S. HRG. 110–379

HEARING ON DOD/VA COLLABORATION AND COOPERATION ON THE EDUCATION NEEDS OF RETURNING SERVICEMEMBERS

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

JULY 31, 2007

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JULY 31, 2007

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HEARING ON DOD/VA COLLABORATION AND COOPERATION ON THE EDUCATION NEEDS OF RETURNING SERVICEMEMBERS

TUESDAY, JULY 31, 2007

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 9:34 a.m., in room 562, Dirksen Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Committee, presiding.

Present: Senators Akaka, Murray, Tester, and Webb.

OPENING STATEMENT OF HON. DANIEL K. AKAKA, CHAIRMAN, U.S. SENATOR FROM HAWAII

Chairman AKAKA. Aloha and welcome to another one of the Committee's hearings on the issues of seamless transition between DOD and VA. This hearing will come to order.

This morning, we focus on the education needs and issues facing veterans, active duty servicemembers and members of the Guard and Reserve.

Before we begin, I want to say how much I appreciate the patience and understanding of all those involved in today's hearing when Senate business required us to reschedule the July 17 hearing. I know that this was an unexpected disruption for all of you and even for us, and I thank each of you for your cooperation.

The issues regarding veterans' educational benefits are especially important to me, both in my role as Chairman of this Committee and as Chairman of the Readiness Subcommittee of the Senate Armed Services Committee. As the only Member of this Committee who attended school under the original World War II GI Bill, I know firsthand the value of this important benefit.

The issues and most of the legislation before us this morning were on the agenda at the Committee's benefits hearing in May. However, because of the complexity and the importance of the issues, I did not believe that forum provided the Committee with the opportunity to evaluate fairly all the legislative issues involved. Thus, at today's hearing, we will explore these matters in greater detail. It is my hope that what we are doing here today will form the framework for proceeding forward in this area.

Educational assistance benefits have an important role in terms of a readjustment benefit for returning veterans and servicemembers. Properly tailored, these same benefits form a keystone in recruiting and retaining high-caliber young men and

women in the Armed Forces. The balance between these twin goals is very complex and needs careful examination.

I am concerned that the current structure of benefits is somewhat flawed. It disturbs me that soldiers who are in the line of fire and who place their own safety in jeopardy in service to our country have to pay for their educational benefits. Also disturbing is that Guard and Reserve members who complete multiple deployments in combat situations can run the risk of having no educational benefits available to them. These are two concerns which I hope we can begin to address this morning.

I do not envision this being a quick or easy process. I believe we will need to build a foundation for cooperation, compromise, and consensus building, and that, I believe, will take time. But I believe we can start this process now, and by working together, we have an opportunity to develop something that is really meaningful to those whose needs we seek to serve.

This morning, we start with representatives from the Department of Veterans Affairs, the Department of Defense, and the National Guard Bureau. We seek their input as to the current status of the various programs as well as their thoughts on possible changes and the impact of changes on the military's ability to maintain personnel levels.

We will need to move through in a timely fashion, so I ask that our witnesses adhere to the 5 minute rule for your oral presentation. Your full statements, of course, will be made a part of the Committee's record.

Again, I welcome you and look forward to hearing from each of you this morning, and I would like to call on Members of this Committee for their statements. I will call first on Senator Tester.

STATEMENT OF HON. JON TESTER,
U.S. SENATOR FROM MONTANA

Senator TESTER. Thank you, Mr. Chairman. I also want to thank the witnesses for being here today. I apologize, I have to leave in 15 minutes to preside on the floor. This is a hearing that I am very sorry that I wasn't here to hear the whole thing because I want to hear you folks' testimony. I have had a chance to read some of it.

I have always felt that educational benefits for our servicemembers is a powerful recruiting tool, so I was surprised when I read that DOD and VA are arguing that enhanced education benefits may lead to reduced retention rates. It does not look to me that that is where DOD's problems are, especially with the Guard and Reserve. Indeed, many so-called experts have expressed surprise that the retention rates have remained as high as they have been during this period of multiple and ever-lengthening deployments.

I think that we need to do more to show our appreciation for those who have served multiple tours in the combat zone. If that means expanding the GI Bill or tailoring it better to fit the needs of National Guard and Reserve members, then I think it is well worth doing and it is money well spent. That is why I appreciate Senator Webb's bill and I am proud to be a cosponsor on that.

But I do think that the Montgomery GI Bill and other educational benefits are needed more now than ever in order to meet

recruitment targets. We are seeing more GED waivers and more waivers for criminal records. These are folks for whom it will be especially important to receive higher education after their service.

With that, Mr. Chairman, once again, I want to thank the Members for being here and I appreciate your service.

Chairman AKAKA. Thank you very much, Senator Tester.

Senator Webb?

STATEMENT OF HON. JIM WEBB,
U.S. SENATOR FROM VIRGINIA

Senator WEBB. Thank you, Mr. Chairman. I didn't move down one seat because of anything that Senator Tester was saying, but there is no microphone in front of this chair, so I wanted to move to where I could speak into a microphone.

I would like to thank you for holding this hearing and I regret that it was delayed from an earlier time because, as you well know, you and I both serving on the Armed Services Committee, we do have a schedule conflict today. We have the confirmation hearings for the Chairman and the Vice Chairman of the Joint Chiefs of Staff and I am going to have to spend most of my time at that hearing this morning. I think it is a very vital hearing for the next at least two years, in terms of how the Department of Defense is going to be led.

But I would like, first of all, to say that this is a hearing partially on the bill that I introduced my first day in the Senate. We spent a great deal of time putting S. 22 together before the Senate convened. We now have, I think, 19 cosponsors on that piece of legislation, including Senator Tester, and I think almost every single Member of the Democratic Party on this Committee.

And I would also like to thank Senator Lautenberg, who is, as with the Chairman, a World War II veteran, for his written testimony today supporting this bill. We are all busy. He wasn't able to appear directly before the Committee, but Senator Lautenberg, like so many others, was able to take advantage of a GI Bill following World War II that allowed him to go to any school he wanted to go to. He was able to go to Columbia University on full payment from the GI Bill. The program that we have in place today would scarcely allow a veteran to finish the semester at a school like Columbia with tuition rates the way that they are.

That really is the issue at hand on this bill. It is equity. It is equity for service. The World War II GI Bill provided that equity. The current GI Bill does not. It was a good GI Bill for peacetime, but we need to give something to the people, particularly those who have served overseas, that will allow them the best future that they can obtain.

I would also point out that we have existing legislation in other areas, including legislation that we voted on only a week ago, that actually gives grants to people purely based on social status. I am not objecting to that. I voted for it. But certainly when we have a situation where people have stepped forward, given something to their country, we owe them these sorts of benefits.

I really would like to make this work this year, Mr. Chairman. I really would like to find a way, even if it involves making some changes on this bill around the edges, so that—as long as those

changes protect the people who have actually deployed overseas, gone to Iraq or Afghanistan or in the surrounding waters. There should be a GI Bill, and I believe this should be that bill.

I would ask the witnesses to address the issue, even if I am not here, of the fairness of the various pieces of legislation that have been proposed and to do that in the context of what we are able to give those who served during World War II. I think that the other bills, the bills that are focusing on the National Guard and Reserves, I think that there is a way to fold a lot of those benefits into the bill that I have.

I have asked my staff to put together a comparison chart of the different bills. I would invite those who are interested in examining the different programs to look at what we are trying to come up with just to show that what we want here, whether it is the National Guard and the Reserves or the active duty, equal benefits for equal service.

I used to run the National Guard and Reserve programs. I used to oversee them as Assistant Secretary of Defense, and that was always the motto, equal service, equal benefits, same soldiers, same battlefield, and we are looking to do this at a point when you can see that the service to your country has really been to an extent where you have been pulled away from your family, had to go overseas, et cetera. We want that same benefit.

I am not going to be here for most of this hearing, unfortunately. My staff is. We are tracking it. We have tracked all the testimony, and as I said, Mr. Chairman, it is my real hope that we can get a bill out this year that will bring equity to the people who have served overseas, particularly since 9/11. Thank you very much.

Chairman AKAKA. Thank you very much, Senator Webb, for your efforts since January 4 when you introduced S. 22, and since then, we have been making a number of efforts to try to get information on scoring. We still need to continue to get that.

Now I would like to introduce our first panel. I am pleased to welcome our first panel, which includes representatives from DOD, VA, and the National Guard.

From the National Guard Bureau, we have the Director of Manpower and Personnel, Major General Ronald Young.

Keith Wilson, Director of Education Services, will be representing VA, accompanied by Dean Gallin of the VA Office of the General Counsel.

From DOD, we are joined by the Principal Director of Manpower and Personnel, Mr. Tom Bush. He is accompanied by Dr. Curt Gilroy, Director of Accession Policy at DOD.

I want to thank all of you for being here with us today. The witnesses from this panel and the other two panels can rest assured that each witness's full statement will appear in the record of the hearing.

General Young, we will please begin with your statement.

STATEMENT OF MAJOR GENERAL RONALD YOUNG, DIRECTOR, MANPOWER AND PERSONNEL, NATIONAL GUARD BUREAU

General YOUNG. Chairman Akaka and distinguished Members of the Committee, thank you for the opportunity to speak to you

today. I greatly appreciate your commitment to veterans and current members of the Armed Services and am grateful for the chance to testify regarding educational assistance for the National Guard.

The Montgomery GI Bill Selected Reserve is instrumental in the National Guard's efforts to recruit, retain, and train highly professional members of its force. The Montgomery GI Bill Selected Reserve, leveraged with innovative force management tools, such as the Guard Recruiter Assistance Program, plays a major role in recruiting and retaining quality soldiers and airmen. The National Guard's ability to meet Congressionally mandated end strength owes a great deal to these valuable programs.

We recognize that there is Congressional interest in simplifying and standardizing the GI Bill benefit. We commend any effort to make educational benefits easier to understand and to utilize. We have been challenged in the National Guard at providing an effective education to our members on their eligibility and enrollment process for the GI Bill benefits. We welcome any aid toward the goal of making the benefit more accessible to our veterans.

However, there are some concerns over the efforts to standardize the GI Bill Program across the active and Reserve components. As you know, there are substantial differences between the education benefits offered to the National Guard and those available to the active components. For the most part, these differences reflect variations in the type of service performed and the differing lifestyles of active and Reserve component servicemembers.

It is important to note that different does not necessarily mean unfair. Guard members have a different compensation scheme, a different nature of service, and different lifestyles, with different educational needs. It is entirely appropriate that the Reserve system is different from the active system.

We do acknowledge, however, the powerful equity argument. Over the past decade, the National Guard has undergone a transformation from its traditional posture as a strategic Reserve to a full-spectrum, fully operational force. The National Guard of today is closely integrated with its active Army and Air Force counterparts. It seems appropriate that Guard members' benefits match their sacrifices and contributions.

Of all the changes proposed to the GI Bill by the various pieces of legislation under consideration by this Committee, we have identified several themes upon which I would like to comment.

First, the decision to participate in the program is typically made by Guard members in a high-stress, information-poor environment, either at initial enlistment or immediately after return from an extended deployment. Such life-shaping decisions deserve to be better informed and more changeable as one's life goals evolve.

Number two, current eligibility criteria consider consecutive periods of active duty service of Guard members, but does not compensate for the now very common multiple-deployment scenarios, the cumulative service. The 14-year time limit to use benefits handicaps the more mature and longer-serving Guard force.

As you consider various changes to the GI Bill educational benefit, please keep in mind that the current system is not well understood by our Guard members. Members of the National Guard who

have been activated since 9/11 may be eligible for five or more different educational benefits. Some of these benefits are mutually exclusive, while others must be used simultaneously. Some may be available after separation, while others expire at separation. And still others run out years before the servicemember separates from the National Guard. Even the types of education funded by each of these benefits can vary.

Choosing the benefit or benefits most helpful to a given Guard member and his or her family depends not only on their record of service, but also on their future plans of the individual servicemember and family. In order for a benefit to achieve its full potential to help, it is vital that our members be well educated on the benefits available to them. Time does not exist in the already packed training schedule of a traditional Guardsman to absorb this complex information.

One important change to the program for the National Guard would be an educational outreach effort that provides knowledgeable experts at the local armories of the Guard, and time in a Guardsman's life to absorb the intricacies of the program.

The National Guard's primary objective is to ensure that the Department of Defense has the flexibility to continue to use educational benefits as effective recruiting and retention tools, and that those benefits are useful and commensurate with a Guard member's contributions and sacrifice.

Thank you again for your attention to this important matter, and for the opportunity to appear before this Committee. I look forward to your questions.

[The prepared statement of General Young follows:]

PREPARED STATEMENT OF MAJOR GENERAL RONALD YOUNG, DIRECTOR, MANPOWER AND PERSONNEL, NATIONAL GUARD BUREAU

Chairman Akaka, Senator Craig and distinguished Members of the Committee, thank you for the opportunity to speak to you today. I greatly appreciate your commitment to veterans and current members of the Armed Services and am grateful for the chance to testify regarding educational assistance for the National Guard.

The Montgomery GI Bill-Selected Reserve (MGIB–SR) is instrumental in the National Guard's effort to recruit, train and retain highly professional members in its force structure. The MGIB–SR, leveraged with innovative force management tools such as the Guard Recruiter Assistance Program (G–RAP), plays a major role in recruiting and retaining quality soldiers and airmen. These programs have improved the National Guard's ability to recruit and retain highly qualified soldiers from all walks of the American landscape and furthered the Department's effort to develop professional soldiers through formal education. The National Guard's ability to meet its congressionally mandated end strength owes a great deal to these valuable programs.

Over the past decade, the National Guard has undergone a transformation from its traditional posture as a strategic Reserve to a fully operational force. The National Guard of today is closely integrated with its active Army and Air Force counterparts. Whether under the slogan "One Army" or "Total Force," the National Guard effectively fulfills its contingency requirements on the global stage while maintaining its vital duties here at home. It is important that Guardsmen's benefits be commensurate with their sacrifice and their contribution.

Currently, there are substantial differences between the education benefits offered to the National Guard and those available to the Active Components. For the most part, these differences reflect variations in the types of services performed and the lifestyles of active and Reserve servicemembers. Today, as the National Guard transitions to a fully operational element of the Armed Services, demands are being placed on Guardsmen more than ever before. This transition has changed the nature of service in the National Guard, but it will not eliminate differences between

active and Reserve forces. As civilian soldiers, our military service coincides with ongoing civilian responsibilities, and we often have different educational needs.

In the following testimony, I will first summarize three key differences between Active and Reserve education benefits. I will then describe a few changes made to these benefits to make them more appropriate for Reservists who serve active duty in response to a war or national emergency.

ACTIVE AND RESERVE BENEFITS

The main difference between active and Reserve educational benefits is a matter of timing philosophy. Education benefits for active duty servicemembers is an entitlement earned through service and a modest financial contribution. It is used as a recruitment tool. Education benefit for National Guardsmen is a retention incentive. Because National Guard service is not traditionally full-time, and because Guardsmen have historically spent the vast majority of their service stateside, it has been possible for us to use our education benefits while serving. Active Duty servicemembers, by contrast, collect their benefit after separation. Thus, the Education assistance benefit is not just a recruitment tool for the National Guard; it serves double duty as a retention tool. Education benefits encourage Guardsmen to join, and continued service is rewarded with ongoing benefits. This retention incentive has been very successful for the National Guard, but we have begun to hear complaints from the field that the current operations tempo of deployments is less compatible with pursuing an education.

A second difference is that National Guardsmen do not buy in to their education benefits. Active duty members can choose to contribute 12 monthly deductions of $100 each from their paychecks. Such a contribution is not required from Guardsmen.

The third major difference between active and Reserve education benefits is the amount of assistance the servicemembers receive. In the late 1990s, reservists received approximately 48 percent of the active duty rate. Since then, the active duty benefit has increased at a faster rate than reservists' benefits. Today, a full time reservist student receiving the basic benefit gets up to $309 per month, just 29 percent of the $1,075 received by active component counterparts.

CHANGES TO RESERVISTS' EDUCATION BENEFITS

In light of the difficulty some Guardsmen now have balancing demanding deployment schedules with pursuing an education, two changes to education benefits were recently made. National Guard soldiers and airmen who serve on active duty qualify for an extension to use benefits and a new benefit.

Basic educational benefits have been extended for such servicemembers by the amount of time they served on active duty plus 4 months. If they decide to separate before their educational benefits have been used up, they may receive those benefits for that amount of time beyond their separation.

Second, a new benefit, the Reserve Educational Assistance Program (REAP) was created. Guardsmen who have been activated for 90 days or more receive increased benefits through REAP based on the length of their activation. Unlike regular benefits, the REAP benefit is directly tied to the Active Duty rate. Soldiers and Airmen who are activated for 90 days may receive 40 percent of benefit that active duty members are entitled to. Those who serve a year or more receive 60 percent of the active rate, and a National Guardsman who is activated for two or more years of consecutive active duty service may receive 80 percent of the $1,075 that his active duty counterpart would receive. It should be noted that this law counts only consecutive time in active service, and does not take the now common multiple deployments into account.

The National Guard's primary objective is to ensure that the Department of Defense has the flexibility to continue to use educational benefits as effective recruiting and retention tools, and that those benefits are useful and commensurate with Guardsmen's contribution and sacrifice.

Thank you again for your attention to this important matter and for the opportunity to appear before this Committee. I look forward to your questions.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. AKAKA TO MAJOR GENERAL RONALD YOUNG, DIRECTOR, MANPOWER AND PERSONNEL, NATIONAL GUARD BUREAU

Question 1. How many servicemembers are entering active duty from the National Guard by leaving educational institution and how many are leaving employment?

Response. We do not know how many servicemembers are being mobilized on active duty from an educational institution versus from employers because this information is not captured. We do know that some of our servicemembers would actually fit both categories since some Guard members attend school while also working.

Question 2. Are your Guardsmen seeing any problems having schools save their spots if they are enrolled when they are called to active duty?

Response. Neither the Army National Guard or Air National Guard Education Offices were aware of any significant problems which Guardsmen encounter with schools. They were only aware of a few minor isolated incidents which were easily resolved once the education office engaged with the schools.

Question 3. Can you speak to the value of the chapters 1606 and 1607 program benefits from the perspective of recruitment and retention? In your response, please distinguish between the two programs.

Response. Chapter 1606—This program provides educational assistance to Reserve component members. Along with featuring a 6-year service commitment, Chapter 1606 also has an in-service only usability component that makes Chapter 1606 an extremely valuable recruiting and retention tool. The exception to the in-service or continued service requirement is that the eligibility period for the use of Chapter 1606 benefits may be extended by the length of a period of activation plus four months. This extension may continue even after an individual has separated from the Selected Reserve.

Chapter 1607—This program is a very valuable recruiting and retention tool. It offers non contributory educational benefits to Reserve Component members who remain in the Reserve Component after serving on contingency operations for more than ninety days after September 11, 2001. The benefits are proportioned to Chapter 30 rates.

Question 4. For the individual who contributed $600 for the buy-up program and then, following the completion of two extended deployments in combat, decides to separate prior to using ANY benefits, would the $600 contribution be forfeited?

Response. No, the $600 buy-up would not be forfeited since the MGIB–AD benefit (along with the buy-up benefit) can be used after the member separates.

Question 5. It seems to me that you have many tools available to recruit and retain members to both active duty and the Guard and Reserve—including such things as enlistment and re-enlistment bonuses, tuition assistance, in-service education, loan forgiveness and more.

Please rank the title 38 and title 10 programs in terms of first recruitment and then retention, when measured against these other tools.

Response.

Recruitment

1. Title 37, Affiliation, Prior Service, Enlistment Bonuses
2. Federal or State Tuition Assistance Program
3. Title 38 Montgomery GI Bill
4. Title 10 Montgomery GI Bill Kicker
5. Title 10 Student Loan Repayment Program and Health Professionals Loan repayment program
6. Title 10, Sec 2107 and 2107a Dedicated ROTC Scholarships

Retention

1. Title 37, Re-enlistment, MOS Conversion Bonuses
2. Title 10, Montgomery GI Bill Programs and Kicker
3. Federal or State Tuition Assistance Program
4. Title 10, Student Loan Repayment Program and Health Professionals Loan repayment program
5. Title 10, Secs. 2107 and 2107a Dedicated ROTC Scholarships

Question 6. You mentioned the TAP briefing as a way to better educate transitioning servicemembers of their available benefits and they need to utilize it in a more effective manner. Can you explain how you think it can be better utilized and how you think it can be better shaped to ensure the transitioning servicemember knows what they are entitled to upon leaving the service?

Response. One way that the National Guard is looking to assist in better utilization of the Transition Assistance Program (TAP), which we feel will in turn accomplish the task of ensuring that our Servicemembers receive all the necessary information regarding benefits that they are entitled to upon leaving the service, is in implementation of a proposed nationwide home station reintegration program. The "Beyond the Yellow Ribbon" Program is proposed legislation (Sec. 516 of H.R. 1585, the House National Defense Authorization Act), with matching floor amendments

from the Senate (S. Amendment 2266), which would authorize reintegration at home station in order to provide a continuum of support services after Guard members have been released from active duty. A core element of this program is to provide continuous, proactive post-deployment support to all Servicemembers and their families which includes, but is not limited to: benefits briefings and information about all support agencies including TRICARE, Veterans Affairs, and the Department of Labor.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LARRY E. CRAIG TO MAJOR GENERAL RONALD YOUNG, DIRECTOR, MANPOWER AND PERSONNEL, NATIONAL GUARD BUREAU

Question 1. Earlier this year, a joint working group from the Department of Veterans Affairs (VA) and the Department of Defense (DOD) concluded that the "buy-up" option—increasing monthly education benefits by contributing up to $600—"has proven to be a very popular feature and one desired by Guard and Reserve members." The working group suggested that the buy-up option be made available to Selected Reserve members.

A. Would the National Guard Bureau support allowing Selected Reserve members to participate in the buy-up program?

B. What impact would availability of the buy-up option have on recruitment and retention?

Response. A. Yes, the National Guard supports the $600 buy-up for the Chapter 1607 program. By contributing $600, a Reserve component member could receive an additional $150 per month in benefit payments. This $150 increase in monthly benefits also helps Reserve Component members offset the rising cost of college tuition which has increased as high as 16 percent in some states.

B. Studies show that the number one reason for most Guardsmen entering the Guard is to secure the educational benefits offered. Due to the rising cost of tuition, the buy-up program would positively support recruiting and retention and make the overall educational benefit more valuable to the Guard member.

Question 2. In your testimony, you stressed that current eligibility criteria for the Reserve Educational Assistance Program "counts only consecutive time in active duty, and does not take the now common multiple deployments into account." Would it improve this education program if the eligibility criteria for maximum benefits were based on aggregate, rather than continuous, active duty service?

Response. Yes, we would support an education program which counted aggregate rather than continuous active duty service. Due to the increased operations tempo and multiple deployments, an education program based on aggregate active duty service would more fairly recognize the sacrifices and contributions of our Guard members.

Question 3. Under the Montgomery GI Bill for the Selected Reserves and the Reserve Educational Assistance Program, Guard and Reserve members generally must remain with their Guard or Reserve units in order to use their education benefits. At the hearing, one of the witnesses compared this policy to "indentured servitude." To ensure the accuracy of the hearing record, would you please clarify the existing policy and the purposes for it?

Response. The intent of the GI Bill Programs as provided for in Title 10, Chapter 1606 and Chapter 1607 is to aid in the retention of highly qualified members of the Reserve Components. These benefits/entitlements are offered to Guardsmen to pursue an education while serving in an active drilling status in the Guard. Offering the benefit after separation would significantly reduce this benefit as a retention tool for the Guard.

Question 4. Last year, you testified before the House Committee on Veterans' Affairs that allowing Guard and Reserves to use their education benefits for up to 10 years after separating from the Guard or Reserves "destroys [the] current incentive and would thus be detrimental to retention." Would you please clarify your current position on that issue?

Response. The National Guard position remains the same. The intent of the GI Bill Programs as provided for in Title 10, Chapter 1606 and Chapter 1607 is to aid in the recruitment and retention of highly qualified members into the Reserve Components. If Guard members were allowed to use these educational benefits without maintaining their participation with the National Guard, our retention efforts would be negatively impacted.

Chairman AKAKA. Thank you very much, General Young.

Now we will hear from Mr. Wilson of Department of Veterans Affairs.

STATEMENT OF KEITH WILSON, DIRECTOR, EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY DEAN GALLIN, DEPUTY ASSISTANT GENERAL COUNSEL, OFFICE OF THE GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS

Mr. WILSON. Thank you. Mr. Chairman, distinguished Members of the Committee, I am pleased to be here today to discuss a number of bills that would affect educational assistance programs administered by the Department of Veterans Affairs and Department of Defense. Accompanying me today is Mr. Dean Gallin, Deputy Assistant General Counsel.

Mr. Chairman, your invitation letter of June 18, 2007, asked that we address all facets of VA–DOD cooperation and coordination as it relates to the provision of educational assistance to veterans, servicemembers, and members of the Guard and Reserve. I will begin by addressing those issues.

Via a bidirectional data feed, DOD provides VA with the eligibility determinations for Title 10 programs and required information for the determination of Chapter 30 MGIB eligibility. In most cases, VA is able to make an eligibility determination without the need for a DD–214 or any other hard copy documentation from the veteran. In cooperation with DOD, the bidirectional data feed is being enhanced to allow for the provision of more detailed "kicker" information to VA. This expanded information will allow VA to process more claims without human intervention, thereby improving both accuracy and timeliness of claims processing.

Through a long-established network of points of contact, VA and DOD respond to many inquiries that address servicemember and veteran claim processing needs. DOD points of contact routinely interact directly with VA claims examiners to expedite claims processing and better serve the claimant.

VA regularly attends conferences providing information to servicemembers and DOD civilians. For example, we routinely attend several State National Guard training conferences, DANTES regional workshops, meetings and conventions of the Enlisted Association of the National Guard, National Guard Association of the United States, Veterans of Foreign Wars, and the American Legion, as well as many college fairs sponsored by various DOD activities.

Mr. Chairman, turning now to the legislative proposals before the Committee, I would note that on May 9, 2007, Admiral Daniel Cooper, Under Secretary for Benefits, presented VA's views on S. 698. Similarly, Admiral Cooper presented VA's views on a draft bill, which is a modified version of S. 22, as introduced by Senator Webb. I am pleased to provide more detailed views to the Committee today. In addition to the bills on the schedule, I am also prepared today to present VA's views on S. 1293, which we were unable to discuss at the May 9 hearing. Finally, Mr. Chairman, I regret that I am unable today to provide VA's views on S. 1261. However, we will submit written views to the Committee shortly.

Mr. Chairman, S. 22 as proposed to be revised would add a new Chapter 33 to Title 38, U.S. Code, that would, in general, require an individual to serve at least two years of active duty with at least some period of active duty time served beginning on or after September 11, 2001. It would, for most individuals, link the number of months of educational assistance to the individual's months of service that were incurred after September 11, 2001.

We have serious concerns about provisions of S. 22 and, therefore, must oppose it. The complexity of the proposed eligibility requirements, the anticipated high benefit cost with no apparent offset, and the anticipated excessive administrative burdens associated with the bill are all problematic.

It also appears that, if enacted, the bill might have an unintended consequence. For example, the stipend of $1,000 per month would be payable to individuals attending college and non-degree programs and also to those who are completing internship and on-the-job training programs. This seems inequitable, as it would treat an individual in an apprenticeship program who is earning wages the same as a college student who is incurring costs.

It is also unclear what effect this benefit would have on recruiting and retention. We defer to DOD on that point.

S. 1293 would expand the high-cost programs of education for which accelerated payment of educational assistance may be paid under the MGIB active duty and would authorize similar accelerated payment for educational assistance under Chapters 1606, 1607, and 35.

We conceptually support S. 1293's expansion of accelerated payment availability. We believe expansion based on the length and cost of the training is appropriate. However, limiting the funding level of accelerated payment for the MGIB and DEA programs each fiscal year would undermine the effectiveness of the expansion. VA estimates that the cost limitations placed on each program will fall far short of the amount required to provide accelerated payment to all persons otherwise eligible.

S. 1409 would establish a new Chapter 33 under Title 38, a new program of educational assistance for veterans who serve in the Armed Forces after September 11, 2001. Mr. Chairman, for the purposes of today's hearing, I will comment solely on the portion of S. 1409 that addresses educational assistance to veterans. We will be pleased to provide our written views to the Committee on the remaining portions of the bill in the very near future.

VA opposes S. 1409. We believe that the bill's provisions relating to deployment are vague and overly broad. The bill fails to refer to a specific contingency operation, but instead relies on a term, "deployed overseas," that is both vague and open to multiple interpretations. Basing eligibility on active duty locations will create significant administrative burdens that could negatively impact our ability to timely and accurately deliver benefits.

Mr. Chairman, VA is proud of what we have been able to accomplish in concert with DOD, this Committee, and Congress to administer these important education programs. We also appreciate the continued support of this Committee and stand ready to work with you to make these programs even better.

Mr. Chairman, this concludes my statement. I will be pleased to respond to any questions you or other Members of the Committee may have.

[The prepared statement of Mr. Wilson follows:]

PREPARED STATEMENT OF KEITH WILSON, DIRECTOR, EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman and distinguished Members of the Committee, I am pleased to be here today to discuss a number of bills that would affect educational assistance programs administered by the Departments of Veterans Affairs (VA) and Defense (DOD). Accompanying me today is Mr. Dean Gallin, Deputy Assistant General Counsel, Office of the General Counsel.

UPDATE OF VA/DOD COOPERATION AND COORDINATION ACTIVITIES

Mr. Chairman, your invitation letter of June 18, 2007, asked that we address all facets of VA/DOD cooperation and coordination as they relate to the provision of educational assistance to veterans, servicemembers, and members of the Guard and Reserve. I am pleased to provide an update of our activities with DOD to supplement my earlier discussion of these matters in testimony before the Committee on March 14 of this year. I will then take the opportunity to comment on the specific legislation being considered today.

ELECTRONIC DATA SHARING

Via a bidirectional data feed, DOD provides VA with the eligibility determinations for title 10 programs (chapters 1606 and 1607) and required information for the determination of chapter 30 MGIB eligibility. In most cases, VA is able to make an eligibility determination without a DD214, Report of Separation, or any other hardcopy documentation from the veteran. DOD also provides information to VA that facilitates direct mailing of education material to servicemembers at key times in their military career, thereby ensuring servicemembers are aware of their educational benefits. VA and DOD electronic data sharing also routinely includes demographic and statistical data such as payment information and usage of benefits. This data sharing assists in evaluating successes in administering education programs and areas for improvement.

ELECTRONIC DATA ENHANCEMENTS

In cooperation with DOD, the bidirectional data feed is being enhanced to allow for the provision of more detailed "kicker" information to VA. This expanded information will allow VA to process more claims without human intervention, thereby improving both timeliness and accuracy of claims processing. Implementation of this enhanced feature is expected during Fiscal Year 2007. Additionally, the data exchange will soon be expanded to allow for mailing of educational material to activated guard and Reserve members.

TOTAL FORCE WORKING GROUP

VA and DOD formed a "total force" working group to evaluate methods of improving educational benefits to program participants by consolidating three educational programs—chapters 1606 and 1607 of title 10 and chapter 30 of title 38—into one educational program. The working group provided its analysis to the Chairman of the Veterans' Advisory Committee on Education in April 2007.

POINTS OF CONTACT (VA AND DOD)

Through a long established network of Points of Contact, VA and DOD respond to many inquiries that address servicemembers' and veterans' claims processing needs. These may include verification of the eligibility status of a claimant or additional information that VA needs to process a claim for benefits. DOD points of contact routinely interact directly with VA claims examiners to expedite claim processing and better serve the claimant.

TRANSITION ASSISTANCE PROGRAM (TAP)

In partnership with the Department of Labor (DOL), DOD, and the Department of Homeland Security (DHS), a half-day VA benefits briefing is given to servicemembers and their family as part of a 2½-day Transition Assistance Program (TAP) Workshop. During the VA benefits briefing, education benefit informa-

tion and eligibility requirements are presented and education brochures, handouts, and points-of-contact information are provided. In addition to the formal TAP workshops, one- to two-hour VA benefits briefings are given at demobilization sites and included in separation and retirement programs. Information on education benefits is included in all presentations for separating/retiring servicemembers, including Reserve and Guard members. The total number of briefings conducted during Fiscal Year 2006 was 8,541 and 5,030 have been conducted in Fiscal Year 2007 as of the end of May.

In cooperation with DOD, VA produced and distributed outreach DVDs covering benefits for individuals participating in the Montgomery GI Bill-Active Duty, Montgomery GI Bill-Selected Reserve, and the Reserve Educational Assistance program. Over 250,000 copies of each of these DVDs were provided to Reserve Units, Guard Units, and Transition Assistance Centers.

VA regularly attends conferences providing information to Servicemembers and DOD Civilians. For example, we routinely attend several State National Guard Training Conferences, the Defense Activity for Non-Traditional Education Support (DANTES) Regional Workshops, meetings and conventions of the Enlisted Association of the National Guard, National Guard Association of the United States, Veterans of Foreign Wars, and The American Legion as well as many college fairs sponsored by various DOD facilities.

VA also works closely with DANTES to provide military Education Services Officers (ESO) with the training and information they require to provide benefit information and counseling to our military.

Mr. Chairman, I will now address the legislative proposals before the Committee. I would note that, on May 9, 2007, Admiral Daniel Cooper, Under Secretary for Benefits, stated that VA does not support S. 698, a bill to expand and enhance educational assistance under VA's Survivors' and Dependents' Educational Assistance program. Therefore, my testimony today does not address that measure. Similarly, Admiral Cooper presented VA's views on a draft bill, which is a modified version of S. 22 as introduced by Senator Webb. I am pleased to provide more detailed views on S. 22 to the Committee today. In addition to the bills on the schedule, I also am prepared today to present VA's views on S. 1293, which we had been unable to discuss at the May 9 hearing. Finally, Mr. Chairman, I regret we are unable today to provide VA's views on S. 1261; however, we will submit written views to the Committee shortly.

S. 22 (As proposed to be revised)

Mr. Chairman, S. 22 (as proposed to be revised), entitled the "Post-9/11 Veterans Educational Assistance Act of 2007," would add a new chapter 33 to title 38, United States Code, that would, in general, require an individual to serve at least 2 years of active duty, with a least some period of active duty time served beginning on or after September 11, 2001, to be eligible for educational assistance under the new program. It would, for most individuals, link the number of months of educational assistance to the individual's months of service that occurred after September 11, 2001, but, in general, not provide for more than 36 months of benefits, with the educational assistance to cover the established charges of the program of education (subject to certain limitations), room and board (subject to certain limitations), and a monthly stipend of $1,000.

Under S. 22, chapter 33 would provide for educational assistance for less-than-half-time education, apprenticeships, on-the-job training, correspondence courses, and flight training. Chapter 33 also would provide payment for tutorial assistance, not to exceed $100 per month for a maximum of 12 months, and one licensing or certification test, not to exceed the lesser of $2,000 or the test fee. Generally, individuals would have 15 years to use their educational entitlement beginning on the date of their last discharge or release from active duty. VA would administer this program with payments of assistance made from funds made available to VA for the payment of readjustment benefits. In general, individuals eligible for benefits under chapter 30 of title 38, United States Code, or chapters 107, 1606, or 1607 of title 10, United States Code, could irrevocably elect, instead, to receive educational assistance under chapter 33.

We have serious concerns about certain provisions of S. 22 (as proposed to be revised) and, therefore, must oppose it. The complexity of the proposed eligibility requirements, the anticipated high benefit cost (with no apparent offsets), and the anticipated excessive administrative burden associated with this bill are all problematic. As currently written, eligibility criteria for the proposed chapter 33 are far more complex than the current Montgomery GI Bill. Entitlement determinations factoring in length of service and previous benefit usage would also be highly complex and difficult for individuals to understand.

The increased amount of benefits payable at varying levels for different institutions would make administration of this program cumbersome. The requirement that the benefit be paid at the beginning of the term would further complicate administration and would tax existing VA resources.

New section 3313(j)(2) of title 38, United States Code, as proposed under S. 22, would require VA to annually determine which public schools in each state have the highest in-state tuition rate and set the maximum established charges for each state accordingly. This labor-intensive process would need to be completed annually in sufficient time to prepare for issuance of payments in advance of the term. Further, as written, this bill would be effective on the date of enactment. It would be necessary to prescribe regulations, make systems changes, and make other key adjustments to support the components of this bill. It is also likely that other sections within title 38, United States Code, may need to be amended to address potential overpayments of the monthly stipend. For the above reasons, it would not be feasible for VA to begin making payments under the proposed chapter 33 benefit immediately.

It also appears that, if enacted, the bill might have some unintended consequences. For example, the stipend of $1,000 per month would be payable to individuals attending degree and non-degree programs and also to those who are completing internships and on-the-job training programs. This seems inequitable, as it would treat an individual in an apprenticeship program who is earning wages the same as a college student who is incurring expenses. It is also unclear what effect this benefit would have on recruiting and retention. While we defer to the Department of Defense on this point, we acknowledge that this may lead to lower reenlistments.

