, 2384, 2385, 2837,
10 2388, 2389, 2390, and chapter 105 of title 18” and in-
11 serting “sections 175, 229, 792, 793, 794, 798, 831,
12 1091, 2332a, 2332b, 2381, 2382, 2383, 2384, 2385,
13 2387, 2388, 2389, 2390, and chapter 105 of title 18”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall apply to claims filed after the date
16 of the enactment of this Act.

17 **SEC. 13. VETERANS’ ADVISORY COMMITTEE ON EDU-
18 CATION.**

19 Section 3692 is amended—

20 (1) in subsection (a), by inserting “as far as
21 practicable” after “include”;

22 (2) in subsections (a) and (b), by striking
23 “chapter 106” and inserting “chapter 1606” both
24 places it appears; and

1 (3) in subsection (c), by striking “2003” and
2 inserting “2013”.

3 SEC. 14. REPEAL OF EDUCATION LOAN PROGRAM.

4 (a) TERMINATION OF PROGRAM.—No loans shall be
5 made under subchapter III of chapter 36 after the date
6 of the enactment of this Act, and such subchapter shall
7 be repealed 90 days after such date of enactment.

8 (b) CLOSING OF LOAN FUND.—All monies in the re-
9 volving fund established in the Treasury of the United
10 States of America known as the “Department of Veterans
11 Affairs Education Loan Fund” (the “Fund”) on the day
12 before the date of repeal of such subchapter III shall be
13 transferred to the Department of Veterans Affairs Read-
14 justment Benefits Account, and the Fund shall be closed.

15 (c) DISCHARGE OF LIABILITY.—The liability on any
16 education loan debt outstanding under such subchapter
17 III shall be discharged, and any overpayments declared
18 under section 3698(e)(1) of that subchapter shall be
19 waived without further process on the date funds are
20 transferred as referred to in subsection (b) of this section.

21 (d) TECHNICAL AMENDMENT.—On the date of repeal
22 of such subchapter III, as provided herein, the table of
23 sections at the beginning of chapter 36 shall be amended
24 by striking the items relating to subchapter III.

25 (e) CONFORMING AMENDMENTS.—

1 (1) Chapter 34 is amended—

(A) by repealing paragraph (2) of section 3462(a); and

4 (B) in paragraph (1) of section 3485(e),
5 by striking “(other than an education loan
6 under subchapter III)”.

12 SEC. 15. RESTORATION OF CHAPTER 35 EDUCATION BENE-

FITS OF CERTAIN INDIVIDUALS.

14 (a) RESTORATION.—Subsection (h) of section 3512
15 is amended by inserting “or is involuntarily ordered to
16 full-time National Guard duty under section 502(f) of title
17 32” following “title 10”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 subsection (a) shall take effect as of September 11, 2001.

20 SEC. 16. EXPANSION OF MONTGOMERY GI BILL EDUCATION

BENEFITS FOR CERTAIN SELF-EMPLOYMENT

TRAINING

23 (a) SELF-EMPLOYMENT TRAINING.—Subparagraph
24 (B) of section 3002(3) is amended—

25 (1) in clause (j) by striking “and”:

5 (b) PROGRAM APPROVAL.—Section 3677 is amend-
6 ed—

7 (1) in subsections (a) and (c), by inserting
8 “self-employment on-job training or” after “(other
9 than”;

10 (2) in subsection (b)(1), by inserting “described
11 in subsection (a)” after “offering training”; and

12 (3) by adding at the end the following new sub-
13 section:

14 “(d)(1) Any State approving agency may approve a
15 program of self-employment on-job training for purposes
16 of chapter 30 of this title only when it finds that the train-
17 ing is generally recognized as needed or accepted for pur-
18 poses of obtaining licensure to engage in the self-employ-
19 ment occupation or is required for ownership and oper-
20 ation of a franchise that is the objective of the training.

21 “(2) The training entity offering the training for
22 which approval is sought under this chapter must submit
23 to the State approving agency a written application for
24 approval, in the form and with the content as prescribed

1 by the Secretary, which shall include such information as
2 is required by the State approving agency.

3 “(3) As a condition for approving a program of self-
4 employment on-job training, the State approving agency
5 must find upon investigation that the following criteria are
6 met:

7 “(A) The training content is adequate to qual-
8 ify the eligible individual for the self-employment oc-
9 cupation that is the objective of the training.

10 “(B) The training consists of full-time training
11 for a period of less than six months.

12 “(C) The length of the training period is not
13 longer than that customarily required to obtain the
14 knowledge, skills, and experience needed to success-
15 fully engage in the particular self-employment occu-
16 pation that is the objective of the training.

17 “(D) The training entity has adequate instruc-
18 tional space, equipment, materials, and personnel to
19 provide satisfactory training on the job.

20 “(E) The training entity keeps adequate
21 records of each trainee’s progress toward the self-
22 employment objective and, at the end of the training
23 period, issues a license, certificate, or other docu-
24 ment recording the individual’s successful completion
25 of the training program.

1 “(F) The training entity and the self-employed
2 ment on-job training program meet such other cri-
3 teria as the Secretary may prescribe and as the
4 State approving agency, with the Secretary’s ap-
5 proval, may establish.”.

6 (c) CONFORMING AMENDMENT.—Paragraph (2) of
7 section 3687(a) is amended by inserting “subsections (a),
8 (b), and (c) of” before “section 3677”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall take effect on the date six months after
11 the enactment of this Act and shall apply to self-employed
12 ment on-job training approved and pursued on or after
13 that date.

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