

ERIC HILLEMAN, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

STATEMENT OF

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VETERANS OF FOREIGN WARS OF THE UNITED STATES

TO THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

WITH RESPECT TO

IMPROVEMENTS TO THE POST-9/11 GI BILL

WASHINGTON, D.C.

July 21, 2010

CHAIRMAN AKAKA, RANKING MEMBER BURR AND MEMBERS OF THE
COMMITTEE:

Thank you for the opportunity to provide testimony on Improvements to the Post-9/11 GI Bill. The 2.1 million men and women of the Veterans of Foreign Wars of the U.S. and our Auxiliaries appreciate the voice you give them at this important hearing.

Senator Webb, Senator Akaka, and all the members of Senate Veterans Affairs Committee; the VFW would like this opportunity to thank you for your leadership and the creation of the Post-9/11 GI Bill. The VFW is very proud to have worked with the Congress to pass the Post – 9/11 GI Bill. A generation of veterans is now better equipped to seek higher education, with hundreds of thousands of veterans in schools across the nation directly benefiting from the dedication, work and leadership of this committee and its staff. With this huge success behind us, it is time to reexamine the Post – 9/11 GI Bill with an eye toward improving, simplifying and strengthening the benefits it provides.

The VFW believes a number of changes should to be made to the Post-9/11 GI Bill to address the needs of today's service members and their families. The original GI Bill provided training apprenticeships and vocational training for World War II veterans. We believe the Post-9/11 GI Bill should also provide veterans the same opportunity to seek careers in skilled trades. The VFW supports the standardization with an eye toward equitable benefits for equitable service.

VFW Priorities for Standardization, Simplification and Strengthening the Post-9/11 GI Bill
Expanded eligibility: currently, there are a number of programs that qualify for education and training under Chapter 30 (lump sum payments, vocational training, distance learning), but are not authorized under Chapter 33. We support crediting Title 32 AGR eligibility as qualifying active duty time for the Chapter 33. With increased alliance on the Guard and Reserve to wage

war, secure our borders and grapple with national disasters we need to reward this continuous noble service with GI Bill eligibility.

Vocational Programs: Chapter 33 should include certified Vocational Programs (non-degree granting institutions) to allow veterans the opportunity to learn a trade while receiving a living allowance, tuition and book stipend. Many veterans have technical skills and transferable credit that gives them a head start on earning a technical education. We should incentivize veterans to invest in technical educations as these skill sets help to build our cities, connect our communications and drive our economy.

On-the Job Training: further, Chapter 33 should include On-the-Job Training (OJT)/Apprenticeship programs. Veterans in these programs should receive a living allowance based on BAH and the zip code of the OJT program. The living allowance should be tiered similarly to the MGIB. A book stipend should be paid every six months to aid the veteran in covering the cost of tools, dues and programs supplies. OJT is one of the few direct employment programs available to a veteran that provides an immediate career track. Programs such as Helmets to Hardhats successfully place veterans in the skilled trades across the nation. This public-private partnership is paving the way for a generation of tomorrow's journeymen.

Redefine Full, Three-Quarter and Half-Time Enrollments: in Chapter 33, we must equitably adjust the mechanism for counting: full, three-quarter and half-time enrollments. Current law does not pay a living allowance for half-time students, yet students enrolled with one credit more than half-time receive the full living stipend. We encourage the committee to consider basing BAH payments on a stair step structure with enrollments of 12 credits or more equal to full time/100 percent BAH; 9 to 11 credits equal to three-quarter time/75 percent of BAH; and 6 to 8 credits equal to half-time/50 percent of BAH. This would make rates simpler to understand and greatly reduce the number of over and underpayments charged to students.

Pending Bills

S. 1785 would amend Title 38, United States Code, to require State Approving Agencies (SAA) to approve courses of education that have been accredited and approved by a nationally recognized accrediting agency or association, and for other purposes.

VFW cannot support this legislation. We believe that SAA is a safeguard to the education and training programs offered to veterans. SAAs play a key role in ensuring veterans utilize their education benefits and training opportunities at reputable institutions. Requiring these agencies to approve courses that are recognized by other national approving bodies is duplicative. This requirement erodes the value of SAA's ability to protect the valuable GI Bill resources available to veterans.

S. 2769, the Post-9/11 Veterans' Job Training Act of 2009

The VFW supports the intent of this legislation. S. 2769 would create a mechanism for importing On-the-Job Training (OJT) and apprenticeship programs into Post-9/11 GI Bill. This bill develops a structure paying 75 percent of the monthly benefit for the first six months, 55 percent of the monthly benefit for the second six months, and 35 percent of the monthly benefit for the next 12 months. The result is each month of entitlement would be charged at the same rate of usage. We believe it accurately deals with accessible steps in benefit and charge to

entitlement. The outstanding concerns with this bill are the lack of clarity on payment rates and duration of payments.