VA estimates that, if enacted, S. 22 would result in benefit costs of $5.4 billion during Fiscal Year 2008, $32.2 billion for Fiscal Years 2008 through 2012, and $74.7 billion over the 10-year period from Fiscal Year 2008 through 2017.

Significant administrative costs would also be incurred. As previously noted, proposed new section 3313(j)(2) would require VA, through a labor-intensive process, to annually determine which public schools in each state have the highest in-state tuition rate and set the established charges for each state accordingly. Further, since VA's obligation is to ensure that veterans and servicemembers receive the most advantageous benefit, VA would be obligated to reevaluate all pending claims and award the greater chapter 33 benefits, as appropriate. The initial year of the program would require VA to double our current Education FTE in an attempt to meet the workload increase. Extensive system changes would be needed to make lump sum payments to all beneficiaries before the start of the term. VA also would need to develop technological system changes to account for the payment rate variations from state to state. This would be problematic because VA is in the midst of changing from one payment system (Benefits Delivery Network) to another (Veterans Services Network).

We are concerned that these new and very complex administrative burdens would significantly impact the current level of service and responsiveness we give to current education program beneficiaries. Based on these factors, we would anticipate substantial administrative costs, but cannot fully estimate them without further research.

S. 644

S. 644 would recodify the provisions of chapters 1606 (the Montgomery GI Bill-Selected Reserve (MGIB–SR) program) and 1607 (the Reserve Educational Assistance Program (REAP) of title 10, United States Code, relating to educational assistance for members of the Reserve components of the Armed Forces in subchapters I and II, respectively, of a new chapter 33 of title 38, United States Code. The bill also would make substantial revisions to such provisions as so recodified. VA does not support S. 644 as drafted for the reasons discussed below.

New section 3302, as proposed by this bill, embodies the provisions of 10 U.S.C. § 16132. This provision would set a program commencement date of October 1, 2008, and would maintain eligibility based on a 6-year commitment in the Selected Reserve.

New section 3302A, as proposed, has no corresponding section in title 10, but would provide that each individual eligible for the MGIB–SR on October 1, 2008, would be eligible for the new chapter 33 program, allowing these individuals the ability to carry over the number of months of entitlement remaining as of September 30, 2008. The current 14-year delimiting date for such individuals to use their educational assistance benefits would no longer apply.

New section 3303, as proposed, would correspond to current section 16131(b) of title 10. This section sets monthly rates for the subchapter I program at the MGIB–

SR rates in effect for Fiscal Year (FY) 2007 ($309). This would result in a rate decrease, however, since the MGIB–SR rates otherwise would increase to more than $309 for Fiscal Year 2008. We could not support this since we do not believe recodification should result in a lesser benefit. This section would maintain the CPI adjustment for subsequent fiscal years and future rate increases would be tied to increases in chapter 30 MGIB rates, by applying the same percentage increases in the rates.

The bill also would provide that VA and DOD jointly establish the amounts of kickers for particular categories of individuals. We believe such determinations relating to military force needs should remain exclusively with DOD.

Subchapter II of Chapter 33 as established by S. 644 would recodify provisions covering the REAP. New section 3323 would provide for the program under subchapter II to begin on October 1, 2008, with the same threshold 90-day active duty requirement for a participant's eligibility as for the REAP. Instead of DOD, VA would notify individuals of their eligibility under the program.

Section 3323A, as proposed, would provide that each individual eligible for the REAP on October 1, 2008, would be eligible for the new subchapter II program. These individuals would carry over the number of months of their entitlement remaining on September 20, 2008. Under specific circumstances, if an individual completes a service contract, the individual's delimiting date for using his or her remaining benefits would be 10 years from the date the individual separates from the Ready Reserve.

Section 3324 would make the monthly rate payable under subchapter II equal to the 3-year MGIB-Active Duty (MGIB–AD) rate. Individuals who qualify for subchapter II through serving the minimum period of active duty that qualified them for REAP (i.e., 90 days) may receive up to 36 months of benefits. This would be adjusted annually by the increase in the CPI. This is a significant departure from current law and one that we do not support. Currently, a servicemember gets 40 percent of the MGIB–AD rate if called to active duty for at least 90 days but less than a year; 60 percent of the MGIB–AD rate if called to active duty for at least a year but less than 2 years; and 80 percent of the MGIB–AD rate if called to active duty for at least 2 years.

Another change to the REAP involving pursuit of flight training provides for a substantial increase in such benefit. Individuals pursuing flight training full time under the subchapter II program would be given 60 percent of the established charges for tuition and fees. Individuals pursuing flight training currently under the REAP receive 24, 36, or 48 percent of those fees depending upon length of active duty service.

Under subchapter II, on the job training (OJT), apprenticeship, and correspondence program pursuit would be treated in a similar manner to such pursuit under the MGIB–AD. Currently, REAP participants pursuing such training receive a smaller percentage of the full-time rate than do their MGIB–AD counterparts, so this also would be a rate increase for subchapter II program participants.

Section 3325 proposes that a Reserve member who becomes eligible for subchapter II benefits after September 30, 2008, generally may not use those benefits after leaving the Reserves if the member leaves before completing his/her contract. Otherwise, if the service contract is fulfilled, the veteran may use benefits for 10 years after separation from the ready Reserves. The 10-year limit also applies if the veteran is separated early for disability, as is the case under current law. This change will allow everyone who fulfills the service contract to use the benefit after leaving the Reserves. This a substantial change from current law that would impact Reserve retention policy. Consequently, we defer to DOD on this provision.

Section 3326 proposes that the educational assistance would end if the individual receives benefits under 10 U.S.C. § 2107 or leaves the Reserves without fulfilling the service contract. An exception would be allowed for individuals who left but subsequently reentered the Reserves, provided the break did not exceed more than 90 days. Again, we would defer to DOD on this provision since it could affect retention policy.

Section 3342 provides that funding for those establishing eligibility after September 30, 2008, comes from VA's readjustment benefits account. Funding effective October 1, 2008, for those who transfer into the program from REAP or MGIB–SR will come from DOD. Currently, all funding comes from DOD. The Administration has worked with Congressional Budget and Appropriation Committees to ensure that the true cost of manpower is reflected in the budget of all agencies so that both cost and policy are not separated. Reserve education benefits are mainly recruiting and retention tools and for this reason they were funded on an actuarial basis in the DOD budget at the inception of the MGIB. The Administration does not support

dismantling this funding mechanism as it would be contrary to transparent and responsible budgeting.

VA estimates that, if enacted, S. 644 would result in an increase to VA's Readjustment Benefit appropriation request of $844.3 million in the first year, and $8.4 billion over 9 years. This increase reflects the change in appropriation structure requiring VA to increase its appropriation to cover the obligations associated with these payments. VA estimates the net impact of S. 644 to the Federal Government would be an increase of $416.1 million in the first year and nearly $4.9 billion over 9 years. VA's GOE costs are estimated to be $7.3 million over 10 years. In addition to the policy objections stated above, we do not support this legislation because the direct costs involved are not included in the Budget and the legislation does not identify a corresponding offset.

In order to ensure effective implementation of the proposed bill, VA would have to significantly enhance or replace existing accounting systems. We estimate approximately 18 months would be needed to complete this process and we have no current estimation on the costs involved.

S. 723

S. 723, entitled the "Montgomery GI Bill Enhancement Act of 2007," would exempt members of the Armed Forces and Selected Reserve on active duty between November 16, 2001, and the termination date of Executive Order 13235 from the mandatory basic pay reduction ($100 for the first 12 months of active duty pay) currently required for participation in the MGIB–AD program. The bill also provides for reimbursement of payroll deductions made prior to the enactment of this Act. Finally, the bill would allow such members to withdraw any previous election not to participate in the MGIB–AD program.

VA believes that eliminating the servicemembers small cost for this important benefit is something that should be looked at from many perspectives. Eliminating a certain group of servicemember's requirement to make their contributions because of the time period that they served opens up inequities and equal payment issues under the law. For example, we have put many of our servicemembers in harms way that would fall outside of this time period who would not be eligible for the benefit. For that reason we cannot support this bill. In addition, we estimate that enactment of S. 723 would result in a mandatory benefit cost to VA of $8.4 million during the first year; $185.8 million over 5 years; and $647.2 million over 10 years.

S. 1293

S. 1293 would expand the high-cost programs of education for which accelerated payment of educational assistance may be made under the MGIB–AD program and would authorize similar accelerated payment of educational assistance under the MGIB–SR program, REAP, and the Survivors' and Dependents' Educational Assistance (DEA) program. The bill also would provide certain enhancements for REAP.

Currently, accelerated payment of benefits is authorized only under the MGIB–AD program and only for pursuit of approved high-cost education programs that lead to employment in a high technology occupation in a high technology industry. Specifically, this measure would permit accelerated payment of the basic educational assistance allowance to individuals pursuing an approved high-cost program of education (in addition to the programs now authorized such payment) lasting 2 years or less that would not lead to an associate, bachelor's, master's, or other degree. A program would continue to be considered "high-cost" if the monthly cost of the approved tuition and fees exceeds 200 percent of the monthly educational assistance benefit otherwise payable to the individual pursuing the program. The benefit paid for the additional approved programs qualifying for accelerated pay would be limited so as not to exceed $3 million each fiscal year for the MGIB–AD program, $2 million for the MGIB–SR program, $1 million for REAP, and $1 million for the DEA program. This provision would be effective for 4 years, from October 1, 2008, through September 30, 2012.

S. 1293 also would amend REAP to provide that a member of a Reserve component who served on active duty an aggregate of 3 years or more would receive an educational assistance allowance that is 80 percent of the MGIB–AD rate applicable to individuals whose entitlement is based on 3 years of obligated service. Under current law, 2 continuous years or more are required to receive the 80 percent rate. Finally, S. 1293 would authorize a program, similar to the MGIB–AD program currently in effect, that would allow eligible individuals to "buy up" their REAP benefit by making after-tax contributions of up to $600 to augment the monthly amount of basic educational assistance they receive over the months of their entitlement.

VA supports the concept of expanding the availability of accelerated payment as provided by S. 1293. We believe such expansion based on the length and cost of the training is appropriate. However, we cannot support the bill as drafted.

Limiting the funding level of accelerated payment for the MGIB and DEA programs each fiscal year further would undermine the effectiveness of the expansion. VA estimates that the cost limitations placed on each program will fall far short of the amount required to provide accelerated payments to all persons otherwise made eligible. Consequently, many eligible persons would be denied the benefit once the cost ceiling has been reached.

VA defers to DOD's views with regard to the provisions of the bill that pertain to REAP since REAP is a title 10 program within the jurisdiction of that Department.

If enacted, S. 1293 would result in estimated cost to VA of $4 million in Fiscal Year 2009 and $16 million over the period of Fiscal Years 2009–2012.

S. 1409

S. 1409, entitled the "21st Century GI Bill of Rights," would establish in a new chapter 33 of title 38, United States Code, a new program of educational assistance for veterans who serve in the Armed Forces after September 11, 2001, and also would provide enhancements in housing and entrepreneur assistance for such veterans. Mr. Chairman, for the purpose of today's hearing we will comment solely on that portion of S. 1409 that addresses educational assistance to veterans. We will be pleased to provide our written views to the Committee on the remaining portions of the bill in the very near future.

S. 1409 would establish an entitlement under the proposed new educational benefit program for individuals who: (1) were deployed overseas on active duty in the Armed Forces after September 11, 2001; (2) served on active duty in the Armed Forces for an aggregate of at least 2 years after September 11, 1001; or (3) were discharged before aggregating 2 years of active duty service for a service-connected disability, a pre-existing medical condition, hardship or a physical or mental condition not resulting from their own willful misconduct but did interfere with their performance of duty. Individuals who have received a commission as an officer upon graduation from a service academy are not eligible for this benefit based on their initial service obligation.

VA opposes S. 1409. We believe that the bill's provisions relating to deployment are vague and overly broad. The bill fails to refer to a specific contingency operation but instead relies on a term (deployed overseas) that is both vague and open to multiple interpretations. Allowing all individuals who have been deployed overseas since September 11, 2001, to qualify for the benefit would open up eligibility and a full 36 months of entitlement to anyone who has ever been deployed overseas regardless of location and length of service. This would make a very substantial number of individuals eligible to receive this benefit. Also, by only allowing individuals deployed overseas to qualify, the bill would disqualify many deployed in support of the Global War on Terror within the United States who aggregate less than 2 years of active duty. Additionally, basing eligibility on Active Duty location will create significant administrative burdens that could negatively impact our ability to timely and accurately deliver benefits.

We cannot support this provision in the absence of more specific language regarding contingency operations and/or location of deployment.

As proposed in S. 1409, individuals eligible under this program may receive up to 36 months of educational assistance. Eligible individuals would be able to enroll in an approved program of education under current chapter 30 provisions, with the exception of programs to obtain a graduate degree. Chapter 33 recipients could receive educational assistance consisting of the established charges for the program (including tuition, fees, required supplies, books and equipment) and an amount equal to room and board. The payments for established charges could not exceed the national average amount of tuition regularly charged for full-time pursuit of a 4-year program of education at a public or private college or university. The amount of the room and board payment could not exceed the standard dormitory fee, as established by VA through regulations.

VA does not support this proposal because of the provision that would exclude graduate training and the provision that would require VA to maintain established charges for programs and room-and-board costs. Many individuals enter the service today with at least some amount of post-secondary education. Disallowing graduate training would unfairly limit the eligible person's choices and the ability to use the maximum entitlement they have earned, as well as create an inequity among those eligible to receive the benefit. There is no compelling reason to favor one type of degree over another.

In addition, the bill provides no guidance on how to determine a "standard" dormitory fee. For example, it is unclear whether the standard should be a national standard or a standard specific to each state. The development of regulations and procedures for making an annual determination of standard fees would be an overwhelming administrative burden to VA. In general, VA opposes the establishment of a benefit that is based on the cost of programs and room and board.

The bill would provide for VA to determine the timing and frequency of payments to chapter 33 recipients. Educational assistance payments could be made in the form of a lump-sum amount for the entire term at its commencement, but they may not be made before the individual's date of enrollment.

The provision to pay for terms of enrollment in a lump sum after the commencement of the enrollment period has significant consequences. Currently, payments are generally made only after attendance begins. Payment of benefits following "enrollment" would result in significant payments amounts being provided prior to actual attendance. These payment amounts could be based solely on how long prior to actual attendance an institution allows students to enroll. The use of the terms "enrollment" and "attendance" must be carefully applied.

Additionally, a heavy potential overpayment burden could be placed on veterans who terminate their enrollment prior to completing the term for which they have been paid. Presently, claimants must verify their attendance and are then paid on a monthly basis. This basically limits their liability for repayment of benefits due to course withdrawals to a single month. Payment of an entire term up-front would cause a repayment liability on the part of the claimant for potentially many thousands of dollars.

New section 3313(e), as proposed, would establish the manner in which payments would be made to individuals who are pursuing a program of education while serving on active duty. Individuals on active duty would receive the lesser of the established charges or the amount of the institution's charges. VA would be required to issue the chapter 33 benefit amount to such individuals in a lump-sum payment before the start of the term. These individual's entitlement would be charged at a rate of 1 month for each month for which they are paid.

Individuals pursuing training on a less than half-time basis would receive payments in a lump-sum no later than the last day of the month following the month in which their enrollment certification was received. Their entitlement would be charged at a percentage of a month equal to the number of hours undertaken divided by the number of hours for full-time study (actual hours/full-time hours).

Individuals eligible for chapter 33 could also receive tutorial assistance as outlined in 38 U.S.C. § 3492 without accruing any charge to their entitlement. Section 3492 allows individuals with an academic or other deficiency who are currently enrolled in a program of study, on a greater than half-time basis to receive an additional payment for tutorial assistance. These individuals may receive up to $100 per month for a maximum of twelve months ($1,200) to secure tutorial assistance from a person who is qualified and not related to the veteran or servicemember.

Under the proposed chapter 33 program, individuals could also receive payments for licensing and certification tests, as defined in 38 U.S.C. § 3452(b), without incurring any charge to their entitlement.

New section 3313(g), as proposed would offer specialized training and certification programs for veterans with service-connected disabilities. It is unclear if this portion of the bill would authorize an additional benefit under the new chapter 33 or an additional benefit under VA's chapter 31 Vocational Rehabilitation and Employment program for veterans with service-connected disabilities.

S. 1409 would also provide for the payment of licensing and certification tests without incurrence of any entitlement charges. This would make the 10-year delimiting date the only factor in determining at what point a claimant could no longer receive such payment.

New section 3321, as proposed, would establish a 10-year delimiting period in which an individual may use his or her benefits. This period would begin on the date of the individual's last discharge or release from active duty. If an individual's entitlement would expire during the course of a term or a program of study, it would be extended until the end of the term/course or for 12 weeks, whichever is shorter.

New section 3322, as proposed, would specify that individuals receiving educational assistance benefits under chapter 33 may not receive assistance under chapter 30, 31, 32, or 35 of title 38 U.S.C. or chapter 107, 1606 or 1607 of title 10 U.S.C. simultaneously. In addition, § 3322(b) would provide that periods of service counted under an educational loan repayment may not be counted as a period of service to establish eligibility for the chapter 33 program.

Individuals could elect to receive educational assistance benefits under chapter 33, if, at the date of this bill's enactment, they have remaining unused entitlement under chapter 30 of title 38, under chapters 1606, 1607, or 107 of title 10 and otherwise meet the requirements or are making progress toward meeting the requirements for entitlement under the proposed chapter 33. Individuals may also receive chapter 33 benefits if they opted out of the chapter 30 program through an election under § 3011(c)(1) or § 3012(d)(1) of title 38, but are otherwise eligible under the chapter 33 eligibility requirements.

New section 3324(c)(3)(B), as proposed, would permit individuals enrolled in chapter 30 to elect chapter 33 for the number of months of entitlement they have remaining. However, there is no provision regarding the manner in which individuals enrolled in the chapter 1606 or chapter 1607 program would elect benefits under chapter 33 or how their remaining entitlement should be applied to chapter 33 usage.

The bill would provide that, if an individual who is eligible under chapter 33 has previously elected to transfer his or her educational benefits to a dependent(s) under the provisions outlined in 38 U.S.C. § 3020, he or she may elect to revoke some or all of the remaining entitlement so transferred. If an individual were to revoke his or her transfer of entitlement, the educational assistance would no longer be available to the dependent. In such case, the entitlement would instead be available to the servicemember or veteran for chapter 33 purposes. Any previously transferred entitlement that is not revoked would remain available to the eligible dependent in accordance with current transfer of entitlement provisions under 38 U.S.C. § 3020.

The bill would provide that, if an individual elects to participate in the chapter 33 program, he or she may receive the number of unused months of entitlement he or she had under chapter 30. An election to receive benefits under chapter 33 would be irrevocable. In the case of an individual who has made an election, the bill would provide that, effective as of the first month following the election, the obligation of the individual to make contributions under the MGIB–AD or the MGIB–SR program shall cease.

We believe enactment of this bill would impose a tremendous administrative burden on VA, largely because it would make over 2 million veterans and servicemembers immediately eligible to receive the chapter 33 benefits upon the date of its enactment. Further, the entire combined population of current chapter 30, chapter 1606, and chapter 1607 participants would be eligible for the new (more advantageous) chapter 33 benefits and could request an immediate re-adjudication of their present claims. For reasons previously mentioned, which involve requirements for development of regulations or procedures, as well as extensive system changes that could include total development of new computer payment systems, VA would not be capable of effective administration of this benefit for an unacceptably long period of time following enactment. The combined effect would be to severely impact claims processing and cause a huge spike of indefinite duration in current waiting times for receiving education benefits.

We estimate enactment of S. 1409 would result in benefit costs to VA of $3.9 billion during the first year, $25.1 billion for 5 years, and $64 billion over 10 years. We currently are unable to estimate the resulting additional administrative costs associated with this bill.

S. 1719

S. 1719 would amend title 38, United States Code, to provide for the payment of an amount equal to $2,000 per academic year, or fraction thereof for a partial year, to an individual entitled to educational assistance under the MGIB–AD who is pursuing a program of education with a focus on science, technology, engineering, or math. The payment would be made in addition to any other amount payable to an individual under the MGIB–AD, and would be paid to the participant at the start of his or her term. The bill would require VA to prescribe through regulations which programs of study would qualify for this enhanced benefit.

VA does not support enactment of this measure for a number of reasons. In terms of equity among veterans receiving MGIB–AD education benefits, VA has not seen evidence that veterans who choose to pursue programs focusing on science, engineering, technology, and mathematics must have a greater benefit than other veterans using their education benefits. This bill represents a departure from the existing MGIB–AD structure, which provides equivalent benefit opportunities to veterans who establish an entitlement.

In addition, we have substantial administrative concerns with the bill. We believe that our implementation of the requirements in S. 1719 as of the date of enactment would be inhibited by the requirement for VA to determine and set forth in regulations the programs whose pursuit would be covered by this enhanced benefit. Pre-

scribing changes through regulations requires publication in the Federal Register and a period for public comment; any lengthy delays in this process would hinder our ability to make payments beginning on the date of enactment. In addition, our current computer systems are designed to make recurring monthly payments; issuing regular annual stipends would require computer system changes.

For these reasons and in the absence of a clearly supportable rationale, we cannot support altering the existing chapter 30 benefit structure by singling out for special treatment one group of entitled veterans from others who established the same basic program entitlement. In addition, we have not noted any savings to offset the estimated costs of this bill.

Benefit costs associated with the enactment of S. 1719 are estimated to be $91.7 million in the first year, $464.8 million over 5 years and $943.4 million over 10 years.

Mr. Chairman, as I explained in the first part of my testimony, VA is proud of what we have been able to accomplish in concert with DOD to administer these important educational programs. We also appreciate the support of this Committee and the Congress in this mission, and stand ready to work with you to make these programs even better.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions you or other Members of the Committee may have.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. AKAKA TO KEITH WILSON, DEPARTMENT OF VETERANS AFFAIRS

Question 1. Regarding the re-codification of education benefits to title 38, you claimed in the hearing that VA could not support the kickers that DOD provides, but today VA provides for kickers, how then can the kickers not be upheld by VA?

Response. Currently, based on force-management requirements, the Department of Defense (DOD) determines who will be offered a kicker incentive and the amount of the kicker. VA processes and administers the kicker payments but the funding for those kickers comes from DOD. Several of the bills contained language that would transfer to VA the authority for making decisions about who received kickers and the magnitude of those kickers, or would have VA make those determinations in conjunction with DOD. Such determinations are force-management issues and are outside the scope of VA's mission and responsibility.

Question 2. During the hearing you mentioned that the complexity of the education benefits is one issue that you hear about continuously. How do you foresee breaking down this complexity making it easier for the servicemember to understand their benefits?

Response. Several issues contribute to the complexity of the programs VA administers. The programs have different payment rules, different benefit rates, and vary in the length of time an individual retains eligibility or can extend his/her eligibility. If the individual is eligible for more than one program based on different periods of service, the complexity is in understanding the different rules for each program and selecting the most beneficial. Many individuals, especially those serving since September 11, 2001, are eligible under more than one program based on the same period of service and must decide under which program to credit their military service.

VA is always looking for new and innovative ways to reach out to our veterans to explain the education benefits available to them. We are engaged in multiple outreach activities to improve comprehension of current education benefits among servicemembers, veterans and dependents. Media, including brochures, booklets and mini-DVDs, are distributed to military bases, schools and numerous other organizations serving the veteran and military communities. The GI Bill Web site provides users with fact sheets about each benefit, a database of 150 frequently asked questions pertaining to education benefits, and a feature allowing users to submit online inquiries to VA representatives at their local regional processing offices. Additionally, VA representatives present education benefit information to thousands of stakeholders nationwide via participation in conferences and professional events throughout the year.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LARRY E. CRAIG TO KEITH WILSON, DEPARTMENT OF VETERANS AFFAIRS

Question 1. In written testimony, the Department of Defense (DOD) testified that there are "no significant shortcomings" in the Montgomery GI Bill program. What is your assessment of how well the current education programs are working?

Response. The enrollment rate in the Montgomery GI Bill-active duty (MGIB–AD) is at its highest level in history, with approximately 98 percent of enlistees choosing to participate in the program.

VA paid approximately $2.4 billion in benefits to approximately 554,000 trainees in fiscal year (FY) 2007. These benefits covered MGIB–AD, Montgomery GI Bill-selected reserve (MGIB–SR), veterans educational assistance program (VEAP), dependents' educational assistance (DEA), and most recently, reserve educational assistance program (REAP). We continue to see a rise in enrollment for the REAP benefit. There were approximately 35,200 trainees in FY 2007 compared to approximately 23,700 trainees in FY 2006.

In recent years, statutory enhancements to the MGIB–AD have added flexibility to the program to better meet the needs of servicemembers and veterans today. These enhancements include reimbursement for cost of licensing or certification tests and provisions for accelerated payments.

Question 2. One of the bills on the agenda would move the Guard and Reserve education programs to title 38 of the United States Code and give the Department of Veterans Affairs (VA) partial control over the distribution of "kickers." DOD has testified that "[p]lacing a military force management program under VA is inconsistent with the Agencies' purpose and responsibilities." Do you agree with that assessment?

Response. Yes, VA agrees with DOD in this assessment. The guard and reserve education programs were established to encourage recruitment and retention in the all-volunteer force, and therefore best administered by DOD.

Question 3. Earlier this year, a joint VA and DOD working group noted that complexities and differences among the many education programs make understanding them difficult for beneficiaries and creates challenges in the administration of the programs. If Congress were to add another education program to the mix—as some of the bills on the agenda would do—what impact would that have?

Response. Generally speaking, some of the programs being contemplated have complex eligibility criteria based on service dates or types of service (guard, reserve, and/or active duty). Many of the individuals who would become eligible under the proposed programs are entitled to benefits under existing programs. Some of these individuals are entitled to additional money ("kickers") from DOD, or additional benefits based on their own voluntary contributions. Kickers and additional benefits would not be transferable to the new programs. Individuals would have to assess which program would provide the best benefit before making an irrevocable election.

From an administrative perspective, any new program requires the development of new regulations and procedures, as well as a new payment system. Additional eligibility criteria would result in administrative challenges for those processing claims by further complicating the determination of which program offers the greater benefit to the participant. Initially, such changes would negatively impact VA's ability to deliver timely benefit payments.

Question 4. Regarding S. 22, you testified that the "new and very complex administrative burdens would significantly impact the current level of service and responsiveness we give to current education program beneficiaries." Would you please give us an idea of what level of service you currently provide and what level of service would be expected if that bill were enacted?

Response. Our present level of service is primarily measured in average processing time. In FY 2007, we averaged 32.4 days to process original claims and 13.2 days for supplemental claims. This represents an improvement of approximately 7 days from our FY 2006 processing times of 40.1 and 19.8 days, respectively.

S. 22 would be effective the date of enactment. As a result, VA's timely delivery of benefits would be hampered, in part because its existing benefit delivery system would require major reprogramming to pay benefits. Additionally, VA would have to develop and publish final regulations before administering the new program.

We are not able to estimate how much our service level would decline, however it is unlikely VA would be able to deliver benefits as quickly as we do today. S. 22 would require VA to gather far more information from veterans and schools than is currently required before making payments. VA would need to track actual student expenses and tuition charges in each state, and monitor for changes. Generally, today's benefits are based on pursuit of enrollment versus actual charges. Once eligibility is determined and enrollment is verified, VA can make payment immediately. The additional evidence requirements of S. 22 would significantly delay eligibility and entitlement determinations, consequently delaying payments.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JON TESTER TO KEITH WILSON, DEPARTMENT OF VETERANS AFFAIRS

Question 1. One of the things that we have seen is a number of young men and women who are spending 12, 15 or even 24 months recovering from very severe nonbrain injuries such as limb loss. A while ago, I met with a young man who was nearing the end of a 14-month recovery at Walter Reed. He hoped to go back to Montana and go to school to become a veterinarian. During his rehab, he expressed some frustration with not being able to do much outside of his rehab—he said there was way too much downtime. Are there any services that would allow for soldiers and Marines who are at Walter Reed or other hospitals to begin their college careers through distance learning or even partnerships with nearby schools? Is this a good idea? How would you encourage the Defense Department to undertake such an effort?

Response. VA is not aware of any specific partnerships that have been coordinated between DOD hospitals and nearby educational institutions. However, if servicemembers are otherwise eligible for MGIB benefits, they can enroll in distance-learning (online) degree programs and use their MGIB benefits while in recovery.

The vocational rehabilitation and employment (VR&E) program provides outreach and vocational rehabilitation services to servicemembers at military treatment facilities (MTF), VA medical centers, and at disabled transition assistance program briefings. Vocational and educational counseling, provided through chapter 36, allows early intervention services to begin prior to establishment of a service-connected disability compensation rating. Through collaboration with DOD, a full range of services, including access to computer based training programs, is available at MTFs to the most seriously injured servicemembers in military hold status. The services that VR&E provides include vocational assessment, rehabilitation planning, training, and job placement assistance.

The Coming Home to Work initiative is part of our early outreach efforts as well. Through this initiative, civilian work experience is made available to VR&E eligible servicemembers pending medical separation from active duty at major MTFs, with a special emphasis on Operation Enduring Freedom and Operation Iraqi Freedom servicemembers.

All these programs focus on early intervention to help wounded servicemembers become engaged in the rehabilitation process as soon after their injury as possible. The result is a speedier adjustment to their disability issues and an easier transition to the civilian workforce.

Question 2. It seems to me that you get a kid just back from Iraq or Afghanistan and put him on a college campus, he's going to have many of the same issues of reintegrating into civilian life that Guardsmen who go back to their "regular" job can have—from feeling like no one around them understands their issues, to having to fight a bureaucracy. These are all things that I fear can cause them to leave school, giving up an important set of benefits. What are schools doing in terms of ensuring that veterans on campus fully understand their benefits and, almost more importantly, feel comfortable on campus? Are there particular programs that have shown success in helping young vets re-integrate into a college environment? Does more need to be done in that regard?

Response. VA recognizes that there are issues associated with veterans and servicemembers who return from active duty to an environment that might be unprepared to meet their needs. VA conducts monthly training for new school certifying officials (SCO) to ensure that they are aware of their role and responsibilities to both the veteran and VA. SCOs generally assist veterans by helping them apply for benefits and certifying their enrollment for payment of benefits. Many of these school officials belong to national organizations that hold annual conferences. Staff members of both VA's education service and the regional processing offices (RPO) make regular presentations at these conferences to ensure SCOs are up to date on the programs VA administers. RPO staff members also conduct school meetings for SCOs and provide individual training and assistance. We find many SCOs are passionate about assisting veteran-students with their school-related issues.

We have limited information regarding the additional support that specific educational institutions are providing veteran-students to help them make the transition back to school. However, we understand some institutions that serve a high veteran or active duty population do provide special services either through their SCO office or student-services office.

RESPONSE TO QUESTIONS SUBMITTED BY HON. PATTY MURRAY TO KEITH WILSON, DEPARTMENT OF VETERANS AFFAIRS

Question 1. Does the Department of Veterans Affairs (VA) look at what a servicemember has done in the military and counsel him/her on the appropriate career path related to the skills he/she has gained while in the military?

Response. Any veteran or servicemember who applies for education benefits can elect to receive professional counseling from VA's Vocational Rehabilitation and Employment (VR&E) program at any VA Regional Office. Information regarding the availability of VA counseling services is displayed on the application for education benefits along with our toll-free number. Information concerning available counseling is also discussed in our promotional material. When an individual elects to receive counseling, he/she is contacted by a VR&E counselor to develop the appropriate education plan as it relates to the veteran's or servicemember's military experience and educational goals. Counseling is available for every veteran or servicemember, regardless of whether he or she has a service-connected disability.

Question 2. Would you make any recommendations to us in ways to help make this work better?

Response. *(VA did not provide any recommendations.)*

RESPONSE TO ADDITIONAL INFORMATION REQUESTED BY THE COMMITTEE TO KEITH WILSON, DEPARTMENT OF VETERANS AFFAIRS

THE DEPARTMENT OF VETERANS AFFAIRS' WRITTEN VIEWS ON S. 1261

S. 1261 would eliminate time limitations for eligible individuals to use their educational assistance benefits under the Montgomery GI Bill (MGIB) program. Currently such time limitations generally are 10 years from an individual's last discharge or release from active duty for the MGIB-Active Duty program (chapter 30 of title 38, United States Code) and the earlier of 14 years from the date an individual becomes entitled to educational assistance or the date the individual is separated from the Selected Reserve for the MGIB-Selected Reserve program (chapter 1606 of title 10, United States Code). The bill would eliminate the time limitation for using education benefits under the Reserve Educational Assistance Program (REAP or chapter 1607 of title 10) for certain eligible individuals who have separated from the Ready Reserve because of disability. Under current law, such individuals have 10 years from the date on which they become entitled to such assistance to use it. Finally, S. 1261 would remove the time limitation on the use of entitlement transferred to certain dependents under the MGIB-Active Duty program. Under this provision, eligible spouses could use the benefits transferred to them with no time limitation, although eligible children would remain limited in using their transferred entitlement only until they reach the age of 26.

VA cannot support the bill's proposal to eliminate the current delimiting-date provisions for using MGIB-Active Duty program benefits because no cost offsets have been identified to cover the potentially significant cost of the resulting benefit expansion. We defer to DOD in regard to sections 3 and 4 of the bill, which, respectively, would affect the provision of benefits under the MGIB-Selected Reserve program and REAP. Furthermore, enabling the use of this benefit such a long time after discharge does not align with the codified purpose of these benefits as a readjustment benefit to help separating servicemembers readjust to civilian life.

VA is unable to estimate the increased cost resulting from enactment of the provisions of S. 1261 pertaining to the Montgomery GI Bill-Active Duty program because we neither can predict the portion of the population that would elect to use the benefit beyond 10 years following discharge nor forecast when, or the extent to which, such use might occur.

Chairman AKAKA. Thank you very much, Mr. Wilson.

Now, we will hear from Mr. Bush with your statement.

STATEMENT OF TOM BUSH, PRINCIPAL DIRECTOR, MANPOWER AND PERSONNEL, DEPARTMENT OF DEFENSE; ACCOMPANIED BY CURT GILROY, DIRECTOR, ACCESSION POLICY, DEPARTMENT OF DEFENSE

Mr. BUSH. Thank you, Mr. Chairman. Chairman Akaka, thank you for the opportunity to appear before you today to discuss the educational assistance programs for National Guard and Reserve

members and changes to those programs that are being considered by this Committee.

This past year, there has been considerable interest in changing the two Reserve educational assistance programs, primarily to allow the member to use the benefit after separating from the service. The reason typically cited for this change is that Reserve component members are now being called upon to perform operational missions rather than to just train. Therefore, it is only fair that they be allowed to use their educational assistance benefits after they leave service, just like active duty members.

But, unlike active duty members who are transitioning to civilian employment, most Reserve component members already hold a civilian job. In fact, 81 percent of Reserve component members reported being employed full-time when they were activated. Twenty-one percent reported that they were going to school, either full-time or part-time, when activated. Obviously, the numbers tell us that there are people who are doing both.

While some of the bills currently being considered do not change the Reserve service requirement, others would, and there have been many public statements that next year, Reserve Educational Assistance Programs will be modified to add a portability feature. Adding portability to the Reserve Educational Assistance Program significantly changes them in a way that is not helpful to sustaining the all-volunteer force.

Unlike individuals who are obligated to serve on active duty, many Reserve component members are under no obligation to serve in the Selected Reserve. Unless an individual commits to Selected Reserve service because he or she receives a bonus, receives student loan repayments, or signs up for the Montgomery GI Bill for the Selected Reserve, a Guard or Reserve member makes a choice to continue to participate each time he or she reports for a drill weekend.

This is why we are so interested in retaining the retention aspects of the two Reserve Educational Assistance Programs. If we still had a conscripted force, then retention would not be as much of a concern for us. But we have an all-volunteer force and we need incentives that encourage Guard and Reserve members to continue to serve rather than providing incentives that encourage them to leave the force.

There are some bills and some provisions in bills the Committee is considering that would be helpful. Removing the 14-year delimiting period for the Montgomery GI Bill for the Selected Reserve, as General Young mentioned, would promote continued service in the Selected Reserve, allowing a member with three cumulative years of service to qualify for the 80 percent benefit level under the reprogram, dovetails nicely with the Secretary's new Force Utilization Policy and our continuum of service construct, which is designed to enable members to vary their military participation as their personal circumstances change—on-ramps and off-ramps to military duty.

With the unwavering support of Congress, there have been significant improvements in incentive programs that are enabling us to sustain the all-volunteer force. I would ask for your support in

preserving the Reserve Educational Assistance Programs as retention incentives.

Mr. Chairman, on behalf of all National Guard and Reserve members, I would like to thank you and the Members of this Committee for your continued and unwavering support of the men and women who serve in the National Guard and Reserve. I look forward to answering your questions, sir.

[The prepared statement of Mr. Bush follows:]

PREPARED STATEMENT OF TOM BUSH, PRINCIPAL DIRECTOR, MANPOWER AND PERSONNEL, DEPARTMENT OF DEFENSE AND DR. CURT GILROY, DIRECTOR, ACCESSION POLICY, DEPARTMENT OF DEFENSE

Good morning, Mr. Chairman and Members of the Committee. We are pleased to appear before you today, on behalf of the Department of Defense (DOD), to testify about the educational assistance programs available to active duty members, National Guard and Reserve members, and veterans. The current programs are the Montgomery GI Bill (MGIB), which provides educational assistance benefits to active duty members and veterans, and the Montgomery GI Bill for the Selected Reserve (MGIB–SR) and the Reserve Educational Assistance Program (REAP), which provide educational assistance benefits to Guard and Reserve members. The Committee is also considering bills that would create a new educational assistance program for active duty members and veterans.

THE MONTGOMERY GI BILL

The MGIB program is a cornerstone of our active duty military recruiting efforts. There is little doubt that the MGIB has met or even exceeded the expectations of its sponsors when it was enacted and has been a major contributor to the success of the All-Volunteer Force. The original "GI Bill of Rights," created at the end of World War II, gave returning Servicemembers a comprehensive package of benefits to compensate for opportunities lost while in the military, and to ease their transition back into civilian life. The noted economist, Peter Drucker described that GI Bill by saying, "Future historians may consider it the most important event of the 20th century." Perhaps the most far-reaching provision of the GI Bill was the financial assistance it made available for veterans to attend college. The GI Bill offered returning Soldiers, Sailors, Marines and Airmen payment of tuition, fees, books, and supplies, along with a living stipend, at the educational institution of the veteran's choice.

Today's MGIB traces its lineage directly to this milestone program, with one important change. While all earlier GI Bill programs were designed to ease the transition to civilian life from a conscripted military force, since 1973 we have defended this Nation with a volunteer force. Thus, as codified in Title 38, United States Code, the MGIB has as one of its purposes, "to promote and assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces by establishing a new program of educational assistance based upon service on active duty or a combination of service on active duty and in the Selected Reserve to aid in the recruitment and retention of highly qualified personnel for both the active and Reserve components of the Armed Forces."

In assessing the current MGIB program it is important to note that education benefits are vital to our recruiting efforts. "Money for college" consistently ranks among the major reasons young men and women give for enlisting. Enrollment in the active-duty MGIB program has risen from only 50 percent in its first year, 1985, to nearly 97 percent today. A total of 2.8 million men and women, from an eligible pool of 3.8 million, have chosen to participate in the MGIB since its implementation on July 1, 1985. Such enrollment rates demonstrate the attractiveness of the MGIB.

The current MGIB program continues to serve the Active Components of the military well. It is our belief that there are no significant shortcomings to the program.

VALUE OF THE MGIB STIPEND

In the initial year of the program—School Year 1985–86—the MGIB offset 70 percent of the average cost of total expenses at a public 4-year university. Total expenses include tuition, fees, room, and board. This offset steadily declined until the early 1990s when the MGIB monthly benefit was increased from $300 per month to $400 per month. Since 1993, the benefit has been adjusted annually for inflation.

The current rate of $1,075 this past school year covered approximately 75 percent of the average total expenses at a public 4-year university.

In addition to the basic MGIB benefit, three of the four Services offer an increased benefit, called a "kicker," targeting enlistments in certain critical or hard-to-fill skills and for extended periods of initial service. The Army, Navy, and Marine Corps use this incentive to annually steer about 12,000 high-quality youth into the skills necessary for efficient force management. The statutory limit for the kicker is $950 per month. The basic MGIB benefit plus the kicker make up the Service College Funds. This past year, the maximum benefit of the Service College Funds covered 140 percent of the average total expenses at a public 4-year university.

There is no doubt that the MGIB serves as a key recruiting incentive. As I indicated earlier, young men and women consistently rank "money for college" as the major reason they enlist. Today, the Services are facing stiff challenges to recruiting. The number of graduates who are pursuing post-secondary education right out of high school is at an all-time high, and young people are finding that financial assistance to attend college is available from many sources. While few of those sources match the benefits of the MGIB, neither do these sources require young men and women to delay their education for a term of military service and the possibility of entering into "harms way." The MGIB benefit should be sufficient to offset the commitment and sacrifices associated with military service.

While many may look at the benefit level of the MGIB as it relates to readjustment and transition to civilian life, we must be mindful of its effect on military force management. The potential benefits of a higher benefit level to recruiting must be carefully evaluated in light of the difficulties some of the Services are currently experiencing in the recruiting market. Attracting qualified recruits using large, across-the board basic benefits incurs the risk that many who enter for the benefits will leave as soon as they can to use them. If so, lower first term retention could both reduce the number of experienced NCOs and Petty Officers available to staff the force, and put added pressure on the recruiting market as additional accessions are required to replace the members who leave. The Department of Education, National Center for Education Statistics states the total monthly cost of education (tuition, fees, room, and board) for School Year 2006–2007 is $1,450 (adjusted for inflation). We posit that the negative retention impact starts to outweigh the positive impacts on recruiting when the monthly benefit is higher than the total cost of education.

MONTGOMERY GI BILL FOR THE SELECTED RESERVE

Since the inception of the program in 1986 through Fiscal Year 2006, 1,540,755 members of the Selected Reserve have entered into service agreements to gain eligibility for the MGIB–SR benefits. Of those who committed to service in the Selected Reserve for MGIB–SR benefits, 639,516, or 42 percent, have applied for educational assistance. This indicates that educational assistance plays an important role in the decision to join the National Guard or Reserve for a large number of the eligible service members. At the end of Fiscal Year 2006, the number of Selected Reserve members eligible for MGIB–SR benefits totaled 343,553, of whom 104,746, or 30 percent, had applied to receive benefit payments. This reflects a 9 percent decrease in participation compared to 2005. However, the decrease in the utilization of the MGIB–SR benefit is attributed to the establishment of the Reserve Educational Assistance Program in Fiscal Year 2005, which is described below.

To illustrate the importance of the MGIB–SR program to our recruiting and retention efforts, just under 50 percent of members serving in the Selected Reserve today are within their 8-year military service obligation. Even those with a remaining service obligation, unless they have committed to service in the Selected Reserve in exchange for an incentive (such as the MGIB–SR), they can transfer to the Individual Ready Reserve at any time. Thus, incentives are an important tool in staffing Reserve units. An example of this importance of the MGIB–SR program is illustrated by looking at a typical Infantry Brigade Combat Team (BCT). An Infantry BCT is made up of 313 officers of which 76 percent are company grade officers and 3,439 enlisted personnel of which 82 percent are E–5s or below. Data show that the majority of enlisted personnel (75 percent) who use MGIB–SR benefits are E–4s or E–5s, and the vast majority of enlisted personnel are pursuing an undergraduate degree (90 percent). Company grade officers are the predominate users of the MGIB–SR program (70 percent) with 95 percent of officers pursuing an undergraduate or graduate degree. These are target populations needed to staff the force.

To sustain the All-Volunteer Force, particularly in the Guard and Reserve where the majority of Selected Reserve members may quit at any time, we need every tool available to get members to commit to service in the Selected Reserve. The MGIB–

SR program helps us do that by requiring a member to commit to 6 years of service in the Selected Reserve to gain eligibility for MGIB–SR benefits.

RESERVE EDUCATIONAL ASSISTANCE PROGRAM

The new Reserve Educational Assistance Program (REAP) was developed to reward National Guard and Reserve members who served in support of a contingency operation, and National Guard members who performed federally funded state duty at the request of the President or Secretary of Defense to respond to a national emergency, and to offer an incentive to continue to serve following a mobilization when pressure to separate may be strong. A member who serves as few as 90 consecutive days is eligible for $430 a month in educational assistance for up to 36 months. The only requirement is that the member continues to serve in the Selected Reserve, or Ready Reserve if the member was serving in the Individual Ready Reserve (IRR) when he or she was ordered to active duty. The benefit level increases to as much as $860 per month if the member serves for two continuous years. As of March 2007, 40,180 Reserve component members have used the REAP program.

PROPOSED PROGRAMS AND ENHANCEMENTS

For today's hearing, you asked for DOD's views on several bills that would either establish new educational assistance programs or modify the existing programs. We will limit our comments to the impact of these proposals on the Active Duty Components and their MGIB entitlements contained in title 38 of the U.S. Code and the Reserve Components and their MGIB–SR and REAP entitlements contained in chapter 1606 and 1607, in title 10 of the U.S. Code, respectively. Our comments will focus on the implications of the proposals on military force management, specifically military recruiting and retention.

All of the bills under consideration share common themes of improving education benefits and supporting veterans' transition from military service to civilian life. It is clear that the Congress remains keenly interested in preserving the viability and value of the educational assistance programs. While the Department shares that interest, we particularly focus on recruitment and retention in order to help preserve the viability of the All-Volunteer Force.

S. 22, the Post-9/11 Veterans Educational Assistance Act of 2007, (as revised) offers a "World War II-like" GI Bill, paying the full cost of a college education up to the maximum charges of the highest cost public institution in the State, as well as a $1,000 monthly stipend. This legislation is correct in stating that the MGIB was primarily designed for a "peacetime force." However, the current MGIB program for active duty is basically sound and serves its purpose in support of the All-Volunteer Force. The Department finds no need for the kind of sweeping (and expensive) changes offered.

As stated previously, the average monthly cost of a public 4-year institution this past school-year was about $1,450—therefore we could expect the average recipient to receive a monthly benefit of about $2,400. In line with my earlier discussion about benefit levels, we are concerned that a benefit of this level would have long-term negative impact on force management. Additionally, we are concerned that this bill offers no provision for "kickers," which the Services routinely use to channel high quality youth into hard to fill and critical skills. The level of the proposed benefit for all new accessions would exceed the maximum level of the current MGIB as augmented by a maximum "kicker" of $950, making it more difficult to target the most critical skills. For these reasons, we do not support S. 22.

S. 644, the Total Force Educational Assistance Enhancement and Integration Act of 2007, would recodify chapter 1606 (MGIB–SR) and chapter 1607 (REAP) of title 10, as a new chapter in title 38. The Department does not support this bill. If enacted, it would place primary responsibility for managing critical DOD recruiting and retention incentive programs with the Secretary of the Department of Veterans' Affairs (VA). DOD's responsibility is to manage and sustain the All-Volunteer Force, while VA's responsibility is to provide benefits and other services to veterans and their dependents and beneficiaries. Placing a military force management program under VA is inconsistent with the Agencies' purpose and responsibilities.

Further, it has been widely publicized that the intent of placing the Reserve educational assistance programs in title 38 is to provide a post-service benefit. This will have a detrimental effect on retention. A preliminary assessment by a federally funded research and development center (FFRDC) projects that modifying the REAP program to provide a post-service benefit will increase attrition by 20 percent among members who are not already eligible for MGIB benefits. Further, the FFRDC preliminarily estimated that it could cost the Department approximately $450 million annually to offset the negative effects of providing a portability benefit.

Finally, the Administration has worked with Congressional Budget and Appropriation Committees to ensure that the true cost of manpower is reflected in the budget of all agencies so that both cost and policy are not separated. Reserve education benefits are mainly recruiting and retention tools and for this reason they were funded on an actuarial basis in the DOD budget at the inception of the MGIB. The Administration does not support dismantling this funding mechanism as it would be contrary to transparent and responsible budgeting. For these reasons, the Department does not support S. 644.

S. 698, the Veterans' Survivors Education Enhancement Act of 2007, would make changes to the benefits accrued under the provisions of Chapter 35, Title 38, United States Code. We see no impact of this provision on military force management and defer to VA's views on other aspects of this bill.

S. 723, the Montgomery GI Bill Enhancement Act of 2007, seeks to provide enhancements to the MGIB for certain individuals who serve on active duty after November 16, 2001. This bill would provide new recruits the opportunity to enroll in MGIB without the $1,200 pay reduction, and would also refund $1,200 to those already enrolled. Ultimately, it would ensure that all members, who were eligible and served during this period of national emergency, are enrolled in the MGIB at no cost. This proposal would, in effect, result in a "pay raise" of $100 per month for the first year of service. Offering the benefit without a pay reduction would enhance the value of the MGIB; however, since about 97 percent of new recruits remain enrolled in the MGIB with the current pay reduction provision, the pay reduction does not appear to be a significant disincentive.

The cost to the government must be considered. Preliminary estimates show an annual loss to the Treasury of at least $180 million as a result of the elimination of the pay reduction. An additional amount estimated to be over $1.8 billion would be required to make refunds to those who have already had their pay reduced.

Additionally, the Bill gives individuals who have elected not to enroll in the MGIB a second chance to enroll. This provision would have no significant impact on military force management.

Finally, eliminating a certain group of servicemembers from the requirement to make contributions because of the time period they served results in inequities in the program. Many of our servicemembers have been put in harms way, but would fall outside of the time period for being eligible for the benefit. Therefore, we do not support S. 723.

S. 1261, the Montgomery GI Bill for Life Act of 2007, repeals the 10-year limit on use of MGIB benefits and the 14 year delimiting period for use of the MGIB–SR benefit and repeals the delimiting period for disabled member under the REAP benefit. We see no negative impact of this provision on military force management. Thus, the Department supports sections 3 and 4 of the bill. We defer to VA for comment on section 2.

S. 1293, the Veterans' Education and Vocational Benefits Improvement Act of 2007, would provide a 4-year temporary authority beginning October 1, 2008, to expand accelerated payment of educational assistance for certain high-cost programs of education under the MGIB–AD program and would authorize similar accelerated payment of educational assistance under the two Reserve programs—MGIB–SR and REAP, as well as the Survivors' and Dependents' Educational Assistance (DEA) program. S. 1293 also would amend REAP to allow Reserve component members who served an aggregate of 3 years or more of qualifying duty to receive an educational assistance allowance at 80 percent of the MGIB–AD rate for an individuals who completed at least 3 years of obligated service on active duty. Currently under REAP, a member is required to serve at least two *continuous* years to receive the 80 percent rate. Finally, S. 1293 would authorize a program, similar to the MGIB–AD program, by allowing members to "buy up" their REAP benefit by making after-tax contributions of up to $600 to augment the monthly amount of basic educational assistance they receive during their 36 months of entitlement to educational assistance payments. The cost to DOD for providing accelerated payments is limited by the Bill to a total $12 million ($2 million per year for MGIB–SR and $1 million per year for REAP). The preliminary 5-year cost estimate to allow Reserve component members to "buy up" their REAP benefit is $15 million. The preliminary 5-year cost estimate of allowing members who serve an aggregate of 3 years to receive benefit payments at the 80 percent level is $11 million. The estimated total 5-year cost to DOD is $38 million. This modest investment would provide Reserve component members with additional options for using their educational assistance benefits while supporting DOD's retention efforts. Allowing a member to accumulate periods of service in order to qualify for a higher benefit is consistent with the Secretary's force utilization policy, which is to limit mobilizations to no more than one year and the Department's continuum of service construct, which is to facilitate varying levels

of service as the member's situation allows. Therefore, the Department supports those provisions of S. 1293, which would provide for accelerated payments under the MGIB–SR and REAP programs, allow Reserve component members who serve for three cumulative years to qualify for the highest benefit level under the REAP program and permit members to "buy up" their benefit level—like the option available under the MGIB program—by contributing up to $600. We defer to the Department of Veterans Affairs on the changes to the MGIB and SDEA programs since those programs are funded by the Department of Veterans Affairs.

S. 1409, the 21st Century GI Bill of Rights Act of 2007, much like S. 22 (as revised), offers a "World-War II-like" GI Bill that would cover the full cost of college tuition, fees, room, and board. This Bill does limit the benefit amount at the national average of public and private 4-year institutions. We estimate that this benefit level would have limited the monthly payment to about $2,050 for this past school-year. In line with my earlier discussion regarding S. 22, we are concerned that a benefit of this level would have long-term negative impact on force management. Therefore, we do not support this bill.

S. 1719 would provide additional educational assistance under the MGIB for veterans pursuing a degree in science, technology, engineering, or math. We see no impact of this provision on military force management. Therefore, we defer to VA's views on this bill.

CONCLUSION

Today, the volunteer military stands ready, willing, and able to defend our great Nation, as well as its values and principles. Credit for our success in attracting high-quality people to serve in uniform belongs in large measure to the Congress and to your Committee for providing military members with the benefits embodied in the educational assistance programs. Few areas, if any, are more important to DOD than recruiting and retention. We recognize our duty to man the All-Volunteer Force with high-quality, motivated, and well-trained men and women. The MGIB education benefit has been a major contributor to recruiting achievements for more than 20 years. As we move through the 21st Century, we must continue to build upon the remarkable legacy of the visionaries who crafted preceding versions and improvements in the GI Bill. I thank this Committee for its dedicated support to the men and women who currently serve, and those who have served, our great Nation.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. AKAKA TO TOM BUSH, PRINCIPAL DIRECTOR, MANPOWER AND PERSONNEL, DEPARTMENT OF DEFENSE

Question. It seems that you have many tools available to recruit and retain members to both active duty and the Guard and Reserve—including such things as enlistment and re-enlistment bonuses, tuition assistance, in-service education, loan forgiveness and more. Please rank the title 38 and title 10 programs in terms of first recruitment and then retention, when measured against these other tools.

Response. The Department does have many different tools to help manage the Force. Of the educational assistance programs for the Reserve components, only the Montgomery GI Bill for the Selected Reserve (chapter 1606 of title 10) is used as a recruiting incentive, while both the Montgomery GI Bill for the Selected Reserve and the Reserve Educational Assistance Program (chapter 1607 of title 10) are used as retention incentives. While Guard and Reserve members may gain eligibility for the Montgomery GI Bill for active duty (chapter 30 of title 38), it serves no recruiting or retention purposes for the Reserve components.

When compared to other incentive programs, the Montgomery GI Bill for the Selected Reserve and the Reserve Educational Assistance Program are cost effective. Although the maximum amount of benefit payments available under the two programs can be richer than other incentives, the amount typically used is consistent with the other incentive programs used to shape and manage the Reserve components.

While a member may receive benefit payments for up to 36 months under a single program and up to 48 months if a member qualifies under more than one program, the Department of Veterans Affairs reports that, on average, members and former members use their education benefit for 17 months. At the maximum benefit level, total benefit payments for the Montgomery GI Bill for the Selected Reserve at the 2008 benefit rate is just over $11,400. The maximum benefit level under the Reserve Educational Assistance Program range from $15,854 for a member who completes 90 continuous days of contingency service, $23,781 for a member who completes one

continuous year of contingency service, and $31,708 for a member who completes two continuous years of contingency service.

In contrast, the maximum bonus amount authorized for an enlistment or affiliation with the Selected Reserve ranges from $15,000 to $20,000 depending on the bonus authority. The maximum amount authorized for the reenlistment bonuses is $15,000. For officers, the maximum bonus for accession or affiliation is $10,000.

There are many reasons individuals choose to join and continue to serve in the Guard or Reserve. It is important to have a variety of incentives so the components can match the incentive with the individual's desires and needs. This is why it is so important to retain the Reserve Educational Assistance programs as incentive options. Eliminating these incentive programs as Force management tools will adversely affect recruiting and retention.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LARRY E. CRAIG TO TOM BUSH, PRINCIPAL DIRECTOR, MANPOWER AND PERSONNEL, DEPARTMENT OF DEFENSE

Question. 1. According to your written testimony, there is a point at which education benefits will start to harm retention more than those benefits will help recruitment. If education benefits were raised above that "pivot point," would the Department of Defense (DOD) need to raise other benefits, such as re-enlistment bonuses, to try to avoid some of the negative impact on retention? In other words, would we essentially be bidding against ourselves?

Response. Yes, that is exactly what we would need to do. As stated in testimony, we posit that the negative retention impact begins to outweigh the positive recruiting impacts when the monthly education benefit is higher than the average cost of a 4-year public education. Increases in re-enlistment bonuses would be the most effective method to overcome this negative effect.

Question 2. In April 1999, the House Committee on Veterans' Affairs held a hearing to examine bills that would have provided certain Montgomery GI Bill—Active Duty (MGIB) participants with benefits sufficient to cover all or nearly all of the costs of a 4-year college education. The Department of Defense—under the prior Administration—testified that DOD was "concerned that the generous education benefit embodied in the 'full ride' may affect first-term retention" and that "[a]n enhanced MGIB that offered the same level of entitlement as the basic MGIB with 'kicker' to all participants would eliminate one effective tool we have to recruit for [hard-to-fill or critical] skills." From your testimony, it appears that these concerns are equally warranted today. Is that an accurate assessment? And would any current circumstances, such as the ongoing war, heighten these concerns?

Response. Yes, those concerns are as valid today as they were in 1999. The Services use these "kickers" to expand the market among high quality young Americans, to channel these motivated youth into critical and hard-to-fill skills, and to encourage longer initial terms of service. This is an important use of these "kickers" in general, but even more critical during these challenging recruiting times.

Question 3. Under the Montgomery GI Bill for the Selected Reserves and the Reserve Educational Assistance Program, Guard and Reserve members generally must remain in the Guard or Reserves in order to use their education benefits. At the hearing, one of the witnesses compared this policy to "indentured servitude." To ensure the accuracy of the hearing record, would you please clarify the existing policy, the purposes for it, and the impact that changing it could have on force management?

Response. The MGIB–SR is one of many incentives used by the military to encourage individuals to voluntarily agree to serve in the military. Once a member has completed the initial MGIB–SR 6-year obligation, he or she may separate at any time without penalty (unless under some other service agreement). The same is true for members who are eligible for the REAP. There is no penalty if they chose to leave the military.

The purpose of both programs is to encourage individuals to join and remain in the Guard or Reserve. As with bonus programs, individuals who leave the Service cease receiving incentive pays. To change these programs to continue to provide the benefit after a person separates from the Service would be inconsistent with the purpose of these programs.

Modifying the Reserve education programs to make them a post-Service benefit would result in an increase in attrition, which is opposite the desired effect, and increase Federal spending. Education benefits would continue to be paid to individuals who would have otherwise remained in the Guard or Reserve (in addition to some who planned to separate at the end of their service obligation), so no saving would

accrue, and spending in other incentive programs would have to increase in order to offset the increase in attrition.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JON TESTER TO TOM BUSH, PRINCIPAL DIRECTOR, MANPOWER AND PERSONNEL, DEPARTMENT OF DEFENSE AND DR. CURT GILROY, DIRECTOR, ACCESSION POLICY, DEPARTMENT OF DEFENSE

Question 1. DOD's submitted testimony states that an enhanced education benefit would have a chilling effect on the retention of servicemembers in both the Active Duty and the Reserve Component forces. On what studies or other empirical evidence do you base this assertion?

Response. The portion of the testimony that discussed the impact of increases in education benefits on first-term retention in the active forces is based on analysis by the Lewin Group. As stated in testimony, this analysis posits that the negative retention impact begins to outweigh the positive impacts on recruiting when the monthly education benefit is higher than the average cost of a 4-year public education.

For the Reserve components, as long as the educational assistance programs remain a retention incentive, enhancing the education benefit will not adversely affect retention. However, if the Reserve educational assistance programs are moved to the jurisdiction of the Department of Veterans Affairs as post-service benefits, it would have a chilling effect on retention in the Reserve components. Preliminary estimates from a RAND study suggest that at the current benefit rates, attrition among members who have not qualified for the active duty Montgomery GI Bill benefit could increase by as much as 10 percent. If the benefit level increases, attrition would increase as well. This could become a vicious cycle of requiring an increase in other, more expensive incentive programs to offset an increase in attrition.

Question 2. The existing GI Bill would not even fund an entire semester for a veteran at Stanford or an Ivy League school. Recognizing that you have concerns about Senator Webb's bill, what steps would you recommend in order to increase a veteran's access to such exclusive educational opportunities.

Response. Since the basic active duty education benefit, along with the remainder of veterans' programs and benefits, are under cognizance of the Department of Veterans Affairs for overall policy and funding, this question would be better answered by that Department. We see no significant implications on military force management, specifically military recruiting and retention, of increasing a veteran's access to any specific educational institution.

Chairman AKAKA. Thank you very much, Mr. Bush.

General Young, everyone can agree that the array and complexities of the various educational benefit programs available to veterans, servicemembers, and members of the Guard and Reserves are, and I think you alluded to that, bewildering. So my question to you is, to what extent do you believe a lack of understanding of these benefits contributes to the failure of the various programs to full optimal recruitment, retention, or readjustment potential?

General YOUNG. Mr. Chairman, as you said, the educational benefits are very complex to understand. I wouldn't sit here and even tell you that I understand them all, and I served as the Assistant Adjutant General in Ohio for 6 years and mobilized about 7,000 soldiers during that period. I think the percentage of folks that we had participating in the program was somewhere around 42 percent or at least signing up for it, for the Montgomery GI Bill Selected Reserve, and even out of that 42 percent, only about 30 percent of them used the benefits during the period of time that I looked at.

I think it is just a matter of us having to do a better job—and this is a hit on us in some ways—of educating our folks about the benefits. As changes are made almost yearly, then it takes a while to get the implementing instructions into place and we just have to do a better job.

One of the programs, the Transition Assistance Program that our servicemembers are entitled to when they return from deployments, is a way that we are looking at as a better opportunity and a better way to educate our members. Taking more time with them both at the demobilization site and then back at home station when they get back home from their deployments. So I hope that answers the question, Mr. Chairman.

Chairman AKAKA. I would also like to pose the same question to Mr. Wilson and Mr. Bush. This has to do with to what extent do you believe a lack of understanding of these benefits contributes to the failure of various programs to fulfill optimal recruitment, retention, and readjustment of the potential?

Mr. Wilson?

Mr. WILSON. What we see when we administer the program is indications that there is a higher degree of complexity than perhaps could be in the programs. I would defer to DOD concerning its impact. They are more attuned to the specific impacts on recruitment and retention.

What I can say is that this is one of the issues that is always on the forefront of what we are doing when we are administering the program. We spend a lot of time working with our counterparts in the Guard/Reserve units, providing them information on the benefits. We prepared, for instance, when we implemented the REAP program, we created a DVD and mailed out over a quarter-million of those DVDs directly to the Reserve and Guard units across the country. We did the same thing with pamphlets, printed material.

What we hear anecdotally is that there remains confusion out there and it is something that we are continually working on with our DOD counterparts.

Chairman AKAKA. Mr. Bush?

Mr. BUSH. I think one of the problems, some of the confusion is when you have different programs you can use under the various benefits, they aren't well aligned. And if we had the benefits aligned under the program, that would be helpful.

The other thing that I think adds confusion is when a member has to make an irrevocable decision about their program. That has to be looked at carefully because you can't use the same period of service to qualify for multiple programs. If you had a more seamless access to the programs based on your period of service, I think that would be very helpful.

Chairman AKAKA. OK.

General YOUNG. Mr. Chairman, could I add one additional comment?

Chairman AKAKA. General?

General YOUNG. Sir, one of the other things you talked about, the lack of knowledge, maybe, is a failure of some of the programs. In the Guard in particular, just about every one of our States now out there offer a State Tuition Assistance Program. You also have the Federal Tuition Assistance Program. Multiple opportunities are here for our Guard members to get educational assistance. In a lot of cases, some of those tuition assistance programs, especially at the State level, are exclusive of and you can't use these at the same time as the Montgomery GI Bill or the State won't pay and the

benefit from the State is perhaps even better. So that might be contributing to its lack of use.

Chairman AKAKA. Thank you for that information. When it comes to the Guard, we need to, of course, look at what States provide for their assistance, as well.

Let me ask a question to Mr. Wilson and then I will call on Senator Murray for her statement and her questions.

Mr. Wilson, leaving aside for the moment any issues of retroactive claims, could you offer some insight into the comparative administrative difficulties of a tuition and fees approach versus a monthly benefit approach?

Mr. WILSON. The tuition and fees and room and board approach, as outlined, for example, in S. 22, would be fundamentally different from what we pay now. In essence, what we pay now is a flat rate based on the individual student's training time—full-time, half-time, quarter-time, et cetera.

Under a tuition, fees, and room and board arrangement, we would be paying each individual a unique amount, basically. We would be required to collect information unique to each specific individual concerning what their charges basically would be. That would be the tuition and fees charged by the university and room and board, or actually even the equivalent of room and board. So if an individual was living off campus, we would be put in the position of having to get rent information, utility information, in order to determine what his or her benefit would be each month.

Chairman AKAKA. Thank you very much.

Senator Murray?

STATEMENT OF HON. PATTY MURRAY,
U.S. SENATOR FROM WASHINGTON

Senator MURRAY. Mr. Chairman, thank you so much for this hearing. I really appreciate the opportunity. Educational benefits is an increasingly important part of the discussion as we have an all-volunteer Army and need to deal with troop readiness, as well, so I appreciate the opportunity to hear some of the bills that have come before this Committee. There are some excellent ideas and, hopefully, they will begin to address some of the challenges we have seen, especially with the purchasing power of the education benefit being diminished, and we haven't dealt with that, as well as the increased reliance on National Guard and Reserve members that we are seeing and needing to update our laws to deal with that. The fact that many of the education benefits have expired before our veterans are able to utilize them, and I think we need to update our laws to really look at what our needs are today. So I appreciate this hearing and I appreciate the panelists for being here today.

Let me start, General, with you. I wanted to ask you how you felt about the current outreach efforts that are aimed at making our National Guard members, in particular, aware of some of the education benefits that are available to them.

General YOUNG. Ma'am, are you referring to our Transition Assistance Program and programs like Yellow Ribbon or Reunion Reintegration——

Senator MURRAY. Let me ask you two questions. How are we getting out to our National Guard members what currently is available, and what do you think we need to do to provide better benefits for them?

General YOUNG. Yes, ma'am. Currently, our Guard members learn about the GI Bill, of course, when they sign up through a recruiter. After that, in each State we have an education office that has three to four individuals that work in it. Within the past two years, we have employed in each State what we call a Transition Assistance Advisor. We have worked on some proposals for changing the Transition Assistance Program as it affects the Reserve component.

If you are an active component member coming back from a deployment, of course, you are on your base or your fort, your installation where you departed. In the case of a Guard member, they come back from a deployment, and spend anywhere from three to five days at a demobilization station. I was talking to one of our soldiers this morning that deployed, came back from a deployment, got off the airplane about midnight, went to get something to eat, got in bed, and was back up the next morning at about 0600 after flying all the way from——

Senator MURRAY. I assume that is not a good time to talk to them about education benefits.

General YOUNG. No. And as she related to me, going through the briefings, and particularly the benefits now she was entitled to by being a veteran coming back, she checked blocks to get through the process so she could go home and be with her family and get back to her State. We need to look at those types of programs and enhance our ability to provide the education to our members.

A lot of these decisions are very important to the family, so that is one of the reasons, one of the proposals that we have from the Guard is to do a lot of these briefings back at home station, similar to the model being used by New Hampshire, by Washington, the Yellow Ribbon program that Minnesota is going to use with the first of the 134, bringing their people back at the 30-, 60-, and 90-day intervals once they get home to go through a lot of these briefings and make sure the family and the member understand them.

Senator MURRAY. So does that basically happen State by State? Different States do different things?

General YOUNG. Yes, ma'am. Whatever program we come up with, we need to allow flexibility for that Governor and that TAG to modify their program how they want to integrate their people back from the warrior back to the citizen. There needs to be some flexibility in the way we do that. We are working on it.

Senator MURRAY. Yes, I understand the flexibility. I just want to make sure it doesn't get lost. And at some point we have to figure out how to make that happen from a national level.

General YOUNG. Yes, ma'am.

Senator MURRAY. Mr. Bush and Mr. Wilson, let me ask you a question. Some people have suggested that the current educational benefits programs are too complex and administratively burdensome and the Montgomery GI Bill needs to be consolidated under the jurisdiction of Title 38 to correct that problem. Let me ask both of you if you think consolidating all GI benefits under Title 38

would help us improve some of the consistency and equity of education benefits for our active duty and National Guard and Reserve. Mr. Wilson, I will start with you.

Mr. WILSON. I am not clear that it would provide a benefit. Certainly in some areas, it would put VA into a position where we are making calls on things that we simply don't have the expertise on. For example, what MOSs, what jobs would be receiving kickers? That is something we don't have expertise on. If the Title 10 programs were moved over into Title 38—lock, stock, and barrel—we would end up having a role in those, and we simply don't have the expertise there. Those types of things would be our concern. We certainly want to be able to administer the program as effectively as we can, but we don't want to be put in a situation where we just simply don't—shouldn't—have a seat at that table.

Senator MURRAY. Mr. Bush?

Mr. BUSH. Yes, ma'am. I don't think that would be helpful for the Guard and Reserve, to move the two Reserve Educational Assistance Programs to Title 38. Fundamentally, the purposes are different. The two Reserve programs are designed as retention tools, and as Mr. Wilson said, that would put them in the position of helping manage the Reserve Forces. That is a job that should remain with DOD.

There are things that would be helpful. If the benefits were uniform, if it were easy to understand what the benefits were, that would be very helpful. Right now, that isn't the case.

The provisions I have seen that would consolidate the three programs in Title 38 simply move the three programs lock, stock, and barrel into Title 38. They don't combine them. They don't change them. Now, there are some proposals to change them on the margins in ways that aren't helpful to us, making them a post-service benefit. That doesn't help us retain the force and that is the purpose for the Reserve Education Benefit Programs, unlike an active duty member who is transitioning careers. They are leaving active duty after three, four, five, six years in active duty and starting a new career. Most Guard and Reserve members are going back to their job. There are some that are transitioning and we want them to use that education benefit. We don't see that as inconsistent with participating part-time in the Guard and Reserve and using their educational benefits.

Senator MURRAY. One of the things I hear from men and women returning, particularly from the current conflicts, is that the skills that they used overseas, they are not encouraged to try and use those to get into a career path when they get home. For example, medics, in particular. What are we doing—what types of programs or counseling programs are being used to help our veterans utilize the skills that they used overseas, whether it is mechanic or a medic or engineering or anything? Are we doing anything to capitalize on what they have learned in order to help them get a job and a career opportunity at home?

Mr. BUSH. For the active, that is probably true. People that are leaving the service, we want to help them utilize their military skills. We spent a lot of money training them. For the Reserves, as I said, there are some people who are transitioning careers, but not as many. In the Transition Assistance Program, there are opportu-

nities that we partner with DOD, with VA, with DOL to let people know what job opportunities are out there, how they can transition.

We have a web site that we are standing up now that will make it easier for Guard and Reserve members to get this information, as General Young mentioned. It is not as easy for the Guard and Reserve when you are geographically dispersed throughout literally thousands of communities. So this is part of our outreach effort.

Senator MURRAY. Mr. Wilson?

Mr. WILSON. I can comment concerning what we do for those people that apply for our Education Benefit Programs. We do have a counseling mechanism under which we can provide vocational counseling, career counseling to those individuals. Every individual being discharged, Reservist or active duty member, is notified in our VADS package, our Veterans Assistance at Discharge System package, that they can take advantage of that benefit.

Senator MURRAY. But do you actually look at what they have done in the military and say, "this could translate well into a career path here," then work with them on that at all?

Mr. WILSON. I would have to get back to you concerning specifically what occurs during counseling.

Senator MURRAY. Please. If you could also let me know: are there any attempts or any ways that we are doing that consistently; and, would you make any recommendations to us in ways to help make that work better?

Mr. WILSON. Sure.

Senator MURRAY. Thank you very much, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Murray.

We have other questions that other Members have, as well, and I do have a number of questions here. I want you to know that we will have those written questions for each of you and ask you for your prompt responses to those questions.

Do you have any further questions for this panel?

Senator MURRAY. No, I don't have any more.

Chairman AKAKA. OK. Otherwise, I would like to call on the second panel and thank the first panel very much for your presence, for your statements, and look forward to working with you on this and to get responses from you to our questions. Thank you very much.

Mr. BUSH. Thank you, Mr. Chairman.

Chairman AKAKA. I welcome our second panel consisting of experts in the area of veterans' education, and especially from the perspective of transition, both nationally and locally. I want you to know that I am pleased to have you here to share your expertise with this Committee.

Our first witness is the Honorable G. Kim Wincup, Vice Chairman of the Congressional Commission on Servicemembers and Veterans Transition Assistance. Mr. Wincup also held key Congressional staff and administration positions during the time that much of the current legislation was considered.

Next, we have James Bombard, Chairman of the Veterans' Advisory Committee on Education. Mr. Bombard also can draw on his long-time experience in the State approving agency and from his personal experiences as a Vietnam veteran pushing for enactment of new GI Bill benefits.

Our third witness has traveled across the continent to be with us and we really appreciate that. Mr. Allison Jones is Assistant Vice Chancellor for Academic Affairs at the California State University. Mr. Jones will share with the Committee the exciting new initiatives that the State of California has undertaken to attract veterans to the school.

So I welcome each of you and tell you that your full statements will be entered into the record.

I call as our first witness Mr. Wincup.

STATEMENT OF G. KIM WINCUP, FORMER VICE CHAIRMAN, CONGRESSIONAL COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE

Mr. WINCUP. Thank you, Mr. Chairman, Senator Murray. It is a privilege to appear before you and this great Committee representing the members of the Commission on Servicemembers and Veterans Transition Assistance, a commission that was created by the Congress and actually it was the U.S. Senate that took the lead in that, so it is a great pleasure to be here with you.