We encourage a simple table to determine the compensation rate and the charge to total months of entitlement for OJT programs. We recommend the following break out based on the BAH E-5 with dependents rate for the zip code of the program:

- 100 percent of BAH for the first 6 months, resulting in 6 months of entitlement used.
- 80 percent of BAH for the second 6 months, resulting in 4.8 months of entitlement used.
- 60 percent of BAH for the third 6 months, resulting in 3.6 months of entitlement used.
- 40 percent of BAH for the fourth 6 months resulting in 2.4 months of entitlement used.
- 20 percent of BAH for any remaining months, resulting .2 months of entitlement used per month.

Under this calculation, a veteran over the course of a five-year apprenticeship would use 24 months of his/her total 36 months of entitlement. Each veteran should receive a living allowance based on BAH and the zip code of the OJT program. The annual \$1,000 book stipend should be paid at \$500 intervals every six months to aid the veteran in covering the cost of tools, dues and program supplies. OJT is one of the few direct employment programs available to a veteran that provides an immediate career track.

S. 3082 would amend Title 38, United States Code, to authorize individuals who are pursuing programs of rehabilitation, education, or training under laws administered by the Secretary of Veterans Affairs to receive work-study allowances for certain outreach services provided through congressional offices, and for other purposes.

We support amending Title 38, United States Code, to authorize veterans to engage in work-study and certain outreach services provided through congressional offices, and for other purposes.

As this committee is well aware, the sunset date of the work-study pilot, authorizing work-study for outreach/domiciliary care/cemeteries, recently passed June 30, 2010. Currently, an extension of this program is tied up in the benefits bill (HR 1037) that has yet to be completed from last year. The VFW would like to stress the importance of work-study programs in the offices that rely on these talented veterans, and attest to the education and professional development each veteran gains by participating in this program. We look forward to continuing to work with both the House and Senate Veterans Affairs Committees to address this legislation and ensure these veterans continue to earn valuable work experience while studying.

S. 3171, Veterans Training Act

The VFW is concerned that this legislation does not address the compensation implications of expanding the Post-9/11 G.I. Bill. Currently, the law states only institutions of higher learning that lead to an associate degree or higher may be utilized under Chapter 33. This means that veterans attending vocational schools, apprenticeship schools, OJT and distance learning programs are excluded from utilizing Chapter 33.

Many separating servicemembers have no desire to attend a traditional educational institution because they are more interested in learning skill sets that are not offered at these institutions. This legislation would seemingly allow veterans to attend educational institutions that do not

lead to a degree (such as vocational schools, correspondence schools, business schools, science schools, technology schools, etc.) within the jurisdiction of the Post-9/11 GI Bill. However, this legislation fails to provide adequate mechanisms for providing payment to the veterans that choose these educational programs.

S. 3389, the GI Bill Equitable Education Benefit (EEB) Act

The VFW opposes this legislation. This bill seeks to create a disproportionate benefit for members of the Guard or Reserve who used GI Bill benefits prior to September 11, 2001, and subsequently served four years accumulative active-duty after September 11, 2001. Current law mandates a maximum time limitation of 48 months for veterans using two or more educational programs. There are no exceptions to this rule.

Veterans entitled to full benefits under both Chapters 1606 and 1607 of Title 10 are limited to 48 months. Veterans are also constrained to 48 months in situations where they are fully eligible for benefits under Chapter 31, VR&E and Chapter 33. Regardless of eligibility status or combination of service, the law bars exceeding the 48-month limit. Further, the potential inequities would also cause confusion among the veterans and disproportionately reward one veterans' service over another.

S. 3447, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010

The VFW is enthusiastic about the direction this legislation is taking the GI Bill. This legislation recognizes the service of hundreds of thousands of National Guard members activated in support of national emergencies. S. 3447 also seeks to address the importation of vocational, apprenticeship and On-the-Job Training (OJT) programs into Chapter 33. Further, it addresses multiple issues, such as distance education, correspondence courses, active duty book stipends, retention kickers and stipends for disabled veterans.

Senator Akaka, your legislation addresses every area of concern the VFW has with improving the Post 9/11 GI Bill. We cannot say enough about the noble intent driving this legislation. We simply offer a number of suggestions to improve, simplify and strengthen your legislation with the goal of equitable benefits for equitable service. The following is a section-by-section break out of the provisions of the bill.

Section 1 aptly entitles this bill, "Post-9/11 Veterans Educational Assistance Improvements Act of 2010." Section 2 rewards the service of National Guard members who have served on Active Guard Reserve (AGR). While this language recognizes the largest percentage of Guard members who have served on AGR, we remain concerned that this language may exclude Active Guard service performed in the wake of September 11 at airports, border security operations, and some national activation in support of disaster relief, such as in the Gulf for Hurricane Katrina and the BP oil spill. The VFW feels the nation should reward equitable service with equitable benefits. We support rewarding all members of the National Guard who are activated on national orders. When the nation calls, the Guard answers, no questions asked.

Section 3 eliminates the confusing mechanism VA currently uses to determine fees and tuition by making the promise that if a veteran attends any course of study at a public school

(undergraduate, graduate or doctorate), the GI Bill will cover the cost. The VFW strongly supports this improvement and simplification of the GI Bill. Paragraph (a)(3)(ii) addresses the compensation rate for all private schools and foreign institutions, thus establishing the entry point for the Yellow Ribbon Program. This language would compensate up to the average national cost for an undergraduate degree for all institutions of higher learning. The VFW supports the intent of the Yellow Ribbon Program to encourage private schools to share in the cost of education America's warriors. We are, however, concerned that this language, as written, may result in a number of veterans enrolled in private institutions of higher learning receiving less funding than they are receiving under current law.