The Congress tasked the Commission with looking at two things, to review programs that provided benefits and services to veterans as they approach transition, and also to make sure that the programs were adequate and effective to meet their needs. We also looked at proposing improvements and looked at consolidating organizations.

That report was submitted to the Congress on January 14, 1999. It is a little bit old, but frankly, I think a lot of the recommendations are still relevant to the issues that you have raised, Mr. Chairman, in your hearing. Let me just go through very briefly a couple of the points that the Commission made, if I may.

The Commission's judgment was something that this Committee knows very well, that military personnel are a unique national resource to which the country has a moral obligation, but also very importantly that the country has invested in and there is an opportunity to capitalize when they return to pursuing life in a way that is very good for this Nation, which we haven't been as effective as we should be.

The pillars that we felt were appropriate in regard to dealing with servicemembers and veterans who are transitioning was they have to be provided with a means and opportunity to succeed in their civilian lives and invest their talent and ability in the American economy; that the special conditions of military service requires particular needs that must be met; and that the Nation's ability to raise and maintain an effective military force must be supported.

With particular respect to the educational benefits, although the Commission spoke on a lot of different issues, the Commission determined that employment is the key to transition and that education is the key to employment in the information age. So we put a great deal of emphasis on education. And in that regard, we felt that the opportunity to obtain the best education for which they qualify was the key here.

Mr. Chairman, our recommendation was that the Montgomery GI Bill be amended to provide a separate benefit for individuals

who enlist or reenlist for a minimum 48 months that would be much that you recall, Mr. Chairman, in the World War II GI Bill, full tuition, fees, books, and supplies, plus $400 a month that would have been indexed for inflation. We recommended that the $1,200 pay reduction be eliminated, and we also recommended that the Services have discretionary authority to transfer this benefit to their family members as they consider it appropriate.

With respect to the MGI Bill for those who served 24 to 36 months, we recommended again the $1,200 payroll deduction be eliminated, that the monthly stipend be increased, and that they be allowed accelerated lump-sum payments.

Mr. Chairman, each of the members of the Commission brought great personal experience to the task. In my case, my views were molded by having been a professional staff member of the House Armed Services Committee in the 1970s when the all-volunteer force was created and then the Committee Staff Director when the Montgomery GI Bill was enacted. I also had the privilege of seeing the impact of this program as Assistant Secretary of the Army for Manpower and Reserve Affairs.

What influenced my thinking with respect to this recommendation of the Commission was the serious problems that I saw for the all-volunteer force in the first 8 to 10 years, extremely serious, particularly with respect to getting quality recruits, and then the strong impact that a good education program had on drawing those quality recruits, and it isn't just on drawing the recruits themselves, it is the impact that occurs on their influencers, their teachers, and the people that are their mentors, enormously important in helping recruiting.

Mr. Chairman, as the Members of this Committee know well, the personnel who serve the country in uniform, active, Guard, and Reserve, are a national asset that deserves our support, but also of tremendous importance to the future of this Nation when they leave uniformed service. We need to take full advantage of the skills and the training and the attributes that they bring to this country. The Commission felt, and still, I think all the members still believe that a strong educational program is an extraordinarily effective way to meet that.

Mr. Chairman, with your indulgence, if I might just impose on your time for one more moment to recognize the work of the late Congressman Sonny Montgomery, who did such a remarkable job in laying the groundwork that allows us to be here today talking about building on this remarkable program.

Thank you, Mr. Chairman. It is a pleasure to be with you.

[The prepared statement of Mr. Wincup follows:]

PREPARED STATEMENT OF G. KIM WINCUP, FORMER VICE CHAIRMAN, CONGRESSIONAL COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE

Mr. Chairman and Members of the Committee:

It is a privilege to appear before you today on behalf of the members of the Commission on Servicemembers and Veterans Transition Assistance, and particularly our Chairman, the Honorable Tony Principi, who could not be here today.

I commend your insight in creating the Commission. Indeed Congress created it through Senate legislation, as introduced by Senator Bob Dole. The Commission's statutory purpose consisted primarily of:

• Reviewing programs that provide benefits and services to veterans and servicemembers in transitioning to civilian life/proposing steps to ensure adequacy and effectiveness of such programs; and
• Proposing improvements/determining the feasibility/desirability of consolidating the organizations administering transition benefits.

The Commission submitted its report to Congress on January 14, 1999. I've attached a copy of the report for the Committee's use.

Before discussing the Commission's work, I want to recognize this Committee for its leadership in making numerous, value-added enhancements in the Montgomery GI Bill, as enacted in Public Laws 106–419, 107–103, and 108–454. During this period, Congress increased MGIB monthly benefits from $528 to $985 per month.

Mr. Chairman, the Commission made more than 100 recommendations. Many related directly to the matters outlined in your helpful remarks concerning the all-volunteer force educational assistance programs available to our service personnel and veterans.

After extensive fact-finding and analysis, the Commission made the following judgments and recommendations:

• The Nation's military personnel represent a unique national resource to which we have a moral obligation; and in whom the Nation has made a leadership and skills investment in which it needs to capitalize long after military service.
• To meet these goals, the Commission concluded that benefits and services provided our personnel should be based on the following pillars:
  ○ Transitioning servicemembers must be accorded the means and opportunity to succeed in their civilian lives; and as a Nation we must invest in their collective talent/harness their collective ability in our domestic economy;
  ○ The unique—and often selfless—conditions of military service require sacrifices and generate equally unique needs that must be met; and
  ○ The Nation's ability to raise and maintain an effective all-volunteer, non-conscripted military force must be supported with cost-effective, value-added incentives for such service.

With respect to educational benefits, the Commission determined long-term, sustained employment as the door to a successful transition to civilian life; and education unequivocally as the key to such employment in this age of technology.

In that regard, the Commission concluded that the Nation should accord former servicemembers an educational opportunity limited only by their own aspirations, abilities, and initiative; an opportunity to be used at any educational institution in America.

More specifically, the Commission recommended that Congress enhance the Montgomery GI Bill (MGIB) for active-duty servicemembers who enlist or re-enlist for a minimum of 48 months to:

• Pay full tuition, fees, books and supplies, plus a $400 per month educational assistance allowance for up to 36 months, indexed for inflation;
• Eliminate the $1,200 pay reduction for participation;
• Furnish the Services discretionary authority to allow the transfer of this benefit to a family member; and
• Allow the servicemember 10 years from separation to use the benefit.

Enhance the MGIB for active-duty servicemembers who serve for 24 to 36 months to:

• Eliminate the $1,200 payroll deduction for participation;
• Increase the monthly educational assistance allowance to $600; and
• Allow accelerated "lump-sum" payments.

In effect, the Commission recommended a return to a World War II-type GI Bill which had paid tuition, books, and fees outright to the education or training institution; and also furnished the veteran a monthly subsistence allowance.

Mr. Chairman, since many of the bills under the Committee's consideration today broadly model the World War II GI Bill, with the Committee's permission, I'd like to offer some brief background regarding the Commission's thinking.

Although Congress designed the World War II GI Bill for a different era, a different economy, a different society, a different technology, and indeed a different veteran, in the Commission's view our Nation's obligation to the veteran remains the same; especially in a current force comprised exclusively of military volunteers.

Further, Chairman Principi in various Commission testimony, briefings, and interviews acknowledged observations of economists and scholars that the World War II GI Bill ". . . made the United States the first predominantly middle-class Nation in the world . . . and even produced the tax revenues to help fund the Mar-

shall plan to rebuild war-torn Europe." (The World War II GI Bill produced 10 Nobel Prize winners who contributed to the Nation's scientific revolution, as well.)

In its work sessions, the Commission observed the statement of former Chairman Alan Cranston, a principal author of the MGIB, during Senate deliberation on S. 12 in 1987:

> The dividends our country has already reaped from past GI Bills is so vast as to be virtually incalculable. However, it is widely accepted that for every dollar spent in GI Bill benefits, the Nation is reimbursed $3 to $6 in increased tax revenues . . .

I'd add in April 2000. Under contract to the Department of Veterans Affairs, The Klemm Analysis Group found a public MGIB benefit-to-cost ratio of $2 to $1 and private economy return of $7 to $1.

Given these empirical data, not surprisingly education emerged as the centerpiece of the Commission's report—and all twelve members supported the Commission's recommendations.

Mr. Chairman, under the law, the Veterans' Affairs and Armed Services Committees of the Senate and House selected members of the Commission. Each brought value-added experience to our task.

In my case, my views were molded by having served as a professional staff member of the House Armed Services Committee in the early 1970s when Congress created the All-Volunteer Force; and then as the Committee's Staff Director when Congress created the 1985 New GI Bill, 3-year test program; and in 1987, when Congress made the program permanent public policy, as "Montgomery GI Bill."

In 1991, while serving as Assistant Secretary of the Army for Manpower, Reserve Affairs and Logistics, I also had the privilege of observing firsthand the recruiting impact of this program during the Persian Gulf War. Some 95 percent of our technologically savvy troops had signed up for the Montgomery GI Bill when they enlisted.

What influenced my thinking in supporting the Commission recommendation essentially to return to a World War II-type GI Bill was the serious problems I saw during the first decade or so of the AVF when many Army recruits did not have a high school diploma; and the positive impact that the New GI Bill test program would have on recruiting, "college-bound" youth—especially those who scored in the upper quartiles of the Armed Forces Qualification Test.

And just as importantly, I saw the impact the words "GI Bill" had on the persons who influence potential recruits about military service—their parents, teachers, guidance counselors and coaches.

Mr. Chairman, overall the Commission viewed America's sons and daughters who wear the uniform of the United States—active, Guard and Reserve—as more than just our modern military.

We viewed them as a vibrant national leadership and economic asset that we must call upon long after their active service.

A group largely of 20 year olds who maintain multimillion dollar tactical aircraft, troubleshoot multi-billion dollar nuclear powered ships, and operate space-based technologies in our defense.

And we saw a strong educational incentive as a very effective way to maximize these leadership and skills assets.

Department of Defense, service branch and other surveys repeatedly show that an educational incentive is the one to which youth most respond in their decision to join our active-duty military. Enlistees even pay-in $1,200 of their own money to gain about $36,000 in benefits.

On the occasion of the Montgomery GI Bill's 20th anniversary on June 1 (Public 100–68), Robert F. Foglesong, President, Mississippi State University wrote:

> To date, 2.1 million former servicemembers have used MGIB benefits to reenter civilian society in valued professions such as teaching, engineering, business, banking, public service, law, and entrepreneurship, among countless others—a 20-year leadership force . . .
>
> . . . And during Fiscal Year 2006, 798,000 active-duty servicemembers pursued associate, bachelor's and master's degree part-time during off-duty hours on-base, on-ship, and on-line [through DOD's tuition assistance program]." They value education and they value serving the Nation.

Business and industry leaders like what education and service produce. Indeed the 200,000 or servicemembers who leave our military annually "personify economic strength and represent the ready workforce for the 21st century." (Bob Lutz, Vice Chairman, General Motors.)

Mr. Chairman, with your indulgence, I'd acknowledge in addition to the wisdom and foresight of former Chairman Cranston, Senators Bill Armstrong, Bill Cohen,

Spark Matsunaga, Ernest Hollings, and John Glenn; and Representatives G.V. "Sonny" Montgomery, John Paul Hammerschmidt, Bob Edgar, and Duncan Hunter who along with many others created the current Montgomery GI Bill during the 1980–1987 period.

In closing, I honor the memory of Terence "Terry" Lynch who came to the Commission's staff from the Senate Intelligence Committee and served us so well. Terry died at the Pentagon on September 11, 2001.

I pay tribute, as well, to Commission member Richard W. "Dick" Johnson, USMC (Ret.), a valued colleague and innovator. Dick furnished a lifetime of leadership to the Non-Commissioned Officers Association of the United States. Mr. Johnson died on July 4, 2004.

Thank you.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. AKAKA TO MR. G. KIM WINCUP, FORMER VICE CHAIRMAN, CONGRESSIONAL COMMISSION OF SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE

Question 1. As you know, veterans' education benefits are one of many forms of higher education financial aid. How did the Commission envision, if at all, situations where other forms of aid—such as Pell Grants—enter the equation?

Response. *(The Committee did not receive follow-up information regarding the above question.)*

Chairman AKAKA. Thank you very much, Mr. Wincup.

Now we will hear from James Bombard. Your statement, please.

STATEMENT OF JAMES BOMBARD, CHAIRMAN, VETERANS' ADVISORY COMMITTEE ON EDUCATION

Mr. BOMBARD. Chairman Akaka, Senator Murray, and Members of the Senate Committee on Veterans Affairs, I am pleased to be here today on behalf of the Veterans' Advisory Committee on Education to provide testimony on several interrelated issues: First, VA–DOD cooperation and coordination as it relates to the provision of education, earned benefits for veterans, and other eligible recipients; second, to address the proposals before the Senate dealing with the structural changes to the current Veteran Educational Benefit Programs; finally, to provide the VACOE recommendations regarding the restructuring of the GI Bill.

It is the VACOE's view that program flexibility and an efficient claims processing are the keys to a seamless transition. It should be noted that the Committee in the past made a number of recommendations designed to increase program flexibility, i.e., accelerated payment without restriction, expansion of test reimbursement, removing or extending the delimiting date, equalizing the benefit of OJT and apprentice programs in relationship to IHLs and NCDs, and also removing wage progressions for municipal employees under the OJT Apprentice Program.

Seamless transition is difficult to accomplish because when the Montgomery GI Bill was created, it was both similar and different from previous GI Bills. It was similar in that it provided a benefit for veterans who chose to enroll in an educational program in an approved institution and paid the benefits on a pro rata basis. It was different because previous education programs, special rules provided higher education benefit levels for a person having eligibility for prior Vietnam education programs and lower benefits for persons enlisting for a period of less than three years.

Another unique feature of the GI Bill was that it authorized benefits for those in the Selected Reserve, the Chapter 1606 program. Additionally, the MGI Bill authorized kickers or additional monthly

benefits for certain veterans of certain military occupations and buy-ups for veterans seeking higher monthly rates.

In addition to the aforementioned features, which add substantial complexity to eligibility and payment amount determinations, other provisions made the MGIB more complicated than previous education programs. Legislation authorizing persons eligible for earlier programs to choose to become eligible for the MGIB, special top-off, tuition assistance, and accelerated licensing certification benefits were authorized. Most recently, Chapter 1607 was created for people activated on active duty. The eligibility rules and benefit rates for these servicemembers are different than those for persons who enlist for two or three years in the active duty program or who enlist in the regular Selected Reserve.

To further compound the issue, the adoption of the Total Force Structure made the Reserve and Guard an integral part of the active-duty force. Hence, some veterans become eligible for multiple programs—Chapter 1606, Chapter 1607, and the active duty bill, Chapter 30.

Congress created new initiatives designed to shore up existing deficiencies in the current MGIB without dealing with the administrative problems inherent in trying to integrate new program components in the established Montgomery GI Bill.

As a result of the proliferation of eligibility categories and benefit levels, fewer educational claims are straightforward. The complexities of a number of new GI Bill opportunities has resulted in a cumbersome data management system that does not timely respond to the needs of the veterans and other GI Bill-eligible participants. Particularly time consuming is the continuous communication between DOD and DVA regarding multiple program eligibility.

The existing array of supplemental GI Bill programs coupled with multiple program eligibilities suggest a strong need for a comprehensive GI Bill, as outlined in the VACOE letter to the Secretary and to Congress on July 8, 2005 entitled, "The Total Force GI Bill." It is the Committee's belief that the DVA Education Service, in conjunction with Congress, can create an effective, efficient claims processing system by adopting the following: Restructure the GI Bill, adopt a total force, thus streamlining claims processing; create a synergistic relationship with Congress to ensure feasibility and support for any additional programs associated with the GI Bill; improve information exchange between DOD and DVA—the need for constant communication between DOD and DVA would be minimal if we restructured the GI Bill; invest in the state-of-the-art IT system; hire additional staff or, at a minimum, maintain budgeted FTEs.

Second, as per Chairman Akaka's request, the following are VACOE's views on the substantive GI Bill proposals before the Senate. I have addressed each bill in my testimony, and if I address them now, I won't make the 5 minutes. It doesn't look like I will make it anyway, but——

Chairman AKAKA. That will be included in the record.

Mr. BOMBARD. OK. Thank you. Additionally, as per the Chairman's request, is the Veterans' Advisory Committee on Education's recommendation regarding the Montgomery GI Bill. VACOE has

focused on consolidating—VACOE is the Advisory Committee—Veterans' Education Benefit Programs into a single total force structure, placing them in a department where veterans' advocacy is the first priority, and ensuring that a fair framework for providing benefits commensurate with the nature of military service is established and maintained.

The architecture of any GI Bill is very important. Shifting funding out of Title 10 and placing responsibility for all GI Bill administration in the proper cabinet department is the key of any future effort to improve the administration and fundamental fairness of the GI Bill.

In conclusion: The famed risk-reward ratio follows the same natural calculus as the supply and demand curve. No one in this country can honestly say that the risks for our Reservists have not increased of late. This proposed total force GI Bill seeks to address at least part of the reward scheme for those Reservists who are being asked to risk the most. If implemented, we envision for the individual Selected Reservist a win for the Armed Services and a win for the national security. Current GI Bill different titles, Total Force I, confusing; Total Force, straightforward. Multiple committees, half the committees. Costly redundancies, Total Force saving through efficiencies. Different benefits for different risks, same benefits for same risks. Delimiting date inequities, same delimiting date for everyone. Modest retention incentive, increased retention incentive. No Sel Res readjustment benefits in the old bill, Sel Res readjustment benefits for Reservists. Differing rules for recruiters—it is confusing out there, the same rules for recruiters. Recipients are confused, simplified for the recipients. Staff training complexities, staff training simplified.

The Total Force proposal provides a unique opportunity to create a comprehensive GI Bill that is both fair and simple. Its eloquence is its equity and simplicity. The question always raised by Congress when considering the GI Bill is, "can we afford it?" Well, I don't think we can afford not to.

Thank you for the opportunity to present my views. The full report will have attachments that will outline the proposal in detail. I am prepared to take your questions.

[The prepared statement of Mr. Bombard follows:]

PREPARED STATEMENT OF JAMES BOMBARD, CHAIRMAN, VETERANS' ADVISORY COMMITTEE ON EDUCATION, DEPARTMENT OF VETERANS AFFAIRS

INTRODUCTION

Chairman Akaka, Ranking Member Craig and Members of the Senate Committee on Veterans Affairs, in accordance with the statutory charter set out in Section 3692, 38 U.S. Code, I am pleased to appear before you today on behalf of the Veterans' Advisory Committee on Education (VACOE) to provide testimony on several interrelated issues. First, the VA/DOD cooperation and coordination as it relates to the provision of education earned benefits for veterans and other eligible recipients. Second, to address the proposals before the Senate dealing with structural changes to the current veterans education benefit programs. Finally, to provide the VACOE recommendations regarding the restructuring of the GI Bill.

SEAMLESS TRANSITION PROGRAM FLEXIBILITY AND CLAIMS PROCESSING

It is the Advisory Committee's (VACOE) view that program flexibility and efficient claims processing are the keys to a veteran's seamless transition of providing earned education benefits to eligible participants. It should also be noted that in the

past the Committee made a number of recommendations designed to increase program flexibility, i.e., accelerated payment without restriction, expansion of test reimbursement, removing or extending the delimiting date, equalizing the benefit for OJT/Apprentice programs in relation to IHL and NCD education/training programs, and removing restrictions on wage progression for municipal employees.

The reason seamless transition is difficult to accomplish is that when the Montgomery GI Bill was created by legislation in 1984, it was both similar and different from previous GI Bills. It was similar in that it provided a benefit for veterans who chose to enroll in an educational program at an approved education or training institution. Like the previous programs the maximum benefit was payable to veterans training full-time, with prorated amounts available for veterans training three-quarters time, half time, or less than half time. The level of benefits also depended on whether a veteran was attending a traditional degree-granting institution or was enrolled in on-the-job training, apprenticeship, or cooperative training programs. It was different because previous Education Programs (EP), special rules provided higher benefit levels for persons having eligibility for the prior Vietnam-era EP, with lower benefits authorized for persons enlisting for a period of less than 3 years. Another unique feature of the Montgomery GI Bill (MGIB) was that it authorized benefits for those in the Selected Reserve (Chapter 1606 program), although the maximum monthly benefit was much lower than the Active Duty rate. Additionally, the MGIB authorized "kickers", or additional monthly benefits for certain veterans in certain military occupations and "buy-ups" for veterans seeking higher monthly benefits.

In addition to the aforementioned features which add substantial complexity to eligibility and payment amount determinations, other provisions made the MGIB more complicated than previous EPs. The inadequacies of EPs which preceded the MGIB led to legislation authorizing persons eligible for earlier EPs to choose to become eligible for the MGIB. Special "top-off" tuition assistance benefits and "accelerated" or licensing and certification benefits were also authorized. Most recently, a new "Chapter 1607" EP was created for "Reserve Component Members Supporting Contingency Operations and Certain Other Operations." The eligibility rules and benefit rates for these servicemembers are different than those for persons who enlist for 2 or 3 years in the Active-Duty program or who enlist in the regular Selected Reserve.

To further compound the issue, the adoption of the Total Force structure, made the Reserve/Guard an integral part of the active duty force. Hence, some veterans became eligible for multiple programs i.e., Chapter 1606, 1607 and 30.

Congress, although well meaning, tends to create new initiatives designed to shore up existing deficiencies in the current MGIB, without dealing with the administrative problems inherent in trying to integrate new program components in the established MGIB. As a result of the proliferation of eligibility categories and benefit levels fewer educational claims are straightforward. The complexities of a number of new GI Bill opportunities have resulted in a cumbersome data management system that does not timely respond to the needs of veterans and other GI Bill eligible recipients.

The VACOE witnessed varying systems at DVA regional offices that were not integrated. This created unnecessary, time consuming work for adjudicators and other VA claims processing personnel. Particularly time consuming was the continuous communication between DOD and DVA regarding multiple program eligibility.

The existing array of supplemental GI Bill programs, coupled with multiple program eligibility, suggest a strong need for a comprehensive GI Bill program as outlined in the VACOE letter to the Secretary on July 8, 2005, entitled Total Force GI Bill.

It is the Committee's belief that the DVA Education Service, in conjunction with Congress, can create an effective, efficient claims processing system by adopting the following:

(1) Restructure the GI Bill; i.e., Total Force, thus streamline claims processing.

(2) Create a synergistic relationship with Congress in order to ensure feasibility and support for any additional programs associated with the GI Bill.

(3) Improve information exchange between DOD and DVA. The need for constant communication between DOD and DVA would be minimal with restructure of GI Bill.

(4) Invest in state-of-the-art IT systems.

(5) Hire additional staff to do claims processing or at a minimum maintain budget direct FTEs.

As per Chairman Akaka's request, the following are VACOE's views on the substantive GI Bill proposals before the Senate Veterans' Affairs Committee. The fol-

lowing analysis and recommendation on the various GI Bill proposals before the Senate are based on the principles of equity, portability/readjustment and simplicity. Principles upon which the VACOE's Total Force recommendations were based.

S. 22, POST-9/11 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2007

VACOE supports the intent of S. 22. The current Montgomery GI Bill is not geared to realistically fund the cost of higher education/training. S. 22, by establishing a cap on the GI Bill at the highest rate at state public universities, and also providing board room, fees, and $1,000 stipend, would better enable veterans to realize their earned right to attend college or vocational training for which they are best suited.

It is the VACOE's belief that with the benefit rate increased as outlined in S. 22 capped at the highest cost of a public institution, coupled with room and board, plus $1,000 a month stipend, would provide veterans more choices when they decide on higher education and training, and therefore, the Committee supports the benefit rate structure put forth in S. 22. Although providing an attractive rate schedule, S. 22 does not address the basic structural problem with the current GI Bill. In fact, it adds another chapter to Title 38 U.S.C. which further complicates its administration.

What is needed in addition to a realistic benefit rate level is a GI Bill that is in consonance with today's Total Force structure, a bill that incorporates equity, readjustment and simplicity for all. Overall VACOE supports increasing the benefit rate geared to the cost of today's higher education and training. It also supports the intent of Post-9/11 Veterans Educational Assistance Act of 2007 which is designed to provide significant education benefits for GI Bill recipients.

S. 698, THE VETERANS' SURVIVORS EDUCATIONAL ENHANCEMENT ACT OF 2007

S. 698 would adjust the Survivors' and Dependents' Educational Assistance Program by increasing the benefit to $80,000 and permitting dependents to draw against the sum for any period between the ages of 17 and 30. The VACOE supports enhancing educational assistance for survivors and dependents of veterans, but the Committee has not, at this time, studied the issue in depth. Therefore, the VACOE does not have a definitive recommendation on S. 698.

S. 1261, the Montgomery GI Bill for Life Act of 2007, would eliminate the 10-year time limits within which a veteran must use educational assistance benefits under the Montgomery GI Bill and make benefits available to eligible veterans at any point in their lifetime. The VACOE in the past has and continues to support the removal of the delimiting date for utilization of GI Bill educational benefits. The frequent life interrupting, long term deployments being experienced by both active duty and Reserve members make it extremely difficult to complete college or vocational training within a 10-year time frame. The Committee, after careful study and discussion regarding the purpose of the GI Bill, the need for lifelong learning and the possibility of frequent interrupting deployments, concluded that the delimiting date needed to be rescinded. The VACOE supports S. 1261 which repeals the time limits on the GI Bill, but would also recommend inserting language permitting members Reserve components to use REAP benefits when eligible and after completion of service contract.

S. 1293, the Veterans' Education and Vocational Benefits Improvement Act of 2007 is a step toward solving the problems between military service and earned benefits, particularly with the Guard and Reserve. The Committee agrees it would be better to change the benefit qualifier to cumulative rather than continuous. However, to address the issue of equity the benefit would be better served by providing one month of benefit for each month a full-time Guard or Reserve member is activated.

The Committee has supported accelerated payment in the past and continues to support the concept. This is particularly true when veterans are enrolled in high cost, short term educational/training programs that lead to vocational or professional objectives. The Committee also recognizes the potential for abuse and overpayment. The budgetary implications make accelerated payment proposals controversial. Therefore, the Committee recommends DVA work closely to adopt an accelerated payment provision that both meets the needs of our veterans and is fiscally responsible.

S. 1409, the "21st Century GI Bill of Rights" introduced by Senator Hillary Clinton. This bill would establish an education program modeled on the WWII GI Bill

with payment of tuition (capped at national average rate), fees, room and board, and books.

The VACOE believes that veterans have earned the right to attend college or the vocational training for which they are best suited; we have every reason to believe that the higher education community supports that notion. However, the tuition reimbursement benefit under the MGIB unintentionally restricts veteran options by authorizing benefit rates geared to the cost of higher education at state supported colleges and universities.

The Committee recommended that DVA Secretary Nicholson send a letter to private colleges and universities encouraging private institutions to recruit today's veterans by offering financial assistance that would supplement the benefits of the Montgomery GI Bill. The VACOE believes that the attendance of veterans at private colleges and universities, as well as public institutions, would enhance the education of both veterans and non-veteran students currently enrolled, and increase the diversity that most of these institutions are seeking.

It is the Committee's belief that increasing GI Bill benefits as outlined in S. 1409 would indeed enhance the possibility of achieving the aforementioned objective.

Therefore, the Committee supports the benefit rate proposal put forth in S. 1409. The Bill in total does not, however, address the structural problems with the current GI Bill. Although it provides an attractive benefit rate, it complicates GI Bill administration by adding an additional chapter to Title 38, U.S.C. What is needed is to restructure the GI Bill in total that is equitable, portable and simple.

Overall the Advisory Committee supports the intent of S. 1409 to increase benefits commensurate with the cost of today's higher education/training. The VACOE has no position on Section 3 and 4 of S. 1409.

S. 1719 would provide additional educational assistance under the Montgomery GI Bill to veterans pursuing a degree in science, technology, energy or math. The Advisory Committee encourages and supports increasing educational opportunities that would enhance national security. The Committee, however, has not studied the issue in depth and is unable to at this time comment on the provisions of S. 1719.

S. 644, the Total Force Education Assistance Enhancement and Integration Act of 2007 re-codifies Title 38 U.S. Code, the provision of Chapters 1606 and 1607 of Title 10 U.S.C. relating to educational assistance for the members of the Reserve components of the Armed forces. The VACOE strongly supports this legislation as it addresses the issues of equity, simplicity of administration, and readjustment for those reservists eligible under Chapter 1607. It is the Committee's view that not to provide a post service benefit for eligible Guard and Reserve veterans is a flagrant in equality.

This legislation supports a GI Bill that incorporates the principles outlined in the VACOE's proposal, equity—equal benefit for equal service; portability/readjustment—the ability to utilize benefits after completing Reserve service; simplicity—understanding benefits available to veterans by everyone concerned as well as ease of administration. This proposed legislation would, by adopting the VACOE's recommendation to re-codify Chapter 1606 and 1607 of Title 10 U.S.C. to Title 38 U.S.C. and creating a 3-tier structure, simplify the MGIB.

(1) The first tier—similar to the current Montgomery GI Bill—Active Duty (MGIB–AD) 3-year rate—would be provided to all who enlist for active duty. Service entrants would receive 36 months of benefits at the AD Rate.

(2) The second tier or level would be for all who enlist or re-enlist in the SelRes for 6 years, and this would entitle them to 36 months of benefits at a pro-rata amount of the active duty rate, (the suggested rate if 35 percent of the MGIB–AD rate).

(3) The third tier would be for members of the SelRes/IRR who are activated for at least 90 days. They would receive one month of benefit for each month of activation, up to a total of 36 months, at the active duty rate. The intent is to provide the same level of benefit as the active duty rate for the same level of service.

3a. These months of full benefits would replace, month-for-month, any SelRes entitlements at the second tier.

3b. The maximum benefit a member of the SelRes could receive under this program would be the equivalent of 48 months at the active duty rate.

The architecture of any future GI Bill is very important. Shifting funds out of Title 10 and replacing responsibility of all GI Bill administration in the proper cabinet department (DVA) is the key of any future efforts to approve the administration of the fundamental fairness of the GI Bill.

Realizing this is a complex issue relating to educational benefits jurisdictional concerns and the potential impact on national defense personnel issues, I can assure the Committee that the VACOE, after almost 2 years of developing the Total Force

proposal, could find no convincing evidence that the REAP benefit calculation would be detrimental to reservists nor that portability of benefits under Chapter 1607 would adversely effect retention. The Committee believes that this Total Force legislation would in fact benefit veterans and increase recruitment and retention. The VACOE strongly supports this legislation.

S. 723, the Montgomery GI Bill Enhancement Act of 2007, is a Bill to provide certain enhancements to the Montgomery GI Bill Program for certain individuals who serve as members of the Armed Forces after the September 11, 2001 terrorist attacks, and for other purposes.

The Montgomery GI Bill Enhancement Act of 2007 exempts members of the Armed Forces and Selected Reserve on active duty between November 16, 2001 and the termination date of Executive Order 13235 from the mandatory payroll deductions ($100 for the first 12 months of active duty pay) under the veterans' basic educational assistance program. It provides for reimbursement of payroll deductions taken prior to the enactment of this Act. Allows such members to withdraw an election not to receive basic educational assistance.

VACOE has in the past recommended to eliminate the $1,200 payroll deduction and to also provide an opportunity to withdraw an election not to receive basic educational assistance. The reimbursement issue may create an undo administrative burden, therefore, it might be better to utilize those funds to offset the cost of any future GI Bill. The VACOE supports both the elimination of the $1,200 payroll deduction and the ability to withdraw an election not to receive education benefits. The Advisory Committee has not studied the reimbursement issue, therefore has no position on that provision.

Additionally, as per Chairman Akaka's request is the Veterans' Advisory Committee on Education's recommendation regarding the MGIB. VACOE has focused on consolidating veterans' education benefit programs into a single Total Force structure placing them in the department where veterans advocacy is the first priority and ensuring that a fair framework for providing benefits commensurate with the nature of military service is established and maintained.

TOTAL FORCE

The Advisory Committee, after nearly 2 years of studying the Montgomery GI Bill (MGIB), recommended a fundamental change to the structure of the MGIB; and also put forth the framework for a new GI Bill that reflects the realities of the Total Force policy.

It is the Committee's belief that this restructuring is necessary to incorporate program flexibility, ease of administration and equity of service rendered.

Both the Active Duty and Selected Reserve (SelRes) programs share the same name and are part of the same legislation, but they have different purposes. The Active Duty (AD) program revolves around recruitment and transition/readjustment to civilian status while the SelRes program is designed to promote recruitment and retention, with no regard for readjustment or transition.

The current GI Bill programs did not consider DOD's use of the SelRes for all operational missions. Under this policy the SelRes and some members of the Individual Ready Reserve (IRR) are considered integral members of the Total Force. Reserve members who are faced with extended activations require similar transition and readjustment benefits as those available to separating AD service men and women. Although the new Reserve GI Bill educational benefits program authorized under Chapter 1607 of Title 10, U.S. Code attempts to address this issue, it remains primarily a retention tool, requiring continued Reserve service.

For these reasons we recommend replacing the separate GI Bill programs for veterans and reservists with one program that consolidates all GI Bill programs under one umbrella (Title 38, United States Code). This would include enrolling all currently eligible personnel in Chapters 30, 1606 and 1607 in the new Total Force GI Bill. This approach will add value to the Montgomery GI Bill (MGIB) as a recruitment and retention tool for the Armed Forces, including National Guard and Reserve; establish equity of benefits for returning Guard and Reserve members; support Congress' intent for the MGIB (see Attachment C); and potentially save taxpayer money through improved administration.

BACKGROUND

In the twenty years since the Montgomery GI Bill went into effect on June 30, 1985 the Nation's security environment has changed radically from a fixed cold war to a dynamic "Global War on Terror." In 1991, the Active Duty Force (AF) of the Military stood at 2.1 million; today it stands at 1.4 million.

Since 9/11 more than 480,000 members of the 860,000 Selected Reserve (SelRes) have been activated. Today approximately 40 percent of troops in Iraq are Guardsmen or Reservists.

Despite this, the Montgomery GI Bill (MGIB) and the Montgomery GI Bill—Selected Reserve (MGIB—SR) still reflect the situation that existed in 1984. Then the members of the Selected Reserve rarely served on active duty. The idea that any projection of U.S. power would require the activation of at least some reservists was never considered in creating these programs.

Because most reservists have both careers and families which are embedded in towns and cities across the country, these activated citizen-soldiers—mayors, police chiefs, firefighters, and small business owners—face additional burdens as financial and career obligations mount, while their families, employers, and communities frequently face significant sacrifices and hardships as well.

This has led to inequitable situations. First, Selected Reserve members and members of the Individual Ready Reserve (IRR) may be called to active duty for considerable periods, but less than 2 years. When they return to civilian life, what is available to help them readjust? They have nothing at all if their active duty is at the end of their 6-year commitment to the Selected Reserves.

PROPOSED TOTAL FORCE

GI Bill In the face of these dramatic changes in the nature of Reserve Force (RF) usage, and recognizing that the Active and Reserve Forces have become inextricably integrated as a Total Force, the Committee is proposing an updated GI Bill which accepts the new security realities of the open-ended Global War on Terror, the recruiting and retention issues which arise from it, and the expanded role that the RF plays in this modern era. The current members of the RF are being asked to perform in a manner literally unprecedented since WWII.

As the distinctions between the active and Reserve force continue to diminish the difference in treatment between the active and Reserve forces in the GI Bill should decline accordingly. Benefits need to remain commensurate with sacrifice/service.

From 1985 through 1990, a period of relative quiescence for the RF, Reservists, under Chapter 1606 of Title 10 U.S.C., were receiving 47 percent of the educational benefit of active force Montgomery GI Bill participants. That 47 percent rate remained in effect until roughly the turn of this century when the MGIB was significantly enhanced for the Active Force.

Since 1990 the percentage of educational benefit for reservists has declined from 47 percent to 29 percent of the active force educational benefit, and this decline took place during a period when the involuntary mobilization of reservists had begun to accelerate significantly.

The new Total Force GI Bill seeks to move all GI Bill benefits to one title, Title 38 U.S.C., and to recognize the added educational benefit which should accrue from additional active service.

This concept would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve: a MGIB active duty 3-year rate, a pro rata SelRes rate, and a SelRes activated rate which is equivalent to the active duty rate on a month-to-month basis after 90 days service.

See Attachment A for additional detail concerning the proposed Bill.

Chapters 35 and 31 remain as before.

BENEFITS OF NEW GI BILL

We anticipate a number of positive effects from this new GI Bill:

• The additional educational benefit for active duty service provides a necessary one-to-one equity for arduous time served by individuals in uniform whether AF or RF.

• Under the current Chapter 1606, reservists have 14 years from the beginning date of eligibility to use their benefits in service. As a result many reservists reach the delimiting date while they are still serving in the Selected Reserve. A provision in the proposal would extend the time frame during which reservists could utilize the education benefit.

• A provision allowing reservists ten (10) years from the last active/activated duty to utilize their educational benefit adds a transition and readjustment element to the traditional recruiting and retention elements of the Reserve Component of the GI Bill. This is precisely what is now needed since the extended arduous duty of the reservist requires transition and readjustment very similar to active forces.

• Placing the Total Force GI Bill within Title 38 U.S.C. will simplify the administration of GI educational benefit for all members of the Armed Services both AF and RF, and ensure all future benefits are upgraded equitably. (See Attachment B)
• The GI Bill also has traditionally been viewed as a grateful Nation's way of showing its appreciation for the sacrifices of service, separation, and combat. The new GI Bill reflects the new realities which have transformed this Nation's security environment since the second week of September 2001.

CONCLUSION

No amount of skill compensates for a lack of manpower. In order to continue to deter actual and potential adversaries now and in the future, we must continue to attract the finest among the willing and capable. It is imperative that the forces continue to attract and retain high quality men and women to assure the Nation's collective security.

The famed risk-reward ratio follows the same natural calculus as the supply and demand curve. No one in this country can honestly say that the risks for our reservists have not increased of late. This proposed Total Force GI Bill seeks to address at least part of the reward scheme for those reservists who are being asked to risk the most.

During a period when a significant portion of those who sign up for duty, whether in the active force or in the Reserve force, say that they do so, specifically, for the educational benefits, it is important to boost recruitment as much as possible by means of this proven approach.

By allowing Reserve Force (RF) retirees to utilize the benefit for ten (10) years following retirement, we are both boosting retention as well as rewarding the rigors of activation and mobilization.

Because the Reserve component has come to more closely resemble the active component, it is time that the educational benefits for the Reserve component come to more closely resemble those of the active component. That, in short, is what our proposal, the Total Force GI Bill, seeks to do.

If implemented, we envision wins for the individual Selected Reservist, a win for the Armed Services, and a win for our national security.

Summary of Differences

Current MGIB	Total Force GI Bill
Different Title	One title.
Confusing	Straight Forward.
Multiple Committees	Half the Committees.
Costly redundancies	Savings through Efficiencies.
Different Benefits for same Risks	Same benefit for same Risks.
Delimiting date inequities	Fair delimiting dates.
Modest retention incentive	Increased retention incentive.
No SelRes readjustment benefit	SelRes Readjustment benefit.
Differing Rules for Recruiters	Same Rules for all Recruiters.
Inequitable Upgrades	Equitable Upgrades.
Recipients confused	Simplified for Recipients.
Staff Training Complexities	Staff Training Simplified.

This Total Force proposal provides a unique opportunity to create a comprehensive GI Bill that is both fair and simple. Its eloquence is its equity and simplicity.

The question always raised by Congress when considering the GI Bill is can we afford it. Well, I don't think we can afford not to.

[Attachments A, B, and C follow:]

ATTACHMENT A—TOTAL FORCE GI BILL

This Bill would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve.

1. The first tier—similar to the current Montgomery GI Bill—Active Duty (MGIB–AD) 3-year rate—would be provided to all who enlist for active duty. Service entrants would receive 36 months of benefits at the AD Rate.

2. The second tier or level would be for all who enlist or re-enlist in the SelRes for 6 years, and this would entitle them to 36 months of benefits at a pro-rata

amount of the active duty rate, (the suggested rate is 35 percent of the MGIB–AD rate).

3. The third tier would be for members of the SelRes/IRR who are activated for at least 90 days. They would receive 1 month of benefit for each month of activation, up to a total of 36 months, at the active duty rate. The intent is to provide the same level of benefit as the active duty rate for the same level of service.

3a. These months of full benefits would replace, month-for-month, any SelRes entitlements at the second tier.

3b. The maximum benefit a member of the SelRes could receive under this program would be the equivalent of 36 months at the active duty rate.

An individual would have up to 10 years to use the active duty or activated-service benefit from their last date of active/activated duty or Reserve service, whichever is later. A Selected Reservist could use remaining second tier MGIB benefits as long as he/she were satisfactorily participating in the SelRes, and for up to 10 years following separation from the Reserves, in the case of separation for disability or qualification for a Reserve retirement at age 60.

ADDITIONAL PROVISIONS

All provisions (e.g., additional contributions), and programs (e.g., accelerated payment, approved test reimbursement, etc.) eligible for payment under the current MGIB–AD would be available under all three levels.

DOD INCENTIVES

Under this plan DOD would continue to be able to provide Recruitment and Retention incentives such as loan repayment, kickers-college fund, and enlistment bonuses.

ATTACHMENT B—TOTAL FORCE GI BILL PROGRAM

The following improvements would accrue to GI Bill program administration by adopting the new Total Force GI Bill:

- The MGIB and the MGIB–SR do not pay for the same training although there is no logical reason why they shouldn't. This is the result of having funding of MGIB–SR the responsibility of DOD, while the funding of basic MGIB is VA's responsibility. Thus, bills affecting MGIB–SR are referred to the Senate and House Armed Services Committees (SASC and HASC) while bills affecting MGIB are referred to the House and Senate Veterans' Affairs Committees (HVAC and SVAC).
- These problems could be addressed by replacing the separate GI Bill programs (Chapters 30, 1606 and 1607) with one consolidated program under Title 38, U.S. Code. This new bill would have a continuum of benefits that matched the continuum of possible service.
- It would provide monthly benefits for activated Selected Reservists and reservists from the Individual Ready Reserve with no prior service qualifying for MGIB that is proportionate to their actual active duty.
- It would put funding for the benefits for those in the Selected Reserve with VA.
- It would make the types of training uniform for all in the Armed Forces who would be eligible for this GI Bill.
- One set of rules covering one GI Bill would allow for better understanding of the program by recruiters, beneficiaries, stakeholders and program managers.
- Training new claims examiners and processing claims would be easier and more efficient as there would be one set of rules.
- Systems costs would be lower for the new program as the other systems would no longer be required.
- Since there would be one program and one set of rules, there would not be inconsistent and inequitable structuring of benefit levels.
- VA would be responsible for all basic benefit payments, and would be reimbursed by the agency concerned for any additional payments made through "kickers." Currently, the selected Reserve basic payment is reimbursed to VA and managed either by DOD or DHS. The benefit is that no "basic" award would have to be managed outside of and reimbursed to VA, but the agency concerned would maintain the flexibility to channel critical specialties provided under the current programs.

Attachment C

Sec. 3001. Purposes Page 1 of 1

United State Code
TITLE 38 - VETERANS' BENEFITS
PART III - READJUSTMENT AND RELATED BENEFITS
CHAPTER 30 - ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM
SUBCHAPTER I - PURPOSES; DEFINITIONS

U.S. Code as of: 01/26/1998

Sec. 3001. Purposes

The purposes of this chapter are -
(1) to provide a new educational assistance program to assist in the readjustment of members of the Armed Forces to civilian life after their separation from military service;
(2) to extend the benefits of a higher education to qualifying men and women who might not otherwise be able to afford such an education;
(3) to provide for vocational readjustment and to restore lost educational opportunities to those service men and women who served on active duty after June 30, 1985;
(4) to promote and assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces by establishing a new program of educational assistance based upon service on active duty or a combination of service on active duty and in the Selected Reserve (including the National Guard) to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces;
(5) to give special emphasis to providing educational assistance benefits to aid in the retention of personnel in the Armed Forces; and
(6) to enhance our Nation's competitiveness through the development of a more highly educated and productive work force.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LARRY E. CRAIG TO JAMES BOMBARD, CHAIRMAN, VETERANS' ADVISORY COMMITTEE ON EDUCATION, DEPARTMENT OF VETERANS AFFAIRS

Question 1. Some of the testimony provided for the hearing reflects concerns that reservists' education benefits have not increased at the same rate as active duty benefits. Yet, under the "Total Force GI Bill" concept that the Veterans' Advisory Committee on Education supports, some Guard and Reserve members who have been called to active duty since September 11, 2001, would actually receive *less* benefits than they would under the current Reserve Educational Assistance Program. Does your Committee believe the benefits for some activated Guard and Reserves are actually too rich?

Response. Merely asking the question suggests a belief that such a position is reasonable. Of course, it is not a careful reading of the Veterans' Advisory Committee on Education (VACOE) Total Force proposal or the response of the VACOE to DOD DVA working group report (both of which were provided to the SVAC and specifically to the Chairman and Ranking Member would provide that the answer is "NO". (See enclosed addendum report concerning that issue.) However, in the unlikely event your assumption is correct we would propose a hold harmless provision. In sum, however, the Committee believes in providing equal benefits for equal service (I am sure you agree), and in the aggregate the Total Force proposal accomplished this end.

Question 2. As you know, under the Total Force GI Bill concept, the Guard and Reserve education programs would be moved to title 38 of the United States Code. Your Committee has expressed the view that the Department of Veterans Affairs (VA) is "the proper cabinet department" to have responsibility for these programs. On the other hand, the Department of Defense (DOD) has testified that "[p]lacing a military force management program under VA is inconsistent with the Agencies' purpose and responsibilities." Do you agree that these programs primarily serve as

a "force management" tool? If so, why would you want to take that tool away from DOD?

Response. As I am sure you are aware when the Total Force Structure was adopted by DOD, National Guard and Reserve Forces became an integral part of the active duty force. Therefore when Reserve and Guard personnel are activated they become eligible for veteran benefits and are considered veterans.

By consolidating veterans education benefit programs into a single Total Force structure, placing them in the department where veterans advocacy is the first priority and ensuring that a fair framework for providing benefits commensurate with the nature of military service is established and maintained will not only improve the administration and fundamental fairness of the GI Bill, but also provide a more efficient and effective force management tool for DOD.

There is no significant evidence that moving Reserve and Guard education programs to title 38 would diminish their effectiveness as a force management tool. On the contrary, it would increase its effectiveness both as a recruiting and retention tool as it provides tangible incentive for reservists who know they will be called up routinely during their service commitment.

Chairman AKAKA. Thank you very much, Mr. Bombard.

And now we will hear from Chancellor Jones.

STATEMENT OF ALLISON G. JONES, ASSISTANT VICE CHANCELLOR, CALIFORNIA STATE UNIVERSITY SYSTEM

Mr. JONES. Good morning, Chairman Akaka and Senator Murray. Thank you for the opportunity to discuss California's Troops to College initiative. We commend the Committee for its attention to exploring ways to provide enhanced educational access to our men and women who have served their country by ensuring all those who choose to do so can pursue an education.

Governor Arnold Schwarzenegger launched the Troops to College initiative in March of 2006 to make California the Nation's leader and model in providing educational opportunities and assistance to active duty servicemembers and to veterans. Because of the education benefits earned by our military men and women and diversity of California public colleges and universities, California recognized that much more could be done to serve its veterans and servicemembers to provide them with access to a high-quality, affordable education.

The Governor responded aggressively, creating an oversight committee to monitor the progress of implementing this initiative consisting of the California Secretaries of Education, Labor, and Workforce Development, and Veterans Affairs, the military commanders of all military service branches, and the leaders of the three public university systems, which includes the California State University Chancellor Charles B. Reed. The Governor also appointed a work group with representatives from the military, higher education, and Governor's staff. This work group established five task forces to address the challenges and roadblocks and to identify successful strategies to implement California's Troops to College initiative.

To achieve these outcomes, California's public colleges and universities are in the process of expanding and developing outreach programs, academic advising, financial aid advising, and admission opportunities for active duty servicemembers and veterans. In addition, the delivery of instruction both in a distance mode as well as on military bases is being implemented and expanded.

Why did the Governor direct California to implement this initiative? California is home to an extraordinary number of veterans and active duty servicemembers. For example, California leads the

Nation in the number of veterans. Over 2 million of the Nation's 24 million veterans reside in California. Of active duty men and women in the United States Armed Forces, nearly 12 percent are from California. In addition, over 20,000 active Air Force and Army National Guards are stationed in California.

The Montgomery GI Bill education benefit is the principal reason American men and women enter the U.S. military. In fact, we are told almost 96 percent of the veterans are enrolled in the Montgomery GI Bill. While approximately 70 percent utilize some portion of their benefits, according to the Department of Veterans Affairs, there are other sources that tell us that less than half actually use the benefits to the completion of a degree, and that concerns us.

While the current usage of these benefits is difficult to pin down precisely, it is clear that the veterans and active duty servicemembers are under-utilizing the outstanding and affordable public educational options available to them in California.

California provides high-academic quality, low-cost universities and colleges, and it represents a tremendous untapped opportunity for our exiting veterans as well as for the men and women stationed in California on active duty, both for California residents and for servicemembers who are stationed in California who are residents of other States. There are three public systems of higher education in California. The California State University has 23 campuses, the University of California has 10 campuses, and there are 109 California two-year Community Colleges.

Yet with 42 two- and four-year colleges and universities with a combined enrollment of over three million students, we can identify approximately only 10,000 veterans enrolled on our campuses who are using their GI Bill education benefits, and this is what caught our attention.

A number of challenges were identified as we began to implement this initiative. These included the need for improved communication among all stakeholders, especially increasing the understanding in the higher education community about relevant military and veteran matters, and conversely, improving the understanding in the military community about California's public institutions of higher education and the opportunities.

Additional operational challenges were identified and have been or are being addressed actively, such as the access of college representatives to military installations, and in a like manner, access of military representatives to college campuses; transfer of credit for military training and experience; tuition waiver programs; expansion of on-base university outreach programs; increased regional coordination between our military bases and colleges; explanation of benefits; and the need for campus veterans support teams. One of the very first steps the California State University took was to convene two State-wide meetings just to explain the military education benefits to the colleges and universities as well as tuition waivers available to the military.

California has made considerable progress in working through these issues and obstacles, especially in enhancing the understanding and collaboration between and among our stakeholders. We are working actively with the military Transition Assistance

Programs, which in California, is housed in our Department of Labor and Workforce Development. We are establishing campus veterans support teams so that the men and women who actually arrive at our campuses have the support once they arrive. We are reviewing credit transferability procedures with an eye toward advantaging the veteran. We are reviewing the Armed Forces Vocational Aptitude Test for possible use in lieu of the SAT and the ACT. Finally, we are working with the American Council on Education and military representatives to provide academic advising and education opportunities to severely wounded soldiers.

There are two special initiatives that the California State University is exploring that I want to highlight very briefly. The California State University is actively reviewing the veteran courses and experience to determine if work that is acceptable as elective credit might, in fact, satisfy campus general education and lower-division major prerequisite course requirements. To give credit on top of what is required for a degree is nice, but it does not move that student or the veteran on a more timely fashion towards completion of that degree, and we want to shorten the time to degree by offering credit that applies directly against those credits that students need for the completion of the degree.

We are also exploring the possibility of developing a new admission requirement for active duty personnel and veterans that recognizes the recent training and coursework received in the military rather than basing admissions solely on a high school academic record. It came to our attention when our Chancellor and Presidents spent two days at Camp Pendleton where we learned firsthand the extent to which the military training and experience relies heavily upon science, mathematics, and leadership skills requiring clear communication. At the conclusion of our visit, we asked ourselves whether it was necessary to base college admission on the basis of what these men and women did when they were in high school after having served four years or more in the military defending our country after understanding more clearly the education and experience they have received. We should look at where those men and women are today based upon their training and experience and not be as concerned with their academic record in high school. We are are now exploring the identification of an admission policy that recognizes this training and experience.

I apologize for exceeding the time. We have several next steps that I could describe, but the written testimony provides this detail. I simply will conclude that we are making great progress and would invite any questions that you might have.

[The prepared statement of Mr. Jones follows:]

PREPARED STATEMENT OF ALLISON G. JONES, ASSISTANT VICE CHANCELLOR, CALIFORNIA STATE UNIVERSITY SYSTEM

INTRODUCTION

Chairman Akaka, Ranking Member Craig, and Members of the Committee, thank you for inviting me to discuss California's "Troops to College" initiative and the role played by the California State University in the program, which is designed to provide educational opportunities to active duty men and women serving in our Armed Forces and to veterans who have served their country. The California State University commends the Committee for its attention to exploring ways to provide enhanced educational access to these men and women, many of whom have served

with distinction in Afghanistan and Iraq, by ensuring that all who choose to do so can pursue a post-secondary education.

Today, I am pleased to share with you information about California's Troops to College initiative, which was announced by Governor Arnold Schwarzenegger in March 2006. Led by system Chancellor Charles B. Reed, the California State University system has taken a particularly aggressive role in this initiative, whose mission is to make California the Nation's leader and model in providing educational opportunities and assistance to active duty servicemembers and veterans. As part of this effort, the California State University has been working with the full range of stakeholders throughout the state to expand its outreach programs, academic advising, and financial aid advising in addition to providing on-base classes and distance education opportunities. My remarks will detail California's Troops to College initiative, the challenges California has faced in implementing this program, the progress to date, and the exceptional achievements California State University campuses have made in expanding their outreach and education programs to active duty personnel and veterans.

To place into context the role of the California State University, I would like to begin by sharing with you information about our university system and students.

THE CALIFORNIA STATE UNIVERSITY

Background

Few, if any, university systems can match the scope of the California State University system. The California State University is the largest 4-year university system in the country, with 23 campuses, approximately 417,000 students and 46,000 faculty and staff.

Its 23 campuses are distributed throughout California to ensure access to the largest number of students. The California State University's mission is to provide high-quality, affordable education to meet the ever-changing needs of the people of California. Since the system's creation in 1961, it has awarded about 2 million degrees. We currently award approximately 84,000 degrees each year.

The California State University plays a critical role in preparing outstanding candidates for the job market. Our graduates help drive California's aerospace, healthcare, entertainment, information technology, biomedical, international trade, education, and multimedia industries. The California State University confers 65 percent of California's bachelor's degrees in business, 52 percent of its bachelor's degrees in agricultural business and agricultural engineering, and 45 percent of its bachelor's degrees in computer and electronic engineering. The California State University also educates the professionals needed to keep the state running. It provides bachelor's degrees to teachers and education staff (87 percent), criminal justice workers (89 percent), social workers (87 percent) and public administrators (82 percent). Altogether, about half the bachelor's degrees and a third of the master's degrees awarded each year in California are from the California State University.

One key feature of the California State University is its affordability. For 2007/2008, the California State University's systemwide fee for full-time undergraduate students is $2,722. With individual campus fees added in, the California State University's total fees average $3,215, which is the lowest among any of the California State University's comparison public institutions nationwide.

California State University Students

California State University students are not necessarily the traditional 18- to 22-year-olds. A recent survey of California State University students revealed the following about students enrolled at the California State University:

- The average undergraduate age is 25,
- About 88 percent are commuters,
- 44 percent are independent from their parents,
- Nearly 25 percent have dependents,
- Four out of five have jobs, and 36 percent work full time,
- Nearly 30 percent of the students are the first generation in their family to attend college,
- 40 percent come from households where English is not the main language spoken, and
- 54 percent of California State University students are students of color.

The California State University prides itself on its ability to provide college access to students across California's increasingly diverse population. The California State University provides more than half of all undergraduate degrees granted to the state's Latino, African American and Native American students.

Additionally, California State University students are closely connected and committed to the communities in which they live. More than 185,000 California State University students participate in community service annually, donating nearly 30 million hours, the minimum wage equivalent of $200 million.

The CSU and the Economy

In today's economy, higher education is more important than ever. According to the Census Bureau, a college graduate's lifetime earnings ($2.1 million) are almost double that of a high school graduate. But a higher degree is more than just a ticket to a better job. It can improve the economic situation of both individuals and their communities. That's why it is in everyone's interest—communities, businesses, and educators—to help students succeed in school and pursue the highest degree they can. In fact, we cannot state this fact strongly enough: The future success of our country's economy is inextricably linked with the educational attainment of our students.

Given this conviction, the California State University recently sought to measure its impact, economic and otherwise, on California's businesses and communities. A comprehensive study of the California State University and its campuses found that California State University-related expenditures create $13.6 billion in economic activity, support 207,000 jobs and generate $760 million in state taxes in a year. The report also found that the state of California reaps a fourfold benefit from every dollar it invests in the California State University. This study further cemented our belief that the California State University's work is tightly bound to that of our local communities and economy. Essentially, we see ourselves as building bridges—building continuity across the spectrum from education, to the economy and workforce, to the community.

All of these characteristics of the California State University have positioned it to provide exceptional access to active duty servicemembers and to veterans.

TROOPS TO COLLEGE: A CALIFORNIA INITIATIVE

California Military Demographics

California is home to an extraordinary number of veterans and servicemembers. For example, the state leads the Nation in the number of veterans: approximately 9.2 percent (2.2 million) of the Nation's 24 million veterans reside in California. Of active duty men and women in the U.S. Armed Forces, 11.7 percent (170,000 of 1.45 million) are from California. Over 12 percent of all active duty personnel are stationed in California (175,000 of 1.45 million). In addition, more than 20,000 active Air Force and Army National Guard are stationed in California, over 3,000 of whom are currently deployed worldwide.

The Montgomery GI Bill education benefit is a principal reason American men and women enter the U.S. military. Each member of the military who either serves in California or is a California resident is a potential candidate for admission to one of California's 109 California Community Colleges, 23 California State University campuses, and 10 University of California campuses.

The U.S. Department of Veterans Affairs (USDVA) estimates that 27,000 veterans migrate to California annually. According to USDVA, the average age of these exiting veterans is 27.3. Eighty-four percent are male, and sixteen percent are female. Ninety-six percent of exiting veterans are enrolled in the Montgomery GI Bill. According to the USDVA, approximately 70 percent utilize some portion of their benefits, but sources at *military.com* have estimated that fewer than 50 percent actually use their education benefits toward the completion of a degree. According to USDVA, just 41,000 veterans are currently using such benefits in California.

While current usage of benefits is difficult to pin down precisely, it is clear that veterans (and active duty servicemembers) are underutilizing the outstanding and affordable public educational options available to them in California. The California Community Colleges, the California State University, and the University of California represent tremendous untapped opportunities for exiting veterans, both for California residents and for servicemembers stationed in California.

California Public Colleges and Universities

California is uniquely positioned to serve the Nation's veterans and men and women on active duty. There are three public systems of higher education in California.

The California Community Colleges provide educational, career and technical education, and transfer programs to over 2.5 million students in its 109 community colleges. See *http://www.cccco.edu/*. As described above, the California State University provides low-cost, accessible and affordable education to over 417,000 students at its 23 campuses. See *http://www.calstate.edu/*. The University of California pro-

vides world-class undergraduate and graduate education through the doctoral level to over 209,000 students at its 10 campuses. See *http://www.universityofcalifornia.edu/*.

State Benefits for Veterans and Servicemembers

California law waives the state's non-resident tuition for active duty men and women and their dependents who are not California residents and who enroll in college while stationed in California. Non-resident tuition is also waived for veterans who were on active duty for more than one year immediately prior to discharge. Non-resident tuition is waived for their dependents as well. Thereafter, it is expected that veterans and their dependents who enroll in California public universities will become California residents (a relatively simple process); thus, effective with their second year of enrollment they would continue to be entitled to pay only the in-state fees.

This is an important benefit. At the California State University, for example, all students, both California residents and non-residents, are required to pay the undergraduate California State University State University Fee of $2,772. California State University non-resident tuition (an additional $10,170) is waived for qualified non-California residents.

California's Troops to College Initiative

Because of California's role in leading the Nation in the number of veterans and active duty personnel and the availability of California public higher education, in March 2006 Governor Arnold Schwarzenegger charged the California Community Colleges, the California State University, and the University of California, working in collaboration with all military branches, and the California Departments of Veterans Affairs, Education, and Labor and Workforce Development to expand education opportunities for active duty servicemembers and veterans to achieve his vision that California will become the Nation's leader and model in providing them with educational opportunities and assistance. To achieve this outcome, the California Community Colleges, the California State University, and the University of California will expand their respective outreach programs, academic and financial aid advising, and admission opportunities for active duty servicemembers and eligible veterans, in addition to providing on-base classes and distance education.

To oversee the development, implementation, and evaluation of effective programs, the Governor appointed a committee to review the status and achievements, and to establish the future goals of Troops to College. The oversight Committee provides policy direction and guidance to both state and military organizations on key active duty and eligible veteran's issues. The Oversight Committee includes the California Secretaries of Education, Labor and Workforce Development, and Veterans Affairs, the chancellor of the California State University, the chancellor of the California Community Colleges, the president of the University of California, and the following military commanders: Commander Marine Corps Installations West; Commander Navy Region Southwest; Commander Space and Missile Systems Center (Los Angeles Air Force Base); Commander National Training Center (U.S. Army, Fort Irwin); Commander U.S. Coast Guard, Pacific Area (Alameda); and the Adjutant General, California National Guard.

The day-to-day implementation of the Troops to College is overseen by the Veterans' Workgroup chaired by Colonel Bucky Peterson, USMC (Ret.), the former Vice President for Development at Sonoma State University, who is now the Liaison to California's Secretary of Education and Special Assistant to the Chancellor of the California State University on matters pertaining to active duty and veterans post secondary education. Allison G. Jones, Assistant Vice Chancellor, Academic Affairs, Office of the Chancellor, the California State University, provides Colonel Peterson and the initiative with broad support from the Chancellor's Office and expertise on all facets of student academic support.

Implementation

A number of challenges faced the group as efforts began to implement the Governor's vision. These included improving communications among all the stakeholders, and especially increasing understanding in the higher education community about relevant military and veteran matters, and conversely, improving understanding in the military community about California's public institutions of higher education.

Under the aegis of the Veterans' Workgroup lead by Colonel Peterson, California higher education began to implement programs to support the Troops to College initiative in May 2006. Five issue and program areas were identified that needed special attention, and a task force was assigned to each area to develop and implement

programs that would support this initiative. These five task forces and the achievements to date are outlined below.

Communications, Marketing, and Website Task Force

This task force developed and implemented a veteran website template for use by colleges, universities, and the military, including links between the military and colleges and universities, *military.com*, and the Office for Veteran's Affairs. All campuses established a "Vets Corner" on their respective campus websites in support of providing timely information to active duty servicemembers and veterans interested earning a baccalaureate or graduate degree. Information about college admission requirements, costs, transfer of military credit, and other campus veteran support programs is included on these websites, and this information was also distributed to all Education Service Officers (ESO).

Veteran's Outreach Task Force

The Veteran's Outreach Task Force developed and implemented information outreach programs targeted to those on active duty and to veterans about educational opportunities at California public colleges and universities. Community events, organizations, and agencies that work directly with veterans, in addition to county veterans services and veterans hospitals, were identified and provided with information about the Troops to College initiative.

This task force has provided information to active duty and veterans about education requirements for careers related to military experience, implemented the Hire a Hero, Hire a Vet Initiative, incorporated "Troops to College" into the California Department of Veterans Affairs training program, and provided outreach briefings to Veterans Service Organizations and County Veterans Services Offices. Participation in the Transition Assistance Program (TAP) was identified as an effective means to introduce information about California public colleges and universities in a more focused way.

While outreach to veterans was initially addressed, it became clear early in the implementation phase that California needed to reach active duty personnel well before they began to transition out of the military. As a result, the task force turned its attention to identifying and implementing programs to reach men and women on active duty. To achieve this outcome, all colleges were asked to join the Servicemembers Opportunity College (SOC) and to become active in GoArmy and in the Education Support Center (National Guard). College and universities were encouraged to invite all Education Service Officers to their campuses and to conduct Montgomery GI Bill education benefit workshops.

Admission and Financial Aid Task Force

Conversations between military and university representatives quickly highlighted the areas of confusion about university admission policies, including the transferability of military credit. As a result, the task force is reviewing The American Council on Education (ACE) Guide on acceptance and transferability of credit and service experience and with the goal of providing a seamless transition between the military and higher education and shortening the veteran's time to earn a baccalaureate degree.

The Admission and Financial Aid Task Force is also engaged in reviewing the Armed Forces Vocational Aptitude Test (ASVAB) in order to develop an SAT equivalency. The ASVAB was originally designed to predict future academic and occupational success in military occupations. Numerous validation studies indicate the ASVAB assesses academic ability and predicts success in a wide variety of occupations, and there is interest from some colleges and universities to use the ASVAB for admission purposes.

Residency provisions contained in the California Education Code for members of the Armed Forces need to be reviewed and modified as necessary to provide greater access and waiver of non-resident tuition for all members in the Armed Forces, including the National Guard. On July 5, 2007, the *Los Angeles Times* reported that Governor Schwarzenegger will continue to seek ways to include support in the state's budget to provide assistance with college tuition to "the 27,000 active duty and National Guard members returning from overseas."

Finally, the task force is identifying policies and/or waivers currently available to help increase admission to and better transition of active duty personnel and veterans to public colleges and universities in California in addition to identifying financial assistance packages available to increase their access to higher education campuses.

Partnership Matrix Task Force

The Partnership Matrix Task Force has identified contacts at each California military base and college campus, implemented active on-base university outreach programs, developed regional service centers consisting of military bases and campuses to provide services, increased communication between military bases and campuses, developed policies and protocols for access to military bases and access to university campuses, and developed a college counseling corps consisting of veteran college alumni to work with active duty servicemen and women.

Best Practices Task Force

This task force has effectively identified models of best practices among campuses and military services that support education for veterans in California public universities, and it is encouraging all universities and colleges to implement these practices in order to reach out more effectively to active duty and veterans. As examples, this task force has developed education fair guidelines to conduct successful education fairs on military installations, developed veterans support teams to assist "soldiers" to transition to becoming students, and developed and implemented effective outreach programs that include participation in job and education fairs, campus veterans support teams, and websites.

The task force has identified a new program, "Boots to Books" that was developed at Citrus College, a California Community College located about 30 miles east of Los Angeles. This innovative program is designed to help veterans transition to civilian life and the college environment. It is the first of its kind in the Nation to provide a positive transition step for combat veterans. Taught by a VA counselor who is a combat veteran, all veterans and their families may enroll in this course which is about combat stress, Post Traumatic Stress Disorders, and other issues affecting veterans returning to civilian life. The curriculum is specifically designed to increase the student veteran's academic, work, and social success. The class will teach participants interpersonal skills, methods of adapting to civilian life and work careers, and techniques for managing military operational stress. For fall 2007, this course will be a hybrid with an existing counseling course on a trial basis, but it is hoped that the course will become a stand-alone course in the near future. The Troops to College workgroup is exploring ways to expand the availability of courses like this one elsewhere in the state.

CALIFORNIA STATE UNIVERSITY ACTIVITIES TO DATE

The California State University has taken the lead in implementing the Troops to College initiative. All 23 California State University campuses have established campus veterans support teams that include the deans/directors of enrollment management and admission, directors of academic outreach, campus veterans' liaison (certifying official, military volunteer (retiree), veterans' work-study program), directors of disabled student services, directors of health services and psychological services, and directors of career centers.

In addition, all California State University campuses have implemented veterans' web sites, identified a campus contact person and office that active duty personnel and veterans can contact for individual advising, and implemented regional partnerships with military bases. Campus teams are meeting regularly with military education service officers and regularly visiting military bases to provide onsite counseling and information and analysis of military personnel transcripts. The California State University is also developing distance education programs that will serve active duty men and women.

The Best Practices Task Force identified the following best practice models developed and implemented at California State University campuses that have been recommended for implementation at all campuses: transition programs (San Diego State University), veterans affairs specialists (California State University Sacramento), regional partnership development (California State University San Marcos), outreach (Humboldt State University), and web pages (Humboldt State University, California State University Sacramento, California State University Chico).

The California State University recently met with the American Council on Education's (ACE) Director of Program Evaluations, Center for Lifelong Learning, to discuss ways that the California State University can partner with ACE to provide advice to campuses on how to use more effectively the ACE Guide to the Evaluation of Educational Experiences in the Armed Services to assess military courses and experience. For more than a half century, ACE's Guide to the Evaluation of Educational Experiences in the Armed Services has been the standard reference that colleges and universities use to evaluate learning acquired in military life. With

ACE's assistance and guidance, the California State University will be reviewing military courses and experience to determine if work that has been historically been acceptable as elective credit might satisfy campus general education and lower division major prerequisite courses. This would shorten the time to the degree. The California State University has accepted ACE's offer to send ACE representatives to California to meet with campus transcript evaluators to discuss how to assess credit on the basis of the course descriptions. Because the acceptance of academic credit involves faculty, ACE has offered to send faculty from other universities who more routinely use the ACE guide to meet with California State University faculty to explain the content and rigor of the courses. ACE has been successful in helping faculty at other universities understand how to make informed decisions about credit for courses taken in the military as well as credit for experience.

As a result of the Troops to College initiative and discussions between the California State University chancellor and presidents with military leaders, CSU has confirmed ACE's findings that the men and women who serve in today's military frequently recognize that they are capable of handling college-level work after their training, regardless of their high school academic record. Moreover, much of the training received in the military is heavily grounded in science, mathematics, and technology. Therefore, the California State University is exploring with its administrative and faculty leadership the possibility of developing a new admission requirement for active duty personnel and veterans that recognizes recent training and coursework received in the military, rather than basing admission solely on a high school academic record.

The California State University is also working with ACE and military personnel in California to provide academic advising and education opportunities to severely wounded soldiers.

ACE has indicated that the U.S. Department of Veterans Affairs data suggest that 82 percent of those with a 20 percent disability rating enroll in post-secondary education. ACE is planning a series of web-based seminars for military vocational rehabilitation counselors who provide information about academic planning and advising. The California State University will participate in these seminars.

NEXT STEPS

To build upon the achievements to date, the Troops to College initiative will continue to implement the following programs:

- Expand advertising and promotion;
- Expand regional partnerships;
- Expand consistent use of ACE Guide in the evaluation of military training for academic credit;
- Develop statewide veterans' website;
- Expand student veterans clubs;
- Explore services to wounded veterans;
- Pilot for distance learning program;
- Support California State University-sponsored legislation (Assembly Bill 950) to expand California's tuition waiver for graduate students; and
- Support national legislation to provide enhanced educational benefits to National Guard.

Proposed Legislation Regarding Education Benefits for Veterans

The California State University is deeply concerned with the affordability of a college education for all students, and is committed to ensuring access to our Nation's active duty personnel and veterans. The California State University strongly supports legislation aimed at increasing and improving benefits for veterans, and believes that efforts to enhance educational benefits for the Reserve and National Guard in particular would help broaden the scope and success of initiatives like Troops to College.

SUMMARY

The active and constructive collaboration between the State of California, the U.S. Armed Forces and veterans' entities is already yielding results. More active duty personnel and veterans are exploring high quality, affordable public educational opportunities in California as a result of the increased partnerships between all stakeholders in California. More classes are being offered on base to active duty personnel. State institutions are offering improved advice and services to veterans and military personnel. The California Community Colleges, the California State University, and the University of California are becoming the schools of choice for active duty servicemembers and eligible veterans.

Chairman AKAKA. Thank you. Thank you very much, Chancellor Jones.

My question is to Mr. Wincup. Thank you for your testimony. You certainly make some very interesting points regarding the tuition approach versus the monthly benefit approach. Do you have any reservations about the impact of the tuition approach on retention of personnel?

Mr. WINCUP. Mr. Chairman, I think you always have to be concerned about the retention issue. It is no mean feat to manage the all-volunteer force. But our Commission tried to take that into account when we made our recommendation by allowing the services discretionary authority to transfer that benefit to family members. If they felt that there was an individual who might be willing to stay, but was getting out in order to use his benefit, we felt that there was an opportunity there, at the discretion of the Services, to transfer that to their family members so that the individual might choose to stay in order to take advantage of the benefit.

Chairman AKAKA. Mr. Bombard, let me first compliment you on your excellent testimony. Your summary of the current state of educational benefits was very well done.

Mr. BOMBARD. Thank you.

Chairman AKAKA. Could you comment on the extent to which you believe the complexity of the current system results in failure to achieve optimal recruitment, retention, and readjustment goals?

Mr. BOMBARD. Realizing that this is a complex issue related to educational benefits, jurisdictional concerns, and the potential impact on national defense personnel issues, I can assure the Committee that the VACOE, after almost two years of developing the Total Force proposal, could find no convincing evidence that would be detrimental for Reservists either in recruiting or in retention.

I took the Advisory Committee to Camp Pendleton and we had a tremendous town meeting. They all agreed that the education benefit does not enter into whether they will stay on active duty or whether they will continue in the Reserves. The evidence indicates otherwise. There are greater factors that enter into whether a person stays.

I will grant you that education is a great recruiting tool and that is going to remain the same. I still think that portability and the ability to take the benefit with you when you leave has an attractiveness to recruit people as well as for them to stay. As it is now, only 40 percent of the people who stay in the Reserves take advantage of the education benefit.

We could find no evidence, and the Advisory Committee was composed of people from DOD, the resident experts from VA, who all supported the Total Force proposal completely and helped develop it, all of whom have since retired, but there is no convincing evidence that this would be detrimental to national security, recruitment, or retention. I think if you more efficiently manage this program and provide the incentives necessary, it would help both recruitment and retention.

There just wasn't—it wasn't a significant concern. Even when I testified in Arkansas at a House hearing, the Adjutant General from Arkansas agreed, and the people in the room, all of which were returning Iraqi veterans, agreed that they would rather have

a comprehensive bill that is understandable and meets the needs of higher education today.

Chairman AKAKA. Thank you, Mr. Bombard.

Chancellor Jones, thank you for your testimony on the work California is doing for veterans' higher education. I think it is very positive and it is a positive thing when States are active on veterans' issues. Please tell me what, if any, obstacles has Troops to College encountered and that you think we could address in Congress.