Paragraph (b)(2) seeks to resolve the inequity of monthly stipends paid to veterans with less than full-time course loads. The VFW supports resolving this inequity. We would urge a simpler step scale to replace the sliding scale which requires the weighting of averages and the division of credit hours by the minimum number of course hours required for full-time enrolment.

The Montgomery GI Bill) used a simple step scale, which could be applied in this case. A veteran taking 12 credits or more is equal to full time and 100 percent of BAH; 9 to 11 credits is equal to three-quarter time and 75 percent of BAH; and 6 to 8 credits is equal to half-time and entitled to 50 percent of BAH. Thus, charging total monthly entitlement according to the percentage of BHA used in any given month. In taking this approach, every veteran can calculate the BAH for the school's zip code, determine their course load, and calculate the exact percentage of BAH they would receive. This would also help to minimize complications for the VA, while minimizing some of the over and underpayments that can occur when dropping or adding a class.

Paragraph (b)(2)(iii) provides a half-time stipend for veterans pursuing a program of distance education on a half-time or more basis. The stipend would be equal to 50 percent of the national average BAH E-5 with dependents rate. The VFW supports providing stipends for distance education; however, one of the primary purposes of the GI Bill is to serve as a transition program. We encourage every veteran to attend classes in a traditional classroom setting among their civilian peers. We believe the GI Bill helps reintegrate veterans into civilian life by encouraging socialization in the classrooms and lecture halls of America.

With this in mind, we suggest, paying a living stipend to full-time distance learners of 50 percent of national BAH average; 9 to 11 credits should be equal to three-quarter time and 37.5 percent of the national BAH average; and 6 to 8 credits is equal to half-time and entitled to 25 percent of the national BAH average. Using the national BAH average eases the calculation for VA when determine the BAH.

Section 3, Paragraph (g)(2) allows veterans pursuing certifications and education in non-degree granting institutions to receive tuition payments up to the amount of the average national cost for an undergraduate degree for all institutions of higher learning. These veterans would also receive monthly living stipends for the national average BAH E-5 with dependents rate. The VFW supports this paragraph. We urge the inclusion of the \$1,000 book stipend, paid every six months to aid the veteran in covering the cost of books, tools and program supplies.

Paragraph (g)(2)(B) includes On-the-Job Training (OJT)/Apprenticeship programs. The VFW supports the creation of an OJT program under Chapter 33, though legislation seeks to structure OJT under a complicated mix of national tuition rates and BAH. The VFW encourages a simpler table to determine the compensation rate and the charge to total months of entitlement for OJT programs. We recommend the following break out based on the BAH E-5 with dependents rate for the zip code of the program:

- 100 percent of BAH for the first 6 months, resulting in 6 months of entitlement used.
- 80 percent of BAH for the second 6 months, resulting in 4.8 months of entitlement used.
- 60 percent of BAH for the third 6 months, resulting in 3.6 months of entitlement used.
- 40 percent of BAH for the fourth 6 months resulting in 2.4 months of entitlement used.
- 20 percent of BAH for any remaining months, resulting .2 months of entitlement used per month.

Under this calculation a veteran over the course of a five-year apprenticeship would use 24 months of his/her total 36 months of entitlement. Each veteran should receive a living allowance based on BAH and the zip code of the OJT program. The annual \$1,000 book stipend should be paid at \$500 every six months to aid the veteran in covering the cost of tools, dues and program supplies. OJT is one of the few direct employment programs available to a veteran that provides an immediate career track.

Paragraph (g)(2)(C) develops a compensation rate and tuition/fees for certified flight training programs under the GI Bill. This language would compensate a veteran for the program's established charges up to 60 percent of the average national cost for an undergraduate degree for all institutions of higher learning. Paragraph (g)(2)(D) develops a compensation rate for exclusively correspondence courses administered under the GI Bill. This language would compensate a veteran for the program's established charges up to 55 percent of the average national cost for an undergraduate degree for all institutions of higher learning. The VFW supports these provisions.

Section 4 establishes a mechanism to allowing a veteran to take multiple licensure and certification tests. Each test would cost the veteran one month of GI Bill entitlement at the rate of the average national cost for an undergraduate degree for all institutions of higher learning. While the VFW supports utilization of GI Bill benefits to take multiple tests, this section would eliminate the current \$2,000 maximum a veteran can utilize for a single test without charge to entitlement. The VFW recommends allowing a veteran to take multiple licensure and certification tests, spending into the \$2,000 threshold, beyond the \$2,000 threshold a veteran then consumes monthly entitlement for any tests beyond this amount at the rate suggested.

Section 5 ensures that supplemental education assistance under Chapter 30 Chapter III, transfers into Chapter 33. The VFW supports the inclusion of these important incentives to assist the Department of Defense (DOD) in managing its military retention programs.

Section 6 expands