Mr. JONES. We have identified several obstacles, at least in California, but what we have taken the initiative to resolve those by continued collaboration and discussions with our military partners. We work very closely with all branches of the military in California.

Access to the bases was a major issue that we identified early as we launched this initiative. Understanding the GI and college education benefits as well as the complexity of these benefits was another obstacle. California actually waives non-resident tuition for men and women stationed in California who are not California residents and their dependents, but few military members are aware of this benefit.

We are not coming to Congress at this time to ask for assistance in addressing the obstacles we have identified. However, we strongly support national legislation to provide enhanced educational benefits for veterans, including educational benefits for Reserve and National Guard. This would help broaden the scope and success of the initiatives in California because of the number of National Guardsmen and women that we have in the State.

The Governor has been very clear, as recently as about three weeks ago, to again go to the legislature to seek additional support for National Guardsmen and women, but we need to see at the Federal level, I think, some additional expansion of benefits for the National Guardsmen and women, as you have been discussing this morning.

I don't know if that has been responsive to your question or you had a specific area you wanted me to address, but——

Chairman AKAKA. Thank you very much, Mr. Jones.

Senator Murray?

Senator MURRAY. Well, thank you very much to all three of you for your testimony today. And Mr. Bombard, I was glad to hear what you just said because I think there is this sort of unwritten, "we don't want to give a lot of education benefits out", that will encourage people to move out of the Armed Services because of recruitment. I think that especially today's younger people who are going into the services are like any young people who are wanting to have a lot of different choices in their future, and if they see going into the service as eliminating those choices and confining them to one space, I think that is something that works against recruitment and retention in the services.

I think knowing going in that they will have the opportunity to use their experiences in many ways, including in the Armed Services as well as others, is why we are seeing today that they are looking at what kinds of education benefits they have and it hopefully defeats that argument that we hear in too many back rooms

today, that don't give them education benefits, we need to keep them.

So I appreciate your testimony on that.

Mr. BOMBARD. Thank you. I believe that to withhold educational benefits for someone who has carried the freight, so to speak, and they are only about 1 percent of the eligible people who are carrying it, is kind of coercive. They earned the benefit. Give it to them.

Senator MURRAY. Exactly. Thank you very much for that.

Mr. Jones, I was delighted to hear your testimony because I have heard from many of our veterans a real frustration that what they have done on the ground overseas doesn't benefit them at all in terms of what they can go into or whether they get any credit for it or any time off from going to college, and you are absolutely right. What they did in high school 4 years prior to that is extremely different.

I have talked to medics who have been on the ground for well over a year, not once but twice and sometimes three times, doing unbelievable things within the health care field, but they have to come back and start at first semester when it comes to nursing or any other medical degree that they might be looking at, which is just a waste of their time and ours, as well as many other fields.

So I really appreciate your taking a look at that, and often what I heard was the language of the military is just different than the language of academia, and because of that it puts up a barrier for our veterans. So I appreciate your attention on that. If you could speak to that a little bit, I would appreciate it.

Mr. JONES. Yes. Thank you, Senator Murray. I would agree, absolutely, and in fact, since we have launched this initiative, I have actually met with a number of men and women who were medics in the military who want to come back into education. In our system of 23 campuses, 18 offer nursing programs. In addition, the California Community Colleges and University of California have nursing programs. The California State University was able to admit them and enroll them, using a special admission category based on their experience in the military.

Our initiative has led to, as well, the whole issue of meeting California's workforce and labor needs. While our Troops to College initiative began as an initiative for veterans, it very quickly came to an attention that we needed to address the needs of active duty men and women, including the delivery of instruction on bases as well as on distance basis. So we are exploring ways of providing instruction to men and women stationed on bases and in Iraq or Afghanistan. We are very aggressive in this.

We are now offering more courses on our military bases in response to the men and women in the military who tell us that public colleges in California haven't been accessible. Active duty men and women have told us that we need to understand that they have an obligation to work on bases. One indicated that at Camp Pendleton, she could not drive to San Diego State or Cal State-San Marcos because of the traffic pattern. She could not make it in time for classes. So she challenged us to offer classes on base. And now we are doing it. The community colleges are doing that. So we are

finding ways to deliver instruction to active duty men and women that meets their schedule.

To address the issues of credit and transferability, we have been working very closely with the American Council on Education. This Presidential association developed their ACE Guide which describes the content of courses and which should be transferable for credit. I have been working with the American Council on Education on this issue, and they are going to send at my request, some of their experts to California to meet with all of our admissions directors and our transcript evaluators. We will have a full-day session on how to interpret and to understand better the breadth of experience that our military men and women covered in their courses, training and experience so that universities can apply this work towards the degree.

In addition, we are bringing out faculty that ACE has identified to meet with our faculty. The awarding of academic credit is a faculty issue, and we believe they will understand better the content and the breadth and the depth of what that student has covered and how it relates to the lower division and/or major coursework after talking with faculty members from universities who are more familiar with the courses ACE has identified.

Credit transferability has been the biggest issue identified when we began our discussions with military representatives in our work group. The military representatives were very clear with higher education representatives in the first few meetings about the restrictive way colleges accept military credit. Their allegations were absolutely correct. Higher education can get too caught up in itself, but there is a way of reviewing credit transferability that will advantage the men and women who serve our country. But it is that dialogue that continues.

Senator MURRAY. And are you expanding that to all universities? Is everybody getting the information that you are acquiring, or is it just in California?

Mr. JONES. I am not sure I am clear on the question. Would you ask it again?

Senator MURRAY. Well, you are learning a lot and you are breaking down some barriers that need to be brought down. Are you expanding that knowledge to other universities across the country so no matter where you are, you will be able to one day go to college based on some of your experience, or are you just talking within California?

Mr. JONES. We are focusing right now on California because about 60,000 men and women exit the military each year in California and we would like them to take advantage of our low-cost and quality education. But, we are sharing our successes with other states as well as with Members of Congress. We met at Balboa Naval Hospital last week at the request of the American Council on Education, to start a program for the 130 wounded warriors at Balboa Naval Hospital. One of the ideas that we have explored and what we are going to be doing is to hire a full-time individual to counsel and advise these men and women about education opportunities. One of the agreements we just made a week ago yesterday in San Diego was to provide education counseling about opportunities in California as well as in other states. Many of these

men and women will return to their home States and we want to provide education information to them about returning to their home States, as well, by helping them making those connections with colleges in their home States.

Other States are contacting us for more information about our Troops to College initiative. I must tell you, the California State University, under the leadership of our Chancellor Charles B. Reed, is light years ahead of just moving forward on this——

Senator MURRAY. Well, I am hoping that you are sharing your information nationally so that other States and universities will start to take a look at what you are doing, and I appreciate that. And if you identify any barriers that need to be addressed at the national level or additional support that would help, you get through that, I would love to hear from you about that.

Mr. JONES. May I respond just to one thing that we are—we are planning a major roll-out with Governor Schwarzenegger, probably at the Marine Corps Recruiting Depot, and we will be inviting various members, individuals from Washington to join us. The one item I must say, and if you could help us with this, it is the issue of communication again from the top down. We have been very successful on the bases, but we really need everybody at the installations to know from the top down that this is a national priority, not just a State priority, and so this is going to be——

Senator MURRAY. I think we have to get past that little barrier we talked about before.

Mr. JONES. Yes, that is true. That is right.

Senator MURRAY. OK. Well, good. We are happy to work with you on that.

Finally, I just want to ask about one other issue and that is the arbitrary time limit on the GI Bill that often prevents our veterans from using it when they need it most.

Senator Maria Cantwell, my colleague, has introduced legislation to address that—I think it is called the GI Bill for Life—that would eliminate the arbitrary time limit on the GI Bill benefits. Mr. Wincup, if you could comment on that.

Mr. WINCUP. Senator, it sounds like a great idea to me. It seems to me the more people who use the benefits, the better off the country is.

Senator MURRAY. Are we seeing a lot of people who time out and don't get access to those benefits?

Mr. WINCUP. I am not in a position to answer that question. I suspect if it is one, it is too many people.

Senator MURRAY. OK.

Mr. BOMBARD. Can I address that issue?

Senator MURRAY. Sure.

Mr. BOMBARD. As an educator in New York and dealing with the Advisory Committee, we have recommended that we remove the delimiting date. Based on higher education philosophy now with education being lifelong learning and the frequent deployments interrupting these people to complete their degree in a very quick time period, the removal of the delimiting date is a no-brainer. I mean, we should remove the delimiting date. This would help retention and recruiting. The Advisory Committee has recommended

it for years. This is a cost issue, but overall, it definitely is something that should be done.

Senator MURRAY. OK. Very good. Thank you very much to all of you.

Chairman AKAKA. Thank you very much, Senator Murray.

We have a number of written questions that we will be sending to each of you and look forward to your prompt responses.

I want to thank you for your excellent testimony to this Committee and we certainly look forward to continuing to work with you on this. So thank you very much for being here.

And now we come to our third and final panel consisting of representatives from various veterans and military service organizations. They are Ron Chamrin, Assistant Director of the Economics Division of the American Legion; Eric Hilleman, Deputy Director of the Legislative Affairs Office of the Veterans of Foreign Wars; Colonel Robert F. Norton, Deputy Director of Government Relations at the Military Officers Association of America; and last, Patrick Campbell, Legislative Director of the Iraq and Afghanistan Veterans of America.

Many of you have testified before this Committee previously and it is good to see all of you again. May I call on Mr. Ron Chamrin for your statement.

STATEMENT OF RONALD F. CHAMRIN, ASSISTANT DIRECTOR, ECONOMIC COMMISSION, THE AMERICAN LEGION

Mr. CHAMRIN. Thank you. Mr. Chairman and Members of the Committee, thank you for the opportunity to present the American Legion's view on the several pieces of legislation being considered by the Committee today.

The American Legion has a proud history of helping to pass the Servicemen's Readjustment Act of 1944, assisting veterans to make the American dream come true and reshaping the United States. I also want to personally thank all the Members of Congress who have sponsored and cosponsored these bills. As an OIF veteran, I can say that I truly appreciate all the efforts that you have done for servicemembers and veterans. Thank you.

The American Legion strongly supports the passage of major enhancements of the GI Bill. The current makeup of the operation military force requires that adjustments be made to support all Armed Forces members. We feel that all veterans should be treated equally, regardless of the Reserve and National Guard status, such that an individual who is called to duty and served honorably should not have to remain in the Selected Reserve to use their earned benefits. As the distinctions between the active and Reserve forces continue to fade, the differences between the active and Reserve forces of the GI Bill should also disappear.

One of the top priorities of any veteran education legislation is equity and portability of benefits. However, it is clear that the current dollar value of benefits must be increased to meet the demands of today's higher education fees.

S. 644, the Total Force GI Bill, the American Legion supports the Total Force GI Bill and feels enactment of this legislation will greatly benefit veterans. This bill solves many problems, most significantly the inequities of benefits of the members of the Reserve

components as compared to their full-time active duty counterparts. Service members called to active service perform duties at an equal rate to their full-time counterparts and should be treated as such.

The proposal of the portability of education benefits will allow Reservists to earn credits for education while mobilized and then use them after they leave the military service similar to the current active duty GI Bill.

The Total Force GI Bill plan calls on Congress to shift the oversight responsibility and funding authority of the GI Bill Selected Reserve programs from the Armed Services Committee and the DOD to this Committee and the VA.

Under the Total Force GI Bill, activated Reservists would get one month of benefits at the active duty rate for each month of mobilization up to 36 months. Members would have up to 10 years to use active duty and activated Reserve benefits from the last date of active service. Our Reservists could also use any remaining Selected Reserve benefits if they remain in the Reserves or for up to 10 years after separation if the separation is for a disability or qualification for retirement.

A recent memorandum from the DOD Office of Special Counsel to the Chairman of the Armed Services Committee and the Chairman of this Committee attempts to dissuade Congress from passing the Total Force GI Bill. We unequivocally disagree. The American Legion disagrees with the OSC finding that changing REAP benefit calculation will be detrimental to Reservists. The American Legion concurs with the VACOE–DOD Working Group on the Total Force GI Bill proposal recommendation and assertion that the Total Force GI Bill would benefit veterans and aid Armed Forces in retention and recruitment needs.

S. 22—the American Legion agrees with the concept of S. 22, but we have concerns regarding the eligibility requirement of this proposed legislation. The bill is designed to provide educational benefits for eligible servicemembers while incorporating the new security realities of this current open-ended Global War on Terror, but the Total Force Military Operations structure requires equitable benefits for time served. We fully support the intent of this bill, to provide much-needed additional educational benefits for full-time active duty servicemembers and those individuals who are ordered to active duty as members of the Reserve components.

The eligibility requirement as imposed by S. 22 requires a servicemember to serve an aggregate of at least 2 years of honorable active duty service in the Armed Forces after 9/11. The bill also contains clauses for eligibility for other measures. The American Legion is concerned for those veterans that complete their tours honorably, do not serve an aggregate of 2 years, and do not meet the other requirements for eligibility. These veterans have served their country honorably, yet are excluded from earned benefits.

The American Legion fully recognizes that there are almost 100,000 members of the Reserve components that have served multiple routs and exceed the two-year aggregation requirement as proposed in S. 22, but we express that we cannot exclude benefits for those veterans that serve side-by-side with the full-time active

duty members at any time. The current DOD mobilization policy states that the DOD will construct the maximum mobilization time frame to one year and the policy objective for involuntary mobilization of Guard and Reserve units is a one-year mobilized to five-year demobilized ratio. If these policies hold true, many members of the Reserve components would not be eligible to receive benefits under S. 22, yet they have honorably served their country in the Armed Forces.

Equity would remedy the situation. The American Legion recommends a month-per-month benefit at the full-time rate proposed in the legislation for those veterans that have served less than two years and allow them to use their benefits after completion of the service contract. If a member does serve an aggregate of two years due to multiple deployments, extensions, or enlistment in the active duty force, then they would be in receipt of the full 36 months of benefits as proposed in S. 22.

S. 1261—the GI Bill for Life aims to repeal all time limits to use of the GI Bill, but it inadvertently neglects to account for those using REAP. The bill would maintain the requirement for those members participating in REAP to remain in the Reserves in order to use their benefits. The American Legion does strongly support the remaining provisions of the bill, but hopes that the Reservists are treated equally.

The last two bills I will discuss briefly are S. 723 and S. 1293. We support the deduction of the $1,200 enrollment fee and feel that Congress should allow for accelerated payments for all eligible GI Bill courses by striking the requirement that a course must lead to employment in the high-technology field.

In conclusion, benefits should remain commensurate with sacrifice and service and designed to update the GI Bill by incorporating the new security realities of this current open-ended Global War on Terror. The American Legion appreciates the opportunity to present this statement for the record and to continue our proud history of advocating for increased educational benefits to members and veterans in the Armed Forces. I would be happy to answer any questions that you have. Thank you.

[The prepared statement of Mr. Chamrin follows:]

PREPARED STATEMENT OF RONALD F. CHAMRIN, ASSISTANT DIRECTOR, ECONOMIC COMMISSION, THE AMERICAN LEGION

Mr. Chairman and Members of the Committee:

The American Legion has a proud history of helping to pass the Servicemen's Readjustment Act of 1944, also known as the GI Bill of Rights, assisting 16 million veterans of WWII to make the American Dream come true and reshaping the United States. Thank you for this opportunity to present The American Legion's view on the several pieces of legislation being considered by the Committee today. The American Legion commends the Committee for holding a hearing to discuss these very important and timely issues that we feel will continue to afford veterans the opportunity to pursue their American Dreams.

THE NEED FOR MAJOR ENHANCEMENTS OF THE ALL-VOLUNTEER FORCE EDUCATION ASSISTANCE PROGRAM, BETTER KNOWN AS THE MONTGOMERY GI BILL (MGIB)

The American Legion supports passage of major enhancements to the current All-Volunteer Force Education Assistance Program, better known as the Montgomery GI Bill (MGIB). The current make up of the operational military force requires that adjustments be made to support all Armed Forces members. The American Legion supports legislation that will allow members of the Reserve components to earn

credits for education while mobilized, just as active-duty troops do, and then use them after they leave military service. One of the top priorities of any veteran education legislation is equity and portability of benefits. However, it is clear that the current dollar value of benefits must be increased to meet the demands of today's higher education fees.

In the twenty years since the MGIB went into effect on June 30, 1985, the Nation's security has changed radically from a fixed cold war to a dynamic Global War on Terrorism. In 1991, the Active-Duty Force (ADF) of the military stood at 2.1 million; today it stands at 1.4 million. Between 1915 and 1990 the Reserve Force (RF) was involuntarily mobilized only nine times.

The Center for American Progress has reported:

- 1.4 million military (Army and other service) troops have served in Iraq or Afghanistan; 650,000 Army soldiers have been deployed to these countries.
- More than 420,000 troops have deployed more than once; 170,000 Army soldiers have been deployed more than once.
- 169,558 Marines have deployed to Iraq or Afghanistan more than once.
- More than 410,000 National Guard and Reservists have been deployed to Iraq or Afghanistan since 2001, for an average of 18 months per mobilization; of these, more than 84,000 have been deployed more than once.
- Stop-loss (a policy that prevents troops whose enlistment end date has arrived from leaving) has been imposed on over 50,000 troops.

There is now a continuum of service for military personnel, beginning with those who serve in the Reserve component only, extending through those in the Reserve component who are called to active-duty for a considerable period of time, and ending with those who enlist in the Active Duty Forces (ADF) and serve for a considerable period of time. Since 9/11 more than 600,000 members of the 860,000-member Selected Reserve have been activated. Over 85,000 have deployed more than once to a combat theater.

Today, approximately 40 percent of troops in Iraq are Guard personnel or Reservists. Despite this, both the MGIB–AD and the MGIB–SR fail to meet the actual cost of education in this country. Reserve component members rarely served on active duty when the original educational benefits were created. It is important that the increase in reliance on Reserve troops is met with an equitable increase in educational benefits.

According to the Fiscal Year 2007 MGIB pay rates, troops who serve on active-duty three or more years can collect up to $1,075 a month for 36 months as full-time students totaling $38,700. Active duty servicemembers currently have up to 10 years after their separation of service to utilize their MGIB benefits, while members of the Selected Reserve must forfeit ALL of the educational benefits they have earned once they do so. It is an injustice that members of the Selected Reserve are unable to utilize these benefits after separation.

Members of today's Selected Reserve are so busy training and deploying that they have little time to actually use their MGIB benefits. Their ability to use the benefits while serving is curtailed because of repeated deployments and denied entirely once they finish their service. This is unfair treatment for servicemembers who have seen more combat than most MGIB-eligible veterans in previous years.

Reserve and Guard personnel can earn percentages of the full-time active-duty rate depending on length of their mobilization. If they are mobilized for 18 months, the current average length of deployment since 2001, and then go to school full-time they can only receive up to a maximum of $23,220 (FY 2007 rates) using their Reserve Education Assistance Program (REAP) benefits. However, they can collect only if they remain in a Guard or Reserve unit. If they go into the inactive Reserve (Individual Ready Reserve) or are discharged, they no longer are eligible for education benefits.

Under current law, members of the Reserve component face many challenges in using the MGIB–SR benefits. Since September 11, 2001, the utilizations of the Reserve components to augment the Active Duty Force (ADF) presents complications for those members of the Guard and Reserves enrolled in college programs. The uncertainty associated with unit activations, lengthy activations, individual deactivations, and multiple unit activations makes utilization of educational benefits extremely difficult. Such decisions as whether to enroll for a semester, long-range planning for required courses, or whether to finish a semester are among the challenges confronted. Other factors include accrued student loan debt, falling behind peers in studies, and limbo status due solely to the military's indecision.

With the number of activations of the Reserve component since September 11, 2001, these same Reservists, who are attending colleges and universities around the country, are discovering that their actual graduation date may be extended well

past their initial anticipated graduation date. The College Board, an association composed of more than 5,200 schools, colleges, universities, and other educational organizations, states that the average public university student now takes 6.2 years to finish. They also report that tuition and fees represent only a fraction of the total cost of attending college. The overall cost (tuition, fees, room, board, books, and other expenses) of a typical public college is about $16,400 a year. (College Board)

S. 644, "TOTAL FORCE EDUCATIONAL ASSISTANCE ENHANCEMENT ACT AND INTEGRATION ACT OF 2007" (THE TOTAL FORCE GI BILL)

The American Legion supports the Total Force GI Bill. This bill solves many problems, most significantly the inequities of benefits of the members of the Reserve components as compared to their full time active duty counterparts. Servicemembers called to active service perform duties at an equal rate to their full time counterparts and should be treated as such. One major selling point of this proposal is the portability of education benefits; this legislation will allow Reservists to earn credits for education while mobilized, just as active-duty troops do, and then use them after they leave the military service.

The Total Force MGIB plan calls on Congress to combine statutory authority for both MGIB–AD and MGIB–SR programs under the Department of Veterans Affairs (VA) (Chapter 30 of Title 38 of the U.S.C.). This would mean moving MGIB–SR and REAP programs from the Department of Defense (Chapters 1606 and 1607 of Title 10 of the U.S.C.) and shifting oversight responsibility to VA.

Funding the program through appropriations to the Department of Veterans' Affairs for a veteran specific benefit would also be beneficial.

The plan also calls for simplifying MGIB benefit levels and features into three tiers.

Tier one would be MGIB–AD. Benefits for full time students are currently $1,075 a month for 36 months of college or qualified vocational training.

Tier two would be MGIB–SR for drilling members who enlist for 6 years. For years, Congress adjusted the MGIB–SR in lock step with MGIB–AD, staying at 47 percent of active duty rates. Since 1999, the Committees on Armed Services and Defense officials have failed to adjust the rates. As a result, the current MGIB–SR benefit for full time students is $309 a month, or just 29 percent of MGIB–AD. Those who enlist or re-enlist in the Selected Reserve for 6 years are eligible for 36 months of benefits at a prorated amount of the active duty rate (currently 29 percent). Increases in these benefits would be codified so that any time Congress raises the active duty rate, Chapter 1606 benefits would go up by the same percentage increase. Eligibility for benefits would be forfeited once they separate from service.

Tier three would be MGIB benefits for activated Reservists, but with changes to the Reserve Education Assistance Program (REAP) that Congress enacted in 2004. REAP provides extra MGIB benefits to Reservists mobilized for 90 days or more since September 11, 2001. Payments are 40, 60 or 80 percent of MGIB–AD, depending on length of activation. As with MGIB–SR, REAP provides 36 months of benefits, but they end if the Reservist leaves military service.

Under Total Force MGIB, activated Reservists would get 1 month of benefits, at the active duty rate, for each month of mobilization up to 36 months. Members would have up to 10 years to use active duty or activated Reserve benefits (tiers one and three) from the last date of active service. A Reservist could also use any remaining MGIB–SR benefits (tier two), but only while in drill status or for up to 10 years after separation if the separation is for disability or qualification for retirement.

A recent memorandum from the Department of Defense, Office of Special Counsel (OSC) (May 22, 2007) to the Chairman of the Armed Services Committee and the Chairman of this Committee attempts to dissuade Congress from passing the Total Force GI Bill. We unequivocally disagree. The American Legion disagrees with the OSC finding that changing the REAP benefit calculation would be detrimental to Reservists.

The American Legion concurs with the VACOE DOD / VA Working Group on the Total Force GI Bill proposal recommendation and assertion that the Total Force GI Bill would benefit veterans and aid the Armed Forces in retention and recruitment needs.

The American Legion supports the Total Force GI Bill and feels enactment of this legislation will greatly benefit veterans.

S. 22, "THE POST-9/11 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2007"

The American Legion has concerns regarding the eligibility requirement of this proposed legislation. We fully support the intent of this bill to provide additional

educational benefits for full time active duty servicemembers and those individuals who are ordered to active duty as members of Reserve components of the Armed Forces. The bill will also aid in the recruitment and retention of members of the Armed Forces, and provide enhanced educational benefits more in line with today's needs. Efforts to ensure veterans are afforded education benefits that would include payment of tuition, books and fees as well as a $1,000 a month stipend are supported by the American Legion.

The American Legion is concerned for those veterans that complete their tours honorably, do not serve an aggregate of 2 years, and do not meet the other requirements of eligibility. These veterans have served their country honorably yet are excluded from earned benefits. The eligibility requirement as proposed by S. 22 requires a servicemember to serve an aggregate of at least 2 years of honorable active duty service in the Armed Forces after September 10, 2001. The bill also contains clauses for eligibility for other measures, service connected disabilities, pre-existing medical conditions, hardship, and a physical or mental condition that was not characterized as a disability and did not result from the individual's own willful misconduct.

The American Legion fully recognizes that there are almost one hundred thousand members of the Reserve components that have served multiple tours and exceed the 2-year minimum requirement, but we express that we cannot exempt benefits for those veterans that served side by side with full time active duty members at any time. The first rotations for OIF had servicemembers deployed for an average of 15–20 months.

The current Department of Defense policy states: The Department of Defense will construct the maximum mobilization time frame to 1 year and the policy objective for involuntary mobilization of Guard/ Reserve units is a 1-year mobilized to 5-year demobilized ratio. If these policies hold true many members of the Reserve components would not be eligible to receive benefits under S. 22 yet they have honorably served their country in the Armed Forces.

Equity would remedy this situation. The American Legion recommends a month for month benefit at the full time rate proposed in the legislation for those veterans that have served less than 2 years but also allow them to use their benefits after completion of a service contract. If a member does serve an aggregate of 2 years, due to multiple deployments, extensions, or enlistment in the Active Duty Force, then they would be in receipt of the full 36 months of benefits as proposed in S. 22.

The American Legion supports the idea that all veterans be treated equally regardless of their Reserve/National Guard status in such that an individual who was called to duty and served honorably should not have to remain in the selected Reserve to use their earned benefits. As the distinctions between the active and Reserve forces continue to fade, the difference between the active and Reserve forces of the MGIB should disappear accordingly. Benefits should remain commensurate with sacrifice and service.

The American Legion agrees with the concept of the Post-9/11 Veterans Educational Assistance Act of 2007, which is designed to provide educational benefits for eligible servicemembers while incorporating the new security realities of this current open-ended Global War on Terror but reiterate, the Total Force military operation structure requires equitable benefits for time served.

S. 1261, "THE MONTGOMERY GI BILL FOR LIFE ACT OF 2007"

The Montgomery GI Bill for Life aims to repeal all time limits to use the MGIB, but it inadvertently neglects to account for those in the Reserve Educational Assistance Program (REAP) Title 10 U.S.C., Chapter 1607. The bill would maintain the requirement of those members participating in REAP to remain in the Reserves in order to use their benefits.

The American Legion strongly supports the following provisions of the bill: the repeal of the delimiting date of Title 38, Chapter 30 (MGIB–AD) benefits, the extension of education benefits of an enrolled veteran that would have normally expired, the permittance of VEAP participants to enter the MGIB program, the repeal of the 14-year limit on use of MGIB–SR (Title 10, Chapter 1606) educational assistance benefits, and the provision that would entitle enhancement of disabled members opportunity to use their education benefits.

In addition to the positive measures that the bill encompasses, The American Legion feels that all veterans be treated equally regardless of their Reserve/National Guard status in such that an individual who was called to duty and served honorably should not have to remain in the selected Reserve to use their earned benefits. The American Legion recommends that this legislation be amended to allow all Re-

servists and National Guard members to use their MGIB benefits, to include the Reserve Educational Assistance Program (REAP) after separation regardless of disability status and after completion of a service contract.

The American Legion recommends amending section 4 of S. 1261 with language that would permit members of the Reserve components to use their earned REAP benefits once the eligibility requirement is met and after completion of a service contract.

S. 723, THE "MONTGOMERY GI BILL ENHANCEMENT ACT OF 2007"

The American Legion supports the termination of the current military payroll deduction of $1,200 required for enrollment in MGIB–AD and MGIB–SR as proposed in section 2. However, we feel that a refund of contributions would devote numerous Full Time Employees (FTE) to administer the program over multiple years ultimately costing the government a significant quantity of time and money that could be used to better serve our Nation's veterans. That same money could be allocated to increasing the monthly MGIB education rate, thereby increasing the power of the program.

The American Legion has no official position on section 3, the amendment to allow certain members of the Armed Forces to withdraw election not to enroll in the MGIB.

S. 698, THE "VETERANS SURVIVORS EDUCATION ENHANCEMENT ACT OF 2007"

S. 698 would expand the current benefit of survivors and dependents educational assistance to an amount greater than the current value of the Montgomery GI Bill (MGIB) education benefit. The aggregate amount would become $80,000 compared to the current full time rate MGIB benefit of $38,700.

We have no official position on this provision however, The American Legion supports legislation in which the dollar amount of the MGIB entitlement would be indexed to the average cost of college education including tuition, fees, textbooks and other supplies for a commuter student at an accredited university, college or trade school for which they qualify and that the educational cost index be reviewed and adjusted annually.

S. 1293, VETERANS' EDUCATION AND VOCATIONAL BENEFITS IMPROVEMENT ACT OF 2007

Section 2 (Expansion of Accelerated Payment programs for Title 38 U.S.C., Chapter 30, and Title 10 U.S.C. Chapters 1606 and 1607)

The American Legion strongly supports the provisions of S. 1293 to allow for accelerated payments for all eligible MGIB courses by striking the requirement that a course must lead to employment in the high technology field. Increasing the educational benefit available through the MGIB will provide a better incentive to veterans to complete a program with immediate employment results, without the concern of going in to short-term debt. The American Legion supports granting a veteran the option to request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for MGIB financial payments. The selection of courses veterans undergo should remain exclusively the decision of the individual veteran and that all earned veterans' education benefits should be made available to veterans in support of their endeavors. Accelerated payments allow veterans to achieve their education goals in the manner that they decide. Binding the time frame of an education payout may restrict educational options for some veterans.

The American Legion supports the expansion of Public Law 107–103 that would be enacted in this legislation to include:

1. Survivors and Dependents Educational Assistance (DEA, or Chapter 35)
2. Reserve Educational Assistance Program (REAP, or Chapter 1607)
3. Montgomery GI Bill Selected Reserve (MGIB–SR or Chapter 1606)

The American Legion also supports the expansion of accelerated payments to Post-Vietnam Era Veterans' Educational Assistance Program (VEAP, or Chapter 32).

In addition to the traditional institutions for higher learning, MGIB benefits can be used for training at Non-College-Degree Institutions, On-the-Job or Apprenticeship Training, Independent, and Distance or Internet training. The MGIB also allows VA to reimburse veterans for the fees charged for national tests for admission to institutions of higher learning and national tests providing an opportunity for course credit at institutions of higher learning. Examples of tests covered are SAT, GRE, CLEP, GMAT, LSAT, etc. The MGIB for veterans, and not those eligible

under Survivors and Dependents Educational Assistance (DEA), is available for Flight Training and Correspondence Training.

The significance of expanding the scope of accelerated payments is that the preceding categories are eligible for MGIB payments, yet *excluded* from accelerated payments. The American Legion recommends that all MGIB-approved courses, including the On-the-job-training (OJT) and Apprenticeship courses, become eligible for accelerated payments.

Section 3

The American Legion supports the proposed amendment of the REAP program to take into account the thousands of servicemembers that have participated in multiple deployments. Many individuals have accumulated significant periods of time served on active duty by performing multiple tours. Their aggregate time most likely will greatly exceed the 3-year requirement as proposed in this legislation. National Guard and Reserve members have been serving multiple tours on an average of approximately 15 months per tour; however, the current law only allows a reservist to achieve the maximum benefit of this program, 80 percent of the full time active duty rate, only if 2 continuous years of active duty service are met.

Since 9/11, Reservists have had to perform multiple deployments to all parts of the world, mainly Iraq and Afghanistan. By enacting this legislation, the realities of the total force structure are recognized. Serving side by side with full time active duty members, reservists have earned the right for additional educational benefits.

S. 1409, THE 21ST CENTURY BILL OF RIGHTS ACT OF 2007

Section 2

The American Legion objects to the "deployed overseas" requirement for eligibility of this program. We also object to the limitation that this program would be unavailable to those veterans seeking a graduate level degree.

The American Legion support the provisions that would allow for a transfer of the number of remaining months of education benefits in Title 38 Chapter 30, and Title 10 Chapters 1606 and 1607 to this new proposed Chapter 33 in Title 38.

Section 3

The American Legion supports the strengthening of the VA Home Loan program. The clause to increase the maximum guaranty amount of the Home Loan Guarantee greatly benefits veterans.

The American Legion strongly supports the repeal of the Home Loan Funding fee. The Department of Veterans Affairs (VA) Home Loan Guaranty program has been in effect since 1944 and the VA Home Loan Guaranty program has afforded approximately 18 million veterans the opportunity to purchase homes. The VA Home Loan Guaranty program offers veterans a centralized, affordable and accessible method of purchasing homes in return for their service to this Nation.

The VA funding fee charged to veterans was enacted to defray the costs of the VA guaranteed home loan program but the program is expected to make a profit based on the fees charged to veterans. Congress is not required to appropriate funding for this program; however, because veterans must now "buy" in to the program, it no longer serves the intent of helping veterans afford a home. The fee makes the VA Home Loan program less beneficial, in some aspects, compared to a standard private loan.

The proposed legislation authorizes appropriations for the Veterans Housing Benefit Program Fund that will enable the program to continue without faltering due to lack of funding. The American Legion feels that this legislation should be enacted to prevent homelessness, reward a veteran for honorable service, and to take care of our Nation's heroes.

Section 4 Small Business Programs for Veterans

The American Legion supports the enhancement and opportunity for veterans and service-disabled veterans to start, operate, and succeed in their small business adventures.

S. 1719, A BILL TO AMEND TITLE 38, U.S.C., TO PROVIDE ADDITIONAL EDUCATIONAL ASSISTANCE UNDER THE MONTGOMERY GI BILL TO VETERANS PURSUING A DEGREE IN SCIENCE, TECHNOLOGY, ENGINEERING, OR MATH

S. 1719 aims to assist veterans by paying a $2,000 stipend or fraction thereof per year for courses leading to degrees in science, technology, engineering, or math.

The American Legion agrees with the intent of S. 1719 in that it allows for members of the Armed Services and veterans to receive enhanced educational benefits more in line with today's needs; however, we feel that a monthly tax-free subsist-

ence allowance indexed for inflation must be part of *all* educational assistance packages. While this legislation is aimed toward the active duty force (MGIB Chapter 30), The American Legion supports legislation that will allow Reservists (Title 10, Chapters 1607) to earn credits for education while mobilized, just as active-duty troops do, and then use them after they leave the military service.

CONCLUSION

Historically, The American Legion has encouraged the development of essential benefits to help attract and retain servicemembers into the Armed Services, as well as to assist them in making the best possible transition back to the civilian community. The Servicemen's Readjustment Act of 1944, the "GI Bill of Rights" is a historic piece of legislation, authored by Harry W. Colmery, Past National Commander of The American Legion, that enabled millions of veterans to purchase their first homes, attend college, obtain vocational training, and start private businesses.

As the distinctions between the active and Reserve forces continue to fade, the difference between the active and Reserve forces of the MGIB should disappear accordingly. Benefits should remain commensurate with sacrifice and service and designed to update the MGIB by incorporating the new security realities of this current open-ended Global War on Terror.

The legislation discussed today aims to better serve veterans and ultimately assist them in financial stability. The American Legion commends the Committee for addressing these important issues. We appreciate the opportunity to present this statement for the record and to continue our proud history of advocating for increased educational benefits to members of the Armed Forces.

Chairman AKAKA. Thank you very much, Mr. Chamrin of the American Legion.

Now we will hear from Eric Hilleman from Veterans of Foreign Wars.

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

Mr. HILLEMAN. Thank you, Senator AKAKA. Mr. Chairman, Senator Murray, on behalf of the 2.4 million men and women in the Veterans of Foreign Wars and our Auxiliaries, we thank you for allowing us to testify at today's hearing on seamless transition and veterans' education benefits.

I would like to begin by thanking the Committee for its bipartisan support of the Wounded Warrior legislation and this Committee's immediate action to strengthen the seamless transition for our troops' health care. This bill recognizes that providing a full continuum of care to our injured troops is central to properly paying the costs of war. Please accept the VFW's heartfelt thank you. We greatly appreciate the hard work of this Committee and staff.

Seventy-five years ago, in the summer of 1932, we truly saw the necessity of providing our returning warriors with a seamless transition back to civilian life. That summer, the Bonus Army, comprised of some 45,000 World War I veterans, marched on Capitol Hill. They sought a bonus promised by a 1924 law to provide them a Federal bond worth approximately $1,000 at maturity. They sought an earned benefit, economic relief from the Depression, and a brighter future for their families.

Seventy-five years ago this month, in place of the bonus, the police were ordered to raze their camp and disperse the veterans and their families. The police met with resistance, causing President Hoover to dispatch the Army. The 12th Infantry Regiment, at the command of General Douglas MacArthur, marched on the camp with bayonets fixed, dispersing tear gas. By day's end, hundreds of

men, women, and children were injured, the camp was in flames, and several were dead.

The tragedy in the summer of 1932 set the stage for Congress and President Roosevelt to construct and enact the original GI Bill of Rights in 1944. It was a transition assistance program to prevent veterans from becoming unemployed and destitute. It was an investment in the lives of individuals, the prosperity of our Nation, and a direct result of the cost of war.

The key element of the educational portion of the original GI Bill allowed a veteran to focus exclusively on study and provided access to institutions of higher learning that would have been otherwise unthinkable. The bill paid all of their education expenses, providing a monthly stipend for food, housing, and incidentals. Further, it doubled the ratio of homeowners in our Nation. Each dollar of the bill spent resulted in between $5 to $12 in higher tax revenue.

Over the years, the purchasing power of the benefit has dissolved and the purpose of the GI Bill has evolved. The Department of Defense now uses the GI Bill to recruit and retain high-quality personnel, attracting education-oriented recruits. The GI Bill has shifted from being a robust benefit to now only covering a fraction of the cost of education. The current benefit requires veterans to seek large student loans, compete for scholarships, work part- or full-time jobs, and rely on family funding. This is far from the original intent of the legislation.

In cases where a veteran has a young family, they are forced to choose between working a full-time job to support their family or using the GI Bill for education. In making the decision to feed their family today, they forego an education.

We urge this Committee, the Senate, and the Congress to fully invest in a seamless transition for today's troops. We believe that a comprehensive GI Bill for the 21st century would provide full tuition support, a small stipend, and other education-related costs. It would serve to strengthen DOD's recruitment, provide the Nation with a cadre of seasoned and patriotic leaders, and most importantly, improve the lives of veterans and their families.

Mr. Chairman, this concludes my testimony and I would be happy to answer any questions this Committee has. Thank you.

[The prepared statement of Mr. Hilleman follows:]

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

Mr. Chairman and Members of This Committee:

On behalf of the 2.4 million members of the Veterans of Foreign Wars of the U.S. (VFW) and our Auxiliaries, I would like to thank you for your invitation to testify at today's important hearing on "Seamless Transition" and veterans' education benefits legislation.

The original GI Bill helped to create the middle class by improving access to education and creating an unprecedented number of opportunities for millions of Americans. It has eased the transition from active duty into civilian life for millions of veterans while equipping its recipients with the tools to adapt to the ever-changing marketplace. The Department of Defense has long used the GI Bill to recruit and retain high quality personnel. The GI Bill has profoundly improved our military's strength and the quality of life for all of its recipients.

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 a GI Bill in the spirit of the original WWII 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 recognizes the tens of thousands of Guard and Reserve members who have actively served an aggregate of 24 months defending our Nation. 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. The VFW enthusiastically supports this bill.

S. 644, TOTAL FORCE EDUCATIONAL ASSISTANCE ENHANCEMENT AND INTEGRATION ACT OF 2007

We support this vital legislation, which addresses the inequity between active duty GI Bill and Reserve GI Bill education benefits. S. 644 will reward Guard and Reserve members with an equitable education benefit. For every month they serve on active duty they will receive 1 month's active duty GI Bill benefit, usable within 10 years from their date of discharge. This bill also eases the administration of education benefits, simplifying U.S. Code and giving the Department of Veterans Affairs the responsibility of administering the benefit as they currently do with the active duty GI Bill.

S. 698, THE VETERANS' SURVIVORS EDUCATION ENHANCEMENT ACT OF 2007

This Act would increase the maximum amount of GI Bill benefits available for eligible veterans' survivors and dependents from the current $788 a month, paid over 45 months equaling $35,460, to approximately $1,778 a month totaling $80,000. It allows the benefit to be used for special restorative training, apprenticeships, on-the-job training, and tutoring assistance. And it allows survivors and dependents to draw the benefit until their 30th birthday, extending the usage age from 26th birthday.

We deeply respect the loss, challenge and pain survivors and dependents suffer. Benefits paid to widows/widowers and orphans grant a degree of security when faced with the sudden loss of a loved one. The VFW fully supports enhancement of educational assistance for survivors and dependents of veterans, but we also feel the benefit should move in tandem with the education benefit available to the chapter 38 active duty GI Bill.

The current chapter 38 active duty GI Bill benefit total is approximately $37,000 and the survivors education benefit is approximately $35,500; thus, giving some relative parity in the two benefits. S. 698 would award survivors twice the earned benefit available to active duty troops. We favor increasing survivor benefit, but in tandem with the active duty benefit. The VFW views such a dramatic increase as creating an unfortunate inequity.

S. 723, THE MONTGOMERY GI BILL ENHANCEMENT ACT OF 2007

We support the Montgomery GI Bill Enhancement Act of 2007. This bill lifts the $1,200 buy-in to the GI Bill benefit for as long as the "War on Terror" persists. It rewards members of the Armed Forces and Selected Reserve for their active duty service from November 16, 2001, until Executive Order 13235 is terminated. It takes the additional step of reimbursing the payroll deductions taken prior to its enactment. The goal of this legislation mirrors previous wartime GI bills, insomuch as no contribution, other than honorable service, qualifies a servicemember for the education benefit.

S. 1261, THE MONTGOMERY GI BILL FOR LIFE ACT OF 2007

The Montgomery GI Bill (MGIB) has opened the door to higher education for millions of Americans. This bill seeks to eliminate time limits that often prevent servicemembers from using a life-altering benefit when they need it the most. S. 1261 would eliminate the post-service 10-year time limit for the active duty MGIB and the in-service 14-year time limit for Guard and Reservists. Time limits prevent servicemembers from seeking training and education later in life or at mid-career milestones. The VFW supports the lifelong career approach to the benefit. If a servicemember has earned the benefit, why prevent them from using it?

Many servicemembers seek education and retraining later or at mid-career. This helps them adapt to the ever-changing economy, transitioning from fields that may offer more job security. Also, many younger veterans and servicemembers have fam-

ily obligations that prevent them from seeking an education early in life. The VFW supports S. 1261 and the repeal of time limits on the GI Bill.

S. 1409, THE 21ST CENTURY GI BILL OF RIGHTS ACT OF 2007

We support S. 1409 extending eligibility to Active Duty troops and National Guard and Reserve members who serve an aggregate of two years on active duty. This bill will pay tuition, books, fees, room and board over the course of 4 years of full-time education. It lifts the $1,200 buy-in fee. It further exempts veterans from paying loan fees, enhances access to low-interest loans through the Veterans Affairs Home Loan Guaranty Loan Program, and increases the cap on the veterans' home loan program from $417,000 to $625,000. This legislation also establishes a veterans' micro loan program, providing no-money-down micro loans for entrepreneurial ventures up to $100,000 and capping interest at 2.5 percent.

S. 1719, A BILL TO AMEND TITLE 38, UNITED STATES CODE, TO PROVIDE ADDITIONAL EDUCATIONAL ASSISTANCE UNDER THE MONTGOMERY GI BILL TO VETERANS PURSUING A DEGREE IN SCIENCE, TECHNOLOGY, ENGINEERING, OR MATH

This Act would provide GI Bill recipients pursuing a degree in science, technology, engineering and/or math an additional $2,000 per academic school year. The benefit would be paid in lump-sum payments at the beginning of each school semester or quarter.

The VFW recognizes the importance of encouraging study in critical areas such as science, technology, engineering and math. However, we are unable to support this bill. We feel this legislation would distort the equity extended to all servicemembers under the GI Bill. The value of the GI Bill is recognized as equal benefit for equal service rendered. In using the GI Bill to create incentives for particular areas of study, this bill would inadvertently create disincentives to study philosophy, foreign languages, history, and political science; hence, moving away from equal benefit for equal service.

We support incentive scholarships/programs for desired areas of study, yet we are reluctant to use the GI Bill to create these incentives.

Mr. Chairman and Members of the Committee, this concludes the VFW's testimony, I would be happy to answer any of your questions. Thank you.

Chairman AKAKA. Thank you very much, Mr. Hilleman from Veterans of Foreign Wars.

Now we will hear from Colonel Robert Norton of the Military Officers Association of America.

STATEMENT OF COLONEL ROBERT F. NORTON, USA (RET.), DEPUTY DIRECTOR, GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

Colonel NORTON. Thank you, Mr. Chairman. It is good to be here, Senator. Thank you, Senator Murray, for this opportunity to testify today before you on behalf of the 366,000 members of the Military Officers Association of America.

Mr. Chairman, we are very grateful this year for passage in Congress of legislation that provided significantly increased funding for the VA health care system, for the passage of Wounded Warrior legislation, and for other benefit improvements that help our Nation's veterans. But on this issue, the Montgomery GI Bill, we are disappointed in the lack of progress this year, and you indicated that, Mr. Chairman, in your opening statement. We believe that, and we strongly recommend, that there is an opportunity for the Congress, the Committee, the Senate to take at least the first important steps to improve the Montgomery GI Bill this year.

There is certainly a lot to like in many of the bills before the Committee today, and my statement goes into some detail in going over each of those bills. However, at the end of my statement, we have a suggested priority order in which we recommend what we

think ought to be done first to support our Nation's warriors and veterans.

I will address here what we believe is the most egregious shortcoming of the GI Bill policy today and I will illustrate it, departing somewhat from my oral remarks by just taking into account the panel of veterans you see before you here today. All four of us are veterans. All four of us have served on active duty. Now, I myself used the GI Bill as a Vietnam-era veteran, and Eric Hilleman from the VFW, is a veteran of the Marine Corps. We had 10 years to use our benefits when we completed our service contract and separated or retired from active duty.

However, Patrick Campbell on my left from the Iraq and Afghanistan Veterans of America and Ron Chamrin from the American Legion, also veterans of the War on Terror, they currently serve, in Patrick's case, in the Guard, in Ron's case, in the Army Reserve. They are equally veterans as Eric and I are. However, when they complete their service and get out, they have no access to a single penny of their earned Montgomery GI Bill benefits.

And moreover, Mr. Chairman, the problem here is that under today's operational Reserve policy, they are likely to be called up, as Secretary Gates testified in January, under the new policy once at least every 5 years. In many cases, as you know, Reservists have been called up more frequently. A 132,000 have already served two or more tours since 9/11. 600,000 have served overall since 9/11.

If they get called up today or tomorrow, they will be taken out of school, in Patrick's case. He is in a law school right now. He will be taken away from his school program. When he gets back, he will nearly be complete with his National Guard service, and if he separates at that point, he will not be able to use any of his earned benefits from active duty.

And so, Mr. Chairman, the point we would like to make is that under the all-volunteer force policy, we can't welcome Guard and Reserve volunteers into the service and then compel them to stay in just to keep benefits they have earned on active duty going into harm's way. That is a policy of indentured servitude and it is fundamentally at odds with the Nation's all-volunteer force policy, as Mr. Wincup said in the earlier panel. Sooner or later, separate treatment of these veterans will undermine morale and cohesion of the Total Force.

With all the bills on the table here today, the one we feel should be addressed this year is S. 644. The bill would do two things. First, it would recodify Reserve Montgomery GI Bill programs into Title 38 so that future adjustments to the program could be made in proportion to the duty performed, not more and not less. Second, S. 644 would authorize 10 years' post-service use of those benefits earned on active duty in a national emergency.

There is an opportunity for the Members of this Committee and for the Senate to do the right thing for Guard and Reserve warriors this year. MOAA strongly recommends that all Members of the Senate endorse two amendments to the Senate Defense Authorization bill. Senate Amendment 2072 would do the recodification work. In fact, Mr. Chairman, as you know, the House has already passed and included in its defense bill recodification of the Reserve GI Bill programs into Title 38.

The second amendment, S. 2074 to the Defense Authorization, would establish the 10-year readjustment benefit for Reserve and Guard warriors like Patrick Campbell and Ron Chamrin.

I had the opportunity, Mr. Chairman, to testify two months ago before the Dole-Shalala Commission on Returning Wounded Warriors. At that time, I was very impressed with Secretary Shalala. At the time, she said that one of the things we need to do with our returning warriors is simplify, simplify, simplify. In fact, the title of their report to the President includes the word "simplify." We strongly support the integration of the Reserve GI Bill programs into Title 38. As Mr. Bombard said, one set of rules, one committee of jurisdiction, one way to go forward to adjust benefits in proportion to the service performed. This issue is supported by the 35 members of the Military Coalition and the Partnership for Veterans Education, which includes the Coalition and 12 other veterans and higher education groups.

Mr. Chairman, we would like more, of course, but we think these affordable, practical first steps should be done this year and we strongly endorse them. I thank you for your consideration and I also thank you, Mr. Chairman, for your service to the Nation and for your service in World War II as a user of the great World War II GI Bill. Thank you, Mr. Chairman.

[The prepared statement of Colonel Norton follows:]

PREPARED STATEMENT OF COLONEL ROBERT F. NORTON, USA (RET.), DEPUTY DIRECTOR, GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

Mr. Chairman and distinguished Members of the Committee, on behalf of the nearly 362,000 members of the Military Officers Association of America (MOAA), I am honored to have this opportunity to present the Association's views on veterans' educational assistance legislative proposals being considered before you today.

MOAA is an original founding member of the Partnership for Veterans' Education, a consortium of military, veterans, and higher education groups which advocate for passage of a "total force" approach to the Montgomery GI Bill to meet the needs of our operating forces—active duty, National Guard and Reserve—and veterans in the 21st century.

MOAA does not receive any grants or contracts from the Federal Government.

EXECUTIVE SUMMARY

MOAA appreciates the growing interest in Congress in improving educational benefits under the Montgomery GI Bill (MGIB) for our Nation's returning warriors. Legislative proposals range from modest improvements at the margins to restoration of a "World War II-style" GI Bill that would cover all costs of a veteran's education or training plus a stipend for living-expenses.

In summary, MOAA's position on the legislation before the Committee at this hearing is as follows:

S. 22. MOAA supports a "World War II style" MGIB and recommends that such benefits be authorized for all members of the volunteer force, not just those who happen to serve during a designated "wartime" period.

S. 644. MOAA strongly endorses a "total force" approach to the MGIB that matches benefits to service performed and establishes a readjustment benefit for OIF/OEF veterans of the National Guard and Reserve.

S. 723. MOAA supports establishment of MGIB entitlement for all military men and women by elimination of the $1,200 payroll reduction. However, we believe the value of the monies proposed to be reimbursed—servicemembers never actually received the $1,200 in their first year—would be better spent on MGIB rate increases.

S. 1261. MOAA supports extending the post-service usage period for MGIB benefits earned on active duty, including authorization of post-service usage by mobilized reservists.

S. 1293. MOAA endorses increased flexibility in delivering accelerated benefits under the MGIB and we support "buy up" authority for National Guard and Reserve

servicemembers. Mobilized reservists should be authorized portability (post-service) access to such "buy up" benefits following the completion of honorable service.

S. 1409. MOAA supports this "World War II style" legislation but recommends that proposed rates be based on the average cost of a 4-year public college or university education, a position MOAA and the Partnership for Veterans Education have endorsed since 2001. MOAA does not support the limitation of bill benefits only to those servicemembers who have "deployed overseas."

S. 1719. MOAA supports the idea of additional MGIB benefits for certain purposes but questions whether the Department of Veterans Affairs would be the optimal venue for targeting extra funds for degrees in science, technology, energy or math. The bill's objectives may be better achieved through grants from the Department of Education or other appropriate agency.

MOAA recognizes that all good things may not happen in one session of Congress. At the conclusion of this Statement is an addendum outlining potential MGIB upgrades in recommended priority order.

S. 22, POST-9/11 VETERANS EDUCATIONAL ASSISTANCE ACT OF 2007 (WEBB). COSPONSORS: 20 (ALL COSPONSORSHIP NUMBERS AS OF 11 JULY 2007)

Senator Webb's bill in effect would re-establish and enhance the post-World War II "GI Bill" of educational benefits.

S. 22 would establish "wartime" service GI Bill benefits that would permit servicemen and women who serve or have served since 9/11 and who meet the requisite active duty service requirements in the legislation to be reimbursed for the entire cost of any college, university, or training program of their choice.

Reimbursement rates would match the cost paid by non-veterans at such programs. Additionally, veterans would receive a $1,000 per month stipend for 36 months, matching the maximum entitlement reimbursement period. Veterans would have up to 15 years after their service to exhaust entitlement. The existing bar to duplication of benefits would preclude paying other MGIB benefits concurrently.

National Guard and Reserve "wartime" veterans with qualifying active duty service would be entitled to the benefits described in the bill.

MOAA supports S. 22. This bill represents a vision, perhaps even a GI Bill "holy grail" that our Nation's warriors surely have earned in service to the Nation. We worry, however, that absent a strong signal of support from this Committee and the full Senate and House, the likelihood of this bill's passage is uncertain at this time.

MOAA has long supported many of the features in S. 22, especially: the increase in GI Bill benefit rates, the elimination of the $1,200 payroll reduction, extension of the post-service usage period, and establishment of a readjustment benefit for mobilized reservists. However, based on the fact that the last substantive upgrades to the MGIB-Active Duty program were enacted before 9/11, stakeholders must wonder if there is genuine resolve to upgrade the MGIB to this extent.

MOAA's approach on military and veterans benefits is to work with Congress to find realistic ways to make progress on military and veteran "people" issues that support a strong national defense, military readiness, and fair treatment of those who have worn the uniform of the country. Sure, MOAA would prefer to have all the features of S. 22 and all at once. Our experience has shown that Congress rarely acts that way.

For many years and over the course of many sessions of Congress, retired Ranking Member of the House Veterans Affairs Committee, Lane Evans—a distinguished Vietnam veteran—sponsored legislation similar to S. 22. Unfortunately, none of his bills attracted enough support to gain serious consideration.

A practical shortcoming in S. 22 is the absence of MGIB "kicker" authority for the military services—Section 3015(d), 38 U.S. Code. DOD has long used financial incentives—"kickers"—as tools to distribute military manpower into high demand skills needed for readiness. Kickers have proven very effective in combination with the MGIB–AD (Chapter 30) to support Armed Forces recruiting goals.

It may be that the quantum leap in GI Bill benefits under S. 22 would suffice for overall recruiting purposes, obviating the need for "kickers." Manpower planners, however, might be extremely reluctant to test this theory.

If forced to choose, MOAA believes the most glaring inequity that needs to be addressed immediately in GI Bill legislation is the absence of a readjustment benefit under the MGIB for activated reservists.

S. 644, Total Force Educational Assistance Enhancement and Integration Act of 2007 (Lincoln). Cosponsors: 17

MOAA believes that the first priority in creating a more effective MGIB is to evaluate proposals against the principle of aligning benefits with the length and type of duty performed by members of our Nation's Armed Forces team—active

duty, National Guard and Reserve. In short, a "total force" approach is needed for the MGIB.

In achieving this objective—an objective we believe is essential to accomplish recruitment, reenlistment, and readjustment purposes—MOAA strongly endorses as a first order of business two affordable steps.

First, all active duty and Reserve MGIB programs would be consolidated under Title 38. DOD and the Services would retain responsibility for cash bonuses, MGIB "kickers," and other enlistment/reenlistment incentives. Second, MGIB benefit levels would be structured according to the level of military service performed.

The Total Force MGIB, S. 644, would restructure the MGIB as follows:

• Tier one, the Active Duty MGIB (Chapter 30, Title 38)—initially, no statutory change. Individuals who enter the active Armed Forces would earn MGIB entitlement unless they decline enrollment.

• Tier two, the Selected Reserve MGIB (Chapter 1606, Title 10)—MGIB benefits for a 6-year enlistment or reenlistment the Guard or Reserve. Chapter 1606 would transfer to Title 38. Congress should consider adjusting benefit rates to restore the originally intended relationship to the active duty program. Historically, Selected Reserve benefits have been 47–48 percent of active duty benefits (vs. today's 29 percent).

• Tier three, Reserve Educational Assistance Program (Chapter 1607, Title 10)—MGIB benefits for mobilized members of the Guard/Reserve on "contingency operation" orders. Chapter 1607 would transfer to Title 38 and be amended to provide mobilized servicemembers 1 month of "tier one" benefits (currently $1,075 per month) for each month of activation after 90 days active duty, up to a maximum of 36 months for multiple call-ups.

A servicemember would have up to 10 years to use remaining entitlement under Tier One or Tier Three programs upon separation or retirement. A Selected Reservist could use remaining Second Tier MGIB benefits only while continuing to serve satisfactorily in the Selected Reserve. Reservists who qualify for a Reserve retirement or are separated/retired for disability would have 10 years following separation to use their benefits. In accordance with current law, in cases of multiple benefit eligibility, only one benefit could be used at one time, and total usage eligibility would extend to no more than 48 months.

GUARD AND RESERVE WARRIORS DENIED EARNED VETERANS' BENEFITS UNDER REAP

Third-tier benefits are earned by mobilized reservists who serve the Nation on active duty for at least ninety days during a national emergency under "contingency operation" orders. The REAP (Chapter 1607, 10 U.S. Code) benefit package was cobbled together with little consultation/coordination with the Departments of Defense and Veterans Affairs, and other stakeholders. For example, the benefit rate structure is based on an administratively cumbersome percentage of active duty MGIB Chapter 30 benefits. Ironically, substantial benefits are awarded after 90 days service, but no post-service access to those benefits is authorized.

Clearly, the principle of scaling benefits proportional to service performed was not used in fashioning REAP.

The Total Force MGIB would address these concerns by establishing in law month-for-month entitlement to active duty MGIB benefits (Chapter 30). With enactment of a portability feature for earned REAP benefits, the program ultimately would be fairer to all members of the force and serve as an incentive for continued service in the Guard or Reserves.

A restructured REAP would support DOD policy of calling up the "operational reserve" for one-year tours every five or six years. The proposal would enable a G–R member potentially to acquire full MGIB entitlement after 36 months aggregate service on contingency operation orders.

Presently, Chapter 1607 benefits are awarded only for a single tour of active duty. Additional benefits cannot be earned for additional active duty service performed. This becomes a built-in disincentive for continued service and can only hurt the morale of operational reservists.

A key feature of S. 644 is that reservists mobilized for at least 90 days under Federal contingency operation orders would have access to their remaining REAP benefits after separation. That is, they would be entitled to post-service readjustment benefits under the MGIB.

America's volunteer military—active duty and Reserve component—become veterans when they complete their active duty service agreements. When mobilized reservists return from an active duty call-up (under contingency operation orders) they become veterans of the Armed Forces, and no American would dispute that

fact. Why then should they be treated as second-class citizens for purposes of the MGIB? If an active duty member who serves 2 years on active duty and 1 tour in Iraq may use MGIB benefits for up to 10 years after leaving service, do we not owe equal treatment to a Guard or Reserve member who serves 2 or more years in Iraq over a period of 6 or 8 years of Guard/Reserve service?

A DOD survey of Reserve component members (DOD Status of Forces Survey, November 2004) indicates that "education" is not a key component in extension or reenlistment decisions. Moreover, a reenlistment or extension decision enables a servicemember to retain original Reserve MGIB benefits (currently, Chapter 1606) as well as the potential to earn more active duty MGIB entitlement through successive call-ups under S. 644.

Under S. 644, reservists who choose to remain in the Selected Reserve and are subsequently activated would earn 1 month of active duty MGIB benefits for every month mobilized, up to 36 months of benefits. In short, there is a *built-in incentive* to continue serving in the Selected Reserve because of the potential to earn more MGIB entitlement under S. 644.

MOAA strongly supports passage of the two major features of S. 644: consolidation of Reserve/veteran MGIB programs under Title 38 and establishment of post-service authority for veterans of the Guard and Reserve to access benefits earned on active duty in a mobilization.

MOAA recommends the Senate adopt the language in Section 525 of the House-passed National Defense Authorization Act (H.R. 1585) to integrate of Reserve MGIB programs into Title 38. MOAA further strongly recommends establishment of a post-service readjustment authority for REAP benefits earned on active duty in service to the Nation.

S. 698, THE VETERANS' SURVIVORS EDUCATION ENHANCEMENT ACT OF 2007 (DURBIN). COSPONSORS: 2

S. 698 would increase Survivors' and Dependents' Educational Assistance (DEA) benefits under Chapter 35, 38 U.S. Code to $80,000 and permit dependent children to draw from this amount for any period between ages 17 and 30.

The bill also would permit lump-sum payments "in any amount" up to the new limit for institutional coursework or training, on-the-job training, correspondence courses, special educational assistance and farm cooperative programs. The bill, then, appears to eliminate DEA monthly rates for allocating educational benefits under Chapter 35. Presently, DEA participants can receive 45 months of benefits at up to $860 per month, a total of $38,700.

MOAA supports the intent of S. 698. MOAA also is grateful for earlier Congressional action (2004) that raised DEA rates and authorized survivors to access remaining DEA benefits for up to 20 years after the death of the sponsor.

We are concerned, however, over the concept of creating benefits under DEA that are substantially more generous than those authorized for veterans themselves. S. 698 would authorize up to $80,000 in lump-sum payments for coursework or training compared to $38,700 in monthly increments under the MGIB, Chapter 30. Veterans have only 10 years after service to use their benefits. Dependent children would have 13 years to use their benefits between the ages of 17 and 30 under the bill. Survivors have up to 20 years to use their benefits.

MOAA supports the intent of S. 698 and recommends that basic benefits under the MGIB (Chapter 30) be increased proportionally.

S. 723, THE MONTGOMERY GI BILL ENHANCEMENT ACT OF 2007 (HAGEL). COSPONSORS: 1

S. 723 would exempt members of the Armed Forces from the $1,200 payroll reduction during the onset of the War on Terror through its eventual termination. The bill also would require refund of the payroll reduction and allow servicemembers who elected not to participate in the MGIB a new opportunity to enroll in it.

MOAA believes the $1,200 payroll reduction confronts new recruits at a vulnerable time in their military service when the stress of "boot camp" and personal and financial challenges are paramount. To stimulate All-Volunteer Force recruitment, all entering service men and women should be automatically enrolled in the MGIB with no payroll reduction.

Eliminating the payroll reduction should be one element of a broader re-structuring of the MGIB as addressed in this Statement. We believe that the amount required to refund the $1,200 payroll reduction would have greater impact if used to enhance current MGIB benefits including an increase in monthly rates under Chapter 30, 38 U.S. Code.

S. 1261, MONTGOMERY GI BILL FOR LIFE ACT OF 2007 (CANTWELL). COSPONSORS: 4

S. 1261 would create a lifetime entitlement to MGIB Active Duty (MGIB–AD) benefits (Chapter 30, 38 U.S. Code) by repealing the 10-year limitation on post-service usage of this benefit and repealing the 14-year in-service usage limitation on the MGIB–SR (Chapter 1606, 10 U.S. Code).

MOAA recommends elimination of the MGIB–SR time limit for in-service use of Chapter 1606 benefits to support reenlistment and retention in the Selected Reserve.

Establishment of a lifetime learning benefit for remaining MGIB–AD benefits is a worthy goal. However, it may be more feasible to increase the post-service usage period in stages, beginning with 15 years as in Senator Webb's S. 22 and then to 20 years or more as currently authorized for survivors under the Survivors' and Dependents' Educational Assistance (DEA) program (Chapter 35, 38 U.S. Code).

As a first priority on post-service use of the MGIB, MOAA urges the Committee to endorse post-service usage for mobilized members of the Guard and Reserve who earn MGIB entitlement under Chapter 1607, 10 U.S. Code. These veterans are denied a fundamental veterans' benefit when they complete their service. (See S. 644 discussion, above.)

S. 1293, THE VETERANS' EDUCATION AND VOCATIONAL BENEFITS IMPROVEMENT ACT OF 2007 (CRAIG). COSPONSORS: NONE

S. 1293 has two broad features. The bill would temporarily expand the payment of accelerated benefits under the MGIB during the period between October 2008 and September 2012. Eligible participants would receive accelerated benefits for short-term, high-cost courses, not just "high technology" coursework as currently authorized.

Accelerated payments would be available to participants in the MGIB Active Duty (Chapter 30), MGIB Reserve Programs (Chapter 1606 and Chapter 1607, 10 U.S. Code), and Survivors' and Dependents' Educational Assistance (Chapter 35). Each program would have an annual expenditure cap ranging from $3 million for MGIB–AD, $2 million for MGIB-Selected Reserve (Chapter 1606), and $1 million each for the Reserve Educational Assistance Program (REAP) (Chapter 1607), and Survivors and Dependents (Chapter 35).

The second feature of S. 1293 would establish the opportunity for members of the Guard and Reserve to "buy up" their benefits under REAP. They could contribute up to $600 in $20 increments in order to receive an additional $150 per month in MGIB benefits.

MOAA supports the greater flexibility envisioned in the accelerated payment provisions of S. 1293. As a practical matter, however, the annual expenditure caps may substantially limit participation in the program, given the tens of thousands of MGIB users.

The "buy up" feature proposed for REAP in S. 1293 confirms our view that the Reserve MGIB programs are not properly synchronized with basic benefits under Chapter 30. The reality is that there have been no adjustments to the Reserve MGIB programs since the late 1990s, other than annual COLAs. This is in stark contrast to the significant increases in active duty MGIB rates during the same period.

A hopefully unintentional consequence of the proposed REAP buy-up provision is that returning Guard and Reserve warriors who honorably complete their service and separate or retire, *would forfeit their REAP benefits and personal "buy up" contributions following separation from military service. Again, there is no readjustment benefit under law for Guard and Reserve veterans.*

Veterans who elect to increase their REAP accounts can only use them if they agree to remain in the Guard or Reserve. Thus, the proposed buy-up provision comes with "golden handcuffs." In MOAA's view, our All-Volunteer Force should be structured under the principle of willing service. Active duty servicemembers have readjustment benefits under the MGIB, but operational reservists returning from war zones do not.

MOAA does not support separate treatment of active duty veterans and Guard/Reserve veterans in terms of post-service access to MGIB benefits earned through active duty service.

MOAA strongly recommends that the REAP buy-up provision in S. 1293 be authorized in conjunction with post-service access to those benefits.

S. 1409, 21ST CENTURY GI BILL OF RIGHTS ACT OF 2007 (CLINTON). COSPONSORS: 2

S. 1409 has certain features that are similar to S. 22. However, instead of covering the full-cost of education or training at any institution, S. 1409 would set educational payment rates at the average cost of any public or private institution. Since 2001, MOAA and our colleagues in the Partnership for Veterans Education have endorsed benchmarking MGIB rates on the average cost of a 4-year public college or university education as determined by the Department of Education. (S. 1409 also would authorize new benefits for housing and entrepreneur assistance to veterans who have served since September 11, 2001.)

MOAA endorses S. 1409, but similar to our comment on S. 22, we believe that the proposed benefits should not be limited to those who happen to have served since 9/11. General comments made earlier on S. 22 reflect our views on the educational provisions of S. 1409.

MOAA recommends the eligibility criteria for S. 1409 be revised by deleting "is deployed overseas" in the entitlement section of the bill (Subchapter II, Section 3311). Since World War II, deployment status has never been a criterion for GI Bill eligibility.

S. 1719, A BILL TO PROVIDE ADDITIONAL EDUCATIONAL ASSISTANCE UNDER THE MGIB FOR COURSES IN SCIENCE, TECHNOLOGY, ENERGY, OR MATH (BROWN). COSPONSORS: NONE

S. 1719 would add benefits under the MGIB for veterans pursuing a degree in science, technology, energy or math. MOAA supports the idea of additional MGIB benefits as proposed in the legislation but questions whether the Department of Veterans Affairs would be the optimal venue for targeting extra funds for degrees in science, technology, energy or math. The bill's objectives may be better achieved through grants from the Department of Education or other appropriate agency.

CONCLUSION

MOAA appreciates the growing Senate interest in Montgomery GI Bill reform and we look forward to working with the Members of the Committee and the full Senate to ensure that our 21st century warriors, including operational reservists from the National Guard and Reserve, are afforded benefits under the GI Bill that "give hope, dignity, training and skills to these folks coming back so they can reintegrate and become more productive [citizens]". (Senator Blanche Lincoln in *USA Today*, July 11, 2007, p. 6D)

ADDENDUM

MONTGOMERY GI BILL PRIORITIES

As a general principle, GI Bill benefits for the 21st century should match military policy and provide better support to recruitment and readjustment outcomes, as Congress intended. Benefits should be structured in proportion to the length and type of duty performed by our Nation's Armed Forces—active duty, National Guard/Reserve, and veterans—as recommended by the statutory Veterans' Advisory Committee on Education, which advises VA Secretary James Nicholson on veterans' educational benefits. The following description of MGIB priorities from MOAA's perspective is intended to assist leaders in Congress in forging a "way ahead" on MGIB reform. Obviously, MOAA strongly supports more costly MGIB upgrades including enactment of bills like S. 22 and S. 1409—with the reservations noted earlier—but the likelihood of such sweeping proposals gaining broad bipartisan favor is uncertain in our view.

• Transfer Reserve MGIB programs from Title 10 to Title 38. (Section 525, H.R. 1585). MGIB jurisdiction is split between the Veterans' Affairs Committees (Title 38), who handle traditional GI Bill benefits for active force members and the Armed Services Committees (Title 10) who handle Guard/Reserve GI Bill programs. Title 38 benefits have been increased significantly in recent years, but Guard/Reserve benefits have not. Because of the growing proportional benefit gap and the dramatic surge in requirements imposed on Guard/Reserve members, the total GI Bill program is no longer structured to match the Nation's military policy for the operational integration of our active and Reserve forces. Benefits should be structured to match the length and type of duty performed by active duty and Reserve component service men and women. The House took an essential first step by favorably voting Section 525 as a provision in the Fiscal Year 2008 National Defense Authorization Act, H.R. 1585. Section 525 is cost-neutral. (Section 525, H.R. 1585, S. 644)

• Establish a readjustment benefit (post-service use) eligibility period under the MGIB (Chap. 1607, 10 U.S. Code) for Guard and Reserve veterans of the War on Terror. Regular active-force members have 10 years after leaving service to use their GI Bill—regardless of any deployment experience. But Guard/Reserve members who have been mobilized for multiple tours in Iraq can't use their mobilization-related GI Bill benefits once they complete their service obligation and separate. Post-service access to benefits earned on active duty in defense of the Nation is the *only veterans' benefit denied* returning Guard and Reserve veterans. It is MOAA's understanding that CBO informally has scored the cost of 10-year portability of such benefits at $50 million in 2008, $165 million over 5 years and $235 million over 10 years. The cost could be reduced by changing the effective date until 1 October 2008 (FY 2009) (retroactive to Sept. 11, 2001 and adjusting the post-service usage period to 5 years for each 12 months served on active duty (the DOD call-up policy). (H.R. 1102, S. 644)

• Raise MGIB monthly rates to cover more or all of the cost of education/training programs. The present monthly rate for full-time study for active duty veterans is $1,075 (Chapter 30, 38 U.S. Code), which covers about 80 percent of the current cost of education for books, fees, and expenses at the average 4-year public college or university according to Department of Education data. The Partnership for Veterans Education has long sought benchmarking MGIB rates to track with the average cost at a 4-year public college or university. (S. 22 would go a step further toward a WWII-style benefit and cover the full cost of schooling, books, and expenses at any public or private institution. S. 1409 would set rates on the average cost at any public or private institution.)

• Authorize cumulative month-for-month credit under the MGIB (Chapter 30, 38 U.S. Code) for reservists who serve on active duty in a contingency operation. Operational Reserve policy requires Guard and Reserve members to expect activation for 12 months at a time every 5 or 6 years. Since 9/11, 132,000+ Guard and Reserve members have been activated two or more times. Under the "total force MGIB" concept sponsored by the Partnership for Veterans Education, reservists should be able to aggregate multiple periods of active duty for MGIB entitlement up to the maximum allowable in law, 36 months. Currently, a Guard/Reserve member's benefit is based on the longest single period of mobilization. A member who has had two separate one-year mobilizations gains no added education benefit for the second mobilization. (H.R. 1102, S. 644, H.R. 81, S. 22)

• Restore proportional parity between basic Reserve MGIB (Chapter 1606, 10 U.S. Code) rates and the active duty program. The basic Reserve MGIB rate was set at 47 percent of the active duty program in 1984 and retained that ratio for 15 years from 1985–1999. Subsequent increases in active duty program benefit levels combined with static Reserve benefit levels, mean Reserve MGIB rates have now dropped to less than 29 percent of the active duty program's, at a time when Guard and Reserve recruiting is under enormous strain. If proportional parity were restored in one year, basic Reserve rates for full-time study would increase from $309 to $505 per month. Stairstep increases would lower the cost over a three to five-year period. (H.R. 81)

• Repeal the 14-year in-service limitation for basic Reserve benefits (Chapter 1606). As an incentive to continued service in the National Guard and Reserve, the 14-year limit on in-service use of basic Reserve MGIB benefits should be repealed. Reservists who remain in the Selected Reserve could use such benefits until they are exhausted. S. 1261 and H.R. 1330 would repeal the 14-year limitation for in-service usage. H.R. 1330 also would permit 10 years post-service access to Chapter 1606 benefits, a provision which DOD and the Partnership for Veterans Education oppose. To clarify, the Partnership supports post-service use of mobilization-related GI Bill benefits, but not for the basic Reserve MGIB benefits.

• Authorize "buy up" provisions for the Reserve MGIB programs. Under "buy up," active duty servicemembers may invest $600 of their own money in their MGIB accounts in $20 increments to yield an additional $150 per month in MGIB benefits above their basic entitlement. Reservists have no such option. (S. 1293)

• Expand the scope of programs that can offer accelerated payments under the MGIB for designated training, education, and licensure/certification programs. The law permits accelerated payments under the MGIB for programs leading to employment in the "high technology" industry. To support veterans' readjustment and employment opportunities, expansion of the accelerated payment authority is needed. (S. 1293, H.R. 1824, S. 526, S. 1278)

• Extend the post-service usage period for the MGIB. Congress wisely enacted a change in law in recent years to permit survivors of those killed in the War on Terror to have 20 years to use their Survivors' and Dependents' Educational Assistance Benefits (Chapter 35, 38 U.S. Code). Veterans themselves face daunting challenges

in readjusting to civilian life. Overcoming PTSD and employment challenges often takes years, leaving insufficient time to use the MGIB. (S. 22, S. 1261)

• Repeal the $1,200 payroll reduction for active duty service entrants. The MGIB should be an automatic entitlement for service entrants. Federal student loan applicants obtain generous loans with no obligation of national service and no upfront costs; yet, Armed Forces recruits must forego $100 per month of their first year's pay for the privilege of serving their country. S. 723 would require reimbursement of the payroll reduction to War on Terror servicemembers and allow those who previously declined MGIB participation to enroll. H.R. 81 would reimburse the pay reduction for MGIB participants who extend their service beyond the initial MGIB qualifying contract.

• Permit active duty servicemembers who entered on/after September 11, 2001 and made "an election not to receive" educational benefits under the MGIB—i.e., chose to disenroll—a one-time opportunity to enroll. Servicemen and women are bearing the brunt for the Nation in the War on Terror. They should not be penalized for youthful decisions to withdraw from MGIB eligibility especially since such decisions often were made in the face of financial debt and family obligations during the early, stressful days of military service. S. 723

• Exempt the value of MGIB benefits in the calculation of annual gross income for the purposes of applying for Federal student loans. Veterans are disadvantaged in applying for such loans because the value of their MGIB benefits is used against them (counted as income) in determining the amount of Federal loans they may qualify for. H.R. 100.

• Allow active duty servicemembers who were eligible for but declined enrollment in the Post-Vietnam Era Veterans Educational Assistance Program (VEAP) (Chap. 32, 38 U.S. Code) to enroll in the MGIB prior to discharge/retirement. The VEAP was a low-value program that allowed enrolled members to defer making their qualifying deposits until they were ready to use the benefit, and many education counselors recommended against enrollment. Congress subsequently enacted changes in law that permitted VEAP participants to enroll in the MGIB for a $2,700 late-enrollment penalty. But those who declined participation in the VEAP program upon entrance (often based on being told it wasn't a good program) were never made eligible for MGIB. Currently serving men and women who declined VEAP at service entry should be afforded the same one-time MGIB enrollment opportunity as those who enrolled but made no deposit.

• Amend the MGIB transfer authority to permit all service participants to transfer up to half of their entitlement to dependents at the 12th–14th-year of service for a reenlistment agreement. Current law gives each Service Secretary the authority to use "MGIB transferability to dependents" as a reenlistment incentive in critical skills at the 6th year of service. Members may transfer up to half of the unused MGIB benefit, and benefits are available at the 10th year of service. Transferability should be used in conjunction with reenlistment programs, but present rules hardly favor military families. A limited test of transferability under existing rules yielded disappointing results for the USAF. The law should be modified to provide greater access to the transfer option for military families (but only as a full-career service incentive) for members who are motivated to provide for their spouse's or childrens' education. (H.R. 81)

• Cover the full cost of tuition, fees, and expenses for education and training programs at any public or private institution—a World War II-style GI Bill. In one form or another, "World War II-style" GI Bill legislation has been around for years. What's new is that unlike the citizenry of that era, only a minute fraction of the population—1 percent—is defending the other 99 percent in the War on Terror, a conflict which has no known conclusion. To address the enormous strain on military recruitment and to support the readjustment to civilian life of the few who defend the many, Congress should pass a comprehensive GI Bill of educational benefits, recognizing that history shows the return value to America of the WWII program (in terms of increased productivity, increased career earnings, and increased tax revenue realized) far exceeded the original program's cost to the government. (S. 22, S. 1409)

• Establish a stipend for living expenses associated with full-time education/training programs. Many veterans are married with one or more dependent children or are single parents when they separate from military service. Economic, employment and family responsibilities work together to discourage use of MGIB benefits. A cost of living stipend would enable more veterans to use their earned benefits, leading to more productive lives, higher incomes, and greater tax revenues for the Nation. (S. 22)

• Permit active duty and Reserve component officers who graduated from a Service Academy or a SROTC scholarship program an enrollment opportunity in ex-

change for a service extension agreement. Officers from these commissioning programs are ineligible for the MGIB, based on the argument that the government already funded their bachelor's degrees. This is a short-sighted rationale, given that the services typically require their officers to obtain advanced degrees for promotion. Further, the Army and its Reserve components are severely understaffed in the grade of captain (03). Fill rates range from about 50–60 percent. MGIB eligibility to pursue second or advanced degrees in combination with a bonus would be a career incentive to retain education-minded mid-grade officers needed for service in the War on Terror.

• Refund the $1,200 payroll reduction for active duty servicemembers who entered service on/after September 11, 2001. In recognition of the service and sacrifice of those who continue to serve the Nation in the War on Terror, the MGIB enrollment "tax" on their first year pay should be refunded. S. 723

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. LARRY E. CRAIG TO COLONEL ROBERT F. NORTON, USA (RET.), DEPUTY DIRECTOR, GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

Question 1. In your testimony, you noted that some education benefits for Guard and Reserves have not kept pace with benefits for active duty servicemembers. Yet, under the "Total Force GI Bill" concept that you support, some Guard and Reserve members serving in the War on Terror would receive less benefits than they would under the current Reserve Educational Assistance Program. Does that mean you think some current benefits for Guard and Reserves who have been deployed are actually too rich?

Response. The Total Force Montgomery GI Bill proposal ultimately results in fairer and more generous benefits in two significant ways. First, benefits earned on active duty could be used for up to 10 years following honorable separation. Second, benefits would accrue for multiple activations. Under current statutory interpretation, Chapter 1607, 10 U.S.C. entitlement is restricted to a single tour of active duty. Yet, national policy calls for "operational reservists" to expect to be activated for 12 months every 5 or 6 years. Reservists also can't access their mobilization benefits after honorable service is completed. Thus, even though it would appear that very short 90 day activations would result in greater benefits, they come with huge disincentives that hurt morale and don't match continued service and sacrifice. The Total Force approach is more consistent with service call-up policies, fairer to the active duty and Reserve forces, and ultimately more generous. The following table compares Total Force proposal benefits to current-law benefit calculations:

	6-Yr SELRES Contract		
	Chapter 1606 (no change)	REAP-Chapter 1607 (current)	Total Force (proposed)
Enlistment	($11,124)	NA	($11,124)
15 mos. AD Call-up	NA	60 percent Chap. 30: $23,781 [2].	$1,101 x 15 mos. = $16,515 [3]
2d Call-up, 12 mos. AD	NA	$0	$13,212 [3]
Chap. 1606 Remainder		12 mos. 1606: $ 3,708 [1]	$3,708 [1]
Total		$27,489	$33,435

[1] Assumes continued service in the SELRES: if all Chap. 1607 exhausted, revert to 12 mos. of any remaining Chap. 1606 entitlement. At separation, may access remaining Chap. 1606 immediately for "length of one activation, plus 4 months."
[2] All REAP entitlement forfeited at separation under current law.
[3] Post-service use of accrued REAP (only) using month-for-entitlement formula—$29,727—for 10 years.

In short, the total force proposal tracks with operational Reserve policy and affords greater benefits consistent with the length and type of duty performed; and, unlike REAP, allows activated reservists to access earned benefits upon honorable completion of their service.

Question 2. In a 2003 report, the Department of Defense (DOD) provided this advice to Congress: "When evaluating potential enhancements to the [Montgomery GI Bill], the positive effects on recruiting must be balanced against any negative impacts on first term or career force retention. A benefit that is too generous could encourage Servicemembers to leave at the completion of their term of service to take advantage of the benefit." Do you share the view that the potential impact on retention is a relevant consideration?

Response. No. If the government really believed that, DOD and Congress never would have authorized 10 years of post-service benefit use for people who complete

regular active duty service. No one argues that GI Bill benefits entice regular servicemembers to leave service, so it makes no sense to argue that it would have any such enticement for Guard and Reserve members.

The Total Force MGIB proposal recognizes and rewards continued service in the Reserve forces by allowing reservists to accrue additional MGIB entitlement under Chapter 1607 during successive call-ups, matching benefits to service performed. Basic Reserve MGIB benefits (Chapter 1606) are available for enlistment and reenlistment. If the retention value of the MGIB were of concern, benefit rates would have kept pace with the 48 percent historic ratio of reserve-to-active duty benefits. But those rates have dropped to 29 percent of active duty rates since September 11, 2001, devaluing them for recruitment and retention purposes. Manpower planners rely on targeted cash bonuses to reach retention goals and these have proven to be successful for that. Finally, the DOD's own Status of Forces Survey (2004) of Guard and Reserve personnel indicates that "education" ranks far down the list of reasons why Guard/Reserve men and women remain in service or separate.

Question 3. The Montgomery GI Bill has over a 95 percent enrollment rate; over a 70 percent usage rate—one of the highest in the program's history; and pays for over 75 percent of the average costs of a 4-year public college. Also, DOD testified that the program continues to serve the active duty components of the military well and that "there are no significant shortcomings." Does this suggest to you that the program overall is functioning well?

Response. If one were to accept the inference in the question that a 75 percent payment-to-education cost ratio is good enough for veterans, one might argue that the MGIB is "functioning well" as Congress intended. However, in comparison to its historic antecedents—the WWII, Korean War, and Vietnam War era GI Bill programs—the MGIB has not kept pace with the cost of education. Those programs generally paid all or nearly all of the costs of education/training as a readjustment benefit. MOAA recognizes that benefits for an All Volunteer Force should be structured to meet DOD manpower and quality needs as well as effective readjustment outcomes. Thus, a MGIB that met more or all of the cost of education without a ($1,200) payroll reduction "tax", would be a more effective tool for recruiters. Armed Forces demographics in the 21st century also point to the need for a better MGIB. That's because servicemen and women serve much longer tours on average than conscript-era servicemembers did, and more than 60 percent of separating men and women are married or have dependent children. A MGIB that doesn't cover basic education costs increases the prospect that veterans with economic, skill or education deficits won't take advantage of the MGIB.

Question 4. As was discussed at the hearing, Guard and Reserve members generally must remain in the Guard or Reserves in order to use education benefits under the Reserve education programs. Other benefits—such as bonuses, health care, or commissary privileges—may also be conditioned upon further service, and participation in the Reserve Officer Training Corps or any of our military academies is generally conditioned upon a number of years of future service. So, I was puzzled to hear that you had compared the policy on education benefits to "indentured servitude." In your view, is it ever appropriate to condition benefits upon continued or future service? In evaluating such a policy, to what extent should Congress take into account the impact it may have in maintaining the Nation's all-volunteer force?

Response. Under the "total force MGIB" proposal, reservists are encouraged to remain in the service and earn additional MGIB entitlement through multiple activations. Under the present scheme, they can only earn a single active duty tour benefit. The principle often overlooked in discussion of the MGIB for members of the Reserve forces is that benefits should be structured according to the length and type of duty performed, nothing more or less. Most Americans would agree with the idea that if Guard and Reserve men and women are called up to defend the Nation and sent into harm's way, they should earn the same pay and benefits as active duty troops for that service: "same soldier, same battlefield, same benefits." To suggest that, somehow, Guard and Reserve combat veterans have not earned benefits commensurate with their service is a view we cannot endorse. The maltreatment under the MGIB of members of the 34th Brigade Combat Team of the Minnesota National Guard illustrates the point. The unit was called to active duty to serve in combat. Orders for most were amended during the tour to 24 months. All served 16 months in Iraq and were released from active duty after 22 months service. Yet the Army initially denied these soldiers the opportunity to enroll in the active duty MGIB under Chapter 30, 38 U.S.C. A 2-year active duty enlistment contract yields the active duty MGIB, and entitlement is retained if the member is released after at least 20 months service "at the convenience of the government." According to the latest news reports (as of October 9, 2007), it would appear that the Army has now de-

cided to grant these war veterans an opportunity to have their records corrected so that they can enroll in the active duty MGIB. The Nation can't have it both ways: asserting reliance on reservists—operational reservists—for every national defense mission and multiple activations, but compensating them as if they were still "weekend warriors" in the cold war era.

Chairman AKAKA. Thank you. Thank you very much, Colonel Norton of the Military Officers Association of America.

And now we will hear from Patrick Campbell of the Iraq and Afghanistan Veterans of America.

STATEMENT OF PATRICK CAMPBELL, LEGISLATIVE DIRECTOR, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Mr. CAMPBELL. Thank you, Colonel Norton, for giving my bio. I appreciate it. I have more time now.

Mr. Chairman, Senator Murray, thank you for this opportunity. I actually begged to come talk to this Committee and I appreciate the staff for putting me on the list. As someone who personally depends on the Montgomery GI Bill and Federal tuition assistance to go to school, this Committee hearing is very important to me.

Sixty years ago, we enacted the World War II GI Bill. Sixty years later, we are reaping the benefits of one of the greatest social investment programs ever implemented. We thank Senator Akaka for having this hearing.

A 1988 Congressional study proved that every dollar spent on educational benefits on the original GI Bill added $7 to the national economy in terms of productivity, consumer spending, and tax revenue. Today, we have an opportunity to renew our social contract with our service men and women. The Iraq and Afghanistan Veterans of America supports reinstating the World War II-style GI Bill, S. 22, or S. 1409, that will cover the true costs of education.

When you invited me here today, you asked me to talk about some of the problems soldiers are facing when they use the Montgomery GI Bill. The first problem is a hefty buy-in program—$1,200 to buy-in. Now, for a lot of soldiers coming into the military, $1,200 is more than they have ever seen.

Second, once you actually go to school, you have to front all the costs. I know there are many fancy accelerated payment programs where you can get some money, but to be honest with you, despite these benefits, you still have to pay up front for your books, tuition, room and board. All of these expenses are incurred up front, while the money you get is paid out over a long period of time. So you are going to have to get that money from somewhere, and if you can't find the money, you are not going to go to school.

The third, and probably the biggest problem, is that the benefits have failed to keep up with the costs. If you look at my testimony, you will see that the current benefits are indexed to inflation. Unfortunately, the cost of education has outpaced the cost of inflation by 100 percent since this benefit was created. So your buying power, your purchasing power, has decreased dramatically over the last 20 years. Right now, the current GI Bill only covers 75 percent of a public school education and about a third of a private school education.

The military needs to recruit 80,000 new military personnel into active duty over the next year. It was originally going to be over

two years, but now they only have a year to do it. So how are they doing it? They are increasing the number of GEDs allowed. They are also increasing the number of felonies you can have. Just a couple of days ago, they recalled 1,100 recruiters back into recruiting service because they just couldn't keep up with their enlistment goals. They have even told the recruiters that they are eligible for recruiting bonuses for each recruit. If I recruit someone into the military, I would get $2,000 for recruiting them. Now the recruiters also get these bonuses. So it is just like being in a store. People are getting a commission for bringing people in.

If you look at the picture on my testimony, just outside of the D.C. Armory where I serve, there is a sign that says, "We Are Hiring, $20,000 Enlistment Bonus." To be honest with you, in the next 2 to 3 months, they are going to have to take that sign down and write, "$25,000." In 6 months from now, it is going to be $30,000, then $35,000.

It is not to say that bonuses aren't a good way of bringing people in, but when we give people money right away, it just goes straight back into the economy. We need to be investing in our soldiers and in our country. And the only way we can do that is to make a promise to these veterans and say, "if you serve your country then we are going to pay for your school"—not pay for just part of it; pay for all of it.

Now, S. 22 and S. 1409 might have some structural problems on the way people qualify for the benefit, but even Senator Webb said earlier today, he doesn't care how it happens, he just wants something to happen. We can change it. We can make it work.

Now, most of the disagreements that I have heard on this panel and the previous two panels were that qualifications aren't set right. Well, let us change those qualifications. We should go back to what works—what puts our country where we are in the world right now. We must invest in our Nation's veterans.

Now, I know S. 1718 isn't actually on the list of bills, but one of the other big issues that I faced coming home relates to my reintegration into school. Senator Brown from Ohio has introduced S. 1718, the Veterans Education Tuition Support Act, and that bill will basically create a USERRA for students. It guarantees re-enrollment, it guarantees refunds for deploying soldiers, and it also fixes some problems with student loans. For those Members of the Committee that are here and for those staff who are here, I encourage you to look at that bill because the Montgomery GI Bill is not the only education problem that people are having. Ninety-thousand Reservists are currently enrolled in school right now. Twenty-five thousand of them have been deployed, and when they come home, many are running into bureaucratic potholes all over the place.

I appreciate the opportunity to be here. I appreciate being with such a distinguished panel and thank you for all of your work.

[The prepared statement of Mr. Campbell follows:]

PREPARED STATEMENT OF PATRICK CAMPBELL, LEGISLATIVE DIRECTOR, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Mr. Chairman and Members of the Senate Veterans' Affairs Committee, on behalf of the Iraq and Afghanistan Veterans of America (IAVA), thank you for this oppor-

tunity to address the issue of VA/DOD Cooperation and Coordination on Educational Assistance.

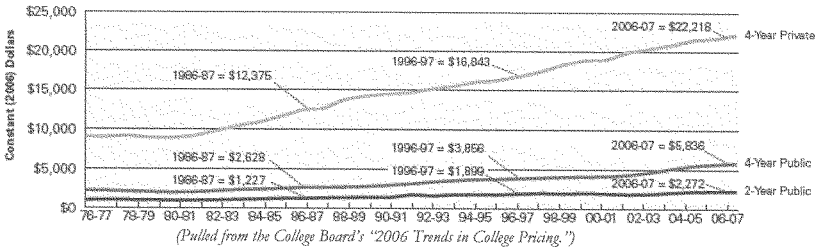
After World War II, nearly eight million servicemembers (more than half of the entire American fighting force) took advantage of the education benefits afforded them by the Servicemen's Readjustment Act of 1944. A veteran of WWII was entitled to free tuition, books and a living stipend that completely covered the cost of education. Since 1945 over 21,400,000 servicemembers have utilized at least some of their educational benefits and over the past 10 years at least 66 percent of active duty and 42 percent of Reservists and National Guard have gone to school on the "GI Bill."

Sixty years later, we are still reaping the benefits of one of the greatest social investment programs ever implemented. A 1988 Congressional study proved that every dollar spent on educational benefits under the original GI Bill added seven dollars to the national economy in terms of productivity, consumer spending and tax revenue. Today we have the opportunity to renew our social contract with our servicemen and women. Iraq and Afghanistan Veterans of America (IAVA) supports reinstating a World War II style GI Bill (S. 22 or S. 1409) that will cover the true cost of education.

The current Chapter 30 Montgomery GI Bill, as created in 1984, was conceived in peace-time and contains several obstacles to a veteran trying to use their well-earned benefits. First, active duty educational benefits require a hefty $1,200 initial buy-in. Although nearly 95 percent of active duty servicemembers buy into the program, only 8 percent of servicemembers use all of their educational benefits and more the 30 percent never touch their GI benefits (returning over $230 million to the U.S. Treasury).

Second, servicemembers are required to pay tuition, room and board and textbook costs up-front and are then reimbursed over the course of the semester. Before a servicemember can attend a single class they must pay tuition and fees amounting, on average, to $5,836 for a public school and $22,218 for private schools. Servicemembers are faced with the daunting task of taking multiple jobs to raise the money, attending a less prestigious institution, taking out student loans and/or "living on mama's couch" to cut expenses.

Lastly, educational benefits have failed to keep up with the skyrocketing cost of higher education. As per statute, educational benefits are increased yearly based on inflation rates. As evident from the chart below, the cost of education has outpaced inflation by over 100 percent since 1984.



(Pulled from the College Board's "2006 Trends in College Pricing.")

In 2006, Chapter 30 benefits only covered 75 percent of the cost of a public school education and 32 percent of a private school education.

IAVA believes that a World War II style GI Bill is more than just a social investment; it's an important readiness tool. The military needs to recruit an additional 70,000 active duty servicemembers over the next 2 years. Improving educational benefits for veterans is an important strategy for accomplishing this goal. The alternative is to continue to lower recruitment standards and increase enlistment and retention bonuses. We have already seen the military double the number of GED waivers and increase the number felonies allowable by a new recruit. Enlistment and retention bonuses have already climbed to $20,000 and could grow even higher.

(This picture was taken outside the DC Armory on July 12, 2007)

The GI Bill is the military's single most effective recruitment tool; the number one reason civilians join the military is to get money for college. As our military recovers and resets in the coming years, an expanded GI Bill will play a crucial role in ensuring that our military remains the strongest and most advanced in the world.

For all the aforementioned reasons Iraq and Afghanistan Veterans of America (IAVA) believes that both S. 22 the "Post-9/11 Veterans Educational Assistance Act of 2007" (Webb) and S. 1409 the "21st Century GI Bill of Rights" (Clinton) would renew our social contract with our servicemembers by providing them every opportunity to succeed in higher education.

Along with increases in educational benefits, IAVA also endorses structural fixes to the current education benefit system. We advocate for the following:

- Repeal of the $1,200 buy-in for Chapter 30 benefits (S. 723, the Montgomery GI Bill Enhancement Act of 2007 (Hagel));
- Amending Chapter 1607 benefits to be calculated on cumulative not continuous service;
- Indexing increases in educational benefits on the actual cost of higher education and not inflation;
- Eliminating time periods to use educational benefits (S. 1261, the "Montgomery GI Bill for Life Act of 2007" (Cantwell)); and
- Allowing deployed reservists and National Guard servicemembers the opportunity to use their earned educational benefits after they are discharged (S. 644, the Total Force Educational Assistance Enhancement and Integration Act of 2007 (Lincoln)).

Finally, although S. 1718 the Veterans Education Tuition Support (VETS) Act (Brown) did not appear on the original list of bills being considered by this Committee I believe that the VETS Act is one of the most meaningful education related bills concerning veterans. In 2006, nearly 90,000 Reservists and National Guard soldiers were enrolled in college. One fourth of these soldiers have been deployed at least once. Unfortunately, these student-soldiers face unique hardships when they are called upon to defend the United States.

Take it from personal experience, trying to navigate the bureaucratic potholes while trying to re-enroll in school after a deployment can be an infuriating process. When I first returned home from Iraq I received harassing calls from my student loan lender, my roommate from Iraq was denied re-enrollment at his college and my coworker who was deployed weeks before his finals was given essentially no accommodations by his school. Those who fight for our rights abroad should not be forced to fight for their rights when they return home.

The VETS bill will:

- Require colleges to refund tuition for servicemembers who deploy (or provide future credits).
- Restore veterans to their academic status when they return.

• Cap student loan interest payments at 6 percent while the student is deployed.
• Extend the period of time a student-soldier has to re-enroll after returning from abroad.

If passed, S. 1718 will become the student-soldier's equivalent to USERRA (the Uniformed Services Employment and Reemployment Rights Act). IAVA strongly encourages this Committee to consider and pass S. 1718 for all the Reservists and National Guard soldiers in each of your states.

In summary, improving the GI Bill program benefits veterans and the rest of the country. We can continue to scrape the bottom of the barrel for new recruits, or we can pass meaningful education assistance reform. We can raise the quality of our recruits by letting potential enlistees and their parents will know that military service will allow them to take advantage of the best educational opportunities available.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. AKAKA TO PATRICK CAMPBELL, LEGISLATIVE DIRECTOR, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Question. Re-enrollment in school problems—how do you see Guard and Reserve servicemembers being adversely affected when they attempt to re-enroll in schools and training programs that they left to serve on Active Duty?

Response. In 2006, there were nearly 89,000 reservists and National Guard soldiers enrolled in higher education. Of these 89,000, more than one fourth have served at least one active duty deployment since 9/11. Unfortunately, for many of these student soldiers the transition home is mired in administrative paperwork. Congress responded to the increasing number of servicemembers withdrawing from school by dusting off some language from the "Persian Gulf Conflict Higher Education Assistance Act of 1991" and passing the "Higher Education Relief Opportunities for Students Act of 2003" (HEROS). Although the purpose of HEROS was to provide assistance to servicemembers as they transitioned out of active service, both Acts failed to grant servicemembers meaningful security.

A perfect example of this problem is when one of my fellow medics from Iraq was deployed and had to leave school mid-semester. Before his deployment he had been placed on academic probation and signed a contract with the school stating that he would get his grades up before the end of the semester. Due to the deployment, he did not finish that semester. When he returned and tried to re-enroll, they denied his re-enrollment. He was told that he had not fulfilled his end of the contract, although the deployment made fulfillment next to impossible. This soldier could have gone to the media and shamed the school into doing the right thing, but instead he moved away. He has not re-enrolled in school.

Colleges and universities are not required to refund tuition and fees to students who don't complete their classes due to a deployment. They are also not required to minimize the procedural hoops a servicemember must jump through to re-enroll. A soldier who took a leave of absence for a year to go fight in Iraq may be required to reapply. Both the 1991 and 2003 Acts meekly state that "It is the sense of Congress that all institutions offering post-secondary education should provide a full refund to students," and that these schools "should make every effort to minimize deferral of enrollment or reapplication requirements." Soldiers deserve more than "shoulds" and "senses."

Iraq and Afghanistan Veterans of America (IAVA) is grateful that Senator Sherrod Brown has taken up the mantle for these student soldiers by introducing S. 1718, the Veterans Education Tuition Support (VETS) Act. The VETS bill addresses many of the different issues facing these students by requiring colleges to refund tuition for servicemembers who deploy (or provide future credits), restoring veterans to their academic status when they return, capping student loan interest payments at 6 percent while the student is deployed and extending the period of time a student-soldier has to re-enroll after returning from active duty service.

Soldiers deserve to know that if they are deployed that their school will be waiting for them when they return. The VETS bill will provide servicemembers that peace of mind. Furthermore, soldiers that fight to protect our country deserve a government that fights to protect their soldiers.

Chairman AKAKA. Thank you very much, Patrick Campbell of Iraq and Afghanistan Veterans of America.

I have a question for all of you. The current conflicts have completely changed the duties and uses of the National Guard and Re-

serve components in the all-volunteer force. How do you evaluate the importance of education benefits as a recruitment and retention tool versus the need for readjustment benefits for members of the Guard and Reserves? Ron Chamrin?

Mr. CHAMRIN. Thank you, Mr. Chairman. Our observations are that the military improves the quality of the character and improves their discipline. They learn skill sets in the military and they earn education benefits. Not to rank one above another, but education is extremely important. When they are done with their service, they are not fully completed with their service. They are going to take what they have learned and apply that in the future, and we feel that military experience greatly affects their quality of their life.

But the education program will allow them to have the technical skills that the civilian workforce needs, such as IT, aerospace, engineering, biomedical, and the biotechnology fields. The military is not as technical and as specific as some of the civilian skill sets. We can only learn those skills by going to college and in post-secondary education.

Chairman AKAKA. Eric Hilleman?

Mr. HILLEMAN. Thank you, Mr. Chairman. In answer to your question, VFW is strongly, strongly supportive of measures that would strengthen recruitment and retention as well as a total investment in the individuals, which translates into an investment in our Nation.

One key factor that I feel that is not necessarily addressed always but it comes up in hearings and I have heard it today, the aspect of increasing the benefit would harm retention. I think DOD has repeatedly come back to the Congress and asked for bonuses to bump up their retention and recruitment efforts. They have not come before the Committee, nor have they come before the Senate or the Congress and asked for robust education benefits to do this.

I feel that if the benefits are structured properly, you can gain retention aspects out of an education benefit. As far as a recruitment benefit, it is in the top five that young people joining the force cite for the reason they join the force. However, it does not nearly rank as high among individual who reenlist. Things like honor, duty, job specialization, training, those are the top-ranking reasons for staying in the force. The benefit should not weigh a factor in losing individuals out the back door, especially when you are bringing in quality folks in the front door in large numbers.

Thank you, Mr. Chairman.

Chairman AKAKA. Thank you, Mr. Hilleman.

Colonel Norton?

Colonel NORTON. Yes, Senator. Thank you. Senator, you heard earlier that witnesses indicated the tremendous amount of confusion in understanding the GI Bill today. I think one of the virtues of a Total Force approach to the GI Bill in simplifying it would be that all service entrants would have a better idea, better understanding of what they would get in the nature of their benefits under the GI Bill.

In other words, the principle here is to match GI Bill benefits to the length and type of duty performed, no more and no less. With that principle in mind, I think it would be a lot easier for recruiters

to sell the product, so to speak, to sell the enlistment in the Armed Forces, either active duty or the Reserves, on the basis of what Reservists can expect to get, what active duty servicemembers can expect to get.

And in the way of readjustment and retention concerns, I mean, the irony here, Mr. Chairman, is that since World War II, since your great generation served, every veteran of the Armed Forces has had 10 years to use their GI Bill benefits except for this one group. Under this Total Force concept, you really are setting up a structure that says if you have earned it on active duty, you should be able to take it with you, and that in the long run would help encourage people.

As the Adjutant General of Arkansas said in a House hearing a couple of months ago, he would expect that people would, in the National Guard in Arkansas, would go to school and get their degrees and then they would come back into the Guard as officers, helping the Guard and helping the Reserve forces be even better going forward.

So we don't accept the arguments that it s going to hurt retention. We think it will help both ends, recruiting and retention.

Chairman AKAKA. Thank you very much, Colonel Norton.

Patrick Campbell?

Mr. CAMPBELL. As you know, as I have spoken before, readjustment issues are probably one of the most important issues to me. I can't speak for all the Iraq and Afghanistan veterans, but I can talk for the 20 that I served with in Iraq. I think that half of us were enrolled in school before we left and only one other besides myself is enrolled in school now, and none of us have finished school.

I think that one of the biggest reasons for this lack of re-enrollment is that the benefits weren't enough to pay for school. Even for soldiers from Louisiana, a state that offers free tuition, the GI Bill wasn't enough. In some cases schools even told returning soldiers, sorry, you need to go to community college and reapply because they weren't allowed to re-enroll. That inability to re-enroll and limited education benefits are the top issues.

Secondly, right now, they are still having to choose between "living on mama's couch" or working a second job in order to pay for school. Sadly, these same people are having trouble even keeping their first job. Three of the four gunners that I served with haven't been able to keep a job for more than a month now. School provides the perfect opportunity for people to transition, but it needs to be their full time job. They can't have other jobs and go to school. That transition back to school, to civilian life, is hard enough when people are coming home from war, and that is why the World War II-style GI Bill worked so well, because that was your job. Your job was to protect us, and now it is our job to pay you to go to school and become a productive member of society.

Chairman AKAKA. Well, thank you very much for your responses. Once again, I would like to thank all of our witnesses for joining us today and also thank those in our audience and our viewers watching from elsewhere. I extend my gratitude to my colleagues and their staff for their work to make this hearing possible and for

the work they will continue to do to improve the ways that our servicemembers and veterans benefit from higher education.

We will have written questions for you and would like to have you respond to us on those. Again, I want to thank you for your participation and be sure that you know that we are looking forward to continuing to work with you on this.

The hearing record will remain open for three weeks to provide time for additional views from Members, as well.

Thank you again, and I wish you well. This hearing is adjourned.

[Whereupon, at 11:35 a.m., the Committee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. LARRY E. CRAIG, RANKING MEMBER, U.S. SENATOR FROM IDAHO

Good morning, and welcome to all of you. Thank you, Chairman Akaka, for calling this hearing, primarily to examine several bills affecting education programs for veterans, servicemembers, and members of the Guard and Reserve.

More than 60 years ago, Congress passed groundbreaking legislation to provide education benefits to veterans of World War II, to help them transition back to civilian life. Although the Nation and the military have changed significantly since that time, education programs have remained a centerpiece of veterans' benefits. But today, with an all-volunteer force, the role of education benefits has been transformed beyond its original "re-adjustment" purpose.

As we will discuss today, education benefits have become an important force management tool for the Armed Forces, helping with recruiting and retaining quality candidates and steering them into specific skills. With education programs playing these critical and diverse roles, it is important to ensure that they are kept up to date and meet the current needs of our all-volunteer force.

Before we discuss the bills on the agenda that would modify these programs, I think a good starting point would be to look at some indicators of how well the current programs are working.

For active duty servicemembers, the primary education program is the Montgomery GI Bill. At least *95 percent* of servicemembers enroll in that program; *over 70 percent* have used the benefits—one of the *highest* usage rates in the program's history; and over *85 percent* rate customer satisfaction as high. Also, total benefits under that program now pay for *over 75 percent* of the average cost of a 4-year public college education.

As for Guard and Reserve members, Congress has already taken steps to update education benefits to reflect the expanded role of "citizen soldiers" in the Armed Forces. Principally, Congress created a *new* education program for Guard and Reserve members called to active duty after September 11, 2001—the Reserve Educational Assistance Program—which provides over $30,000 in total benefits. Last year, almost 24,000 Guard and Reserve members drew these benefits and this year *more than 50,000* participants are expected.

In assessing the effectiveness of the current array of education programs, it is also important to note—as you will hear today—that these programs continue to help the Department of Defense in shaping and sustaining the Nation's all-volunteer force.

Although all of this suggests to me that these programs overall may be working well, I do believe there are aspects that need to be updated. To that end, I introduced S. 1293, a bill that I think would take significant steps in that direction.

First, my bill would expand the "accelerated" payment program for servicemembers, veterans, Guard and Reserve members, and their spouses and dependents. This would allow participants taking any short-term, high-cost training programs to receive an up-front, lump-sum payment of their education benefits. By making these vocational courses more accessible, we can help participants quickly obtain the skills they need to secure civilian employment. I think this could be particularly helpful to those living in rural communities.

My bill would also update the eligibility criteria for the Reserve Educational Assistance Program. Currently, maximum benefits are available only to those who serve two *continuous* years on active duty. However, the Secretary of Defense has announced that members will now be involuntarily mobilized for no more than one year at a time, making it almost impossible to satisfy that requirement.

To recognize this new reality, my bill would allow Guard and Reserve members to receive maximum education benefits if they serve an *aggregate* of 3 years on active duty.

Finally, the bill would provide our citizen soldiers with access to the "buy-up" program now available only to active duty servicemembers. By contributing $600, Guard and Reserve members would receive an extra $150 per month in education benefits. With this buy-up, their total education benefits may cover *over 70 percent* of the cost of a 4-year public college.

In sum, this bill would enhance education benefits for our "citizen soldiers" by making the maximum level of benefits more accessible and by giving Guard and Reserve members an avenue to increase their own monthly benefits. At the same time, this bill would support the primary goals of the Guard and Reserve education programs—recruiting and retaining quality individuals for this important component of our "Total Force."

I look forward to discussing this and the other bills on the agenda with our witnesses.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY

Mr. Chairman, thank you for the opportunity to testify—and to describe how we can build a better future for our brave men and women in uniform.

Let me also thank Senator Webb for the invitation to testify and for his work on this issue, including the introduction of his new GI Bill in his first day in office. I salute his leadership on this important issue.

I am who I am because of the GI Bill. Some of you know I am the son of immigrants. We lived in Paterson, New Jersey. My father worked the silk mills. Growing up, we didn't have much money. But we did have values. My parents made sure we learned the value of hard work, commitment and believing in the American Dream. One of my dreams was to go to college. The GI Bill made that dream come true.

Like millions in the Greatest Generation, the GI Bill meant that someone like me—in my family's financial condition—could get an education and give back to our country. Nearly eight million other World War II veterans got education or training because of the GI Bill. In fact, in 1947, veterans accounted for 49 percent of college admissions because of the GI Bill.

Think about all that those veterans have contributed to our society. We want to make sure that our new generation of veterans can earn a degree and give back to society just like the veterans in the Greatest Generation did.

We all know how expensive college has become. The average cost of a college education is $51,184. The current GI Bill does not cover all of those costs. We must close that gap and give the soldiers who have served since 9/11 a chance to create a brighter future.

A new GI Bill, like the one Senator Webb has introduced and I have cosponsored, would help those servicemembers pay for housing, tuition and books. And it would give those men and women up to 15 years to use their benefits to pursue an education—and make America a better place.

More than one million Americans have served on active duty since 9/11. More than 25,000 soldiers and sailors have hailed from my home state of New Jersey. We have placed an enormous burden on these troops in the wake of that terrible September day. They have answered their Nation's call with heroism and honor—and their families have too. Those troops deserve this country's support to build themselves and their families a better life when they return home.

In addition to Senator Webb's legislation, there are also several other bills that have been introduced to help our returning soldiers and sailors with their educational needs that are pending before this Committee. These bills demonstrate our good intentions and I'm glad this Committee is turning these intentions into action by holding hearings on this important issue.

The proposal for a new GI Bill, as well as legislation to improve benefits, fully cover the cost of education and encourage veterans to study subjects such as technology and engineering will truly give our returning veterans the opportunity to succeed.

I thank the Committee for taking the time to review these bills and for inviting me to testify, and I look forward to working with my House and Senate colleagues to expand our GI educational benefits for a new generation of veterans.

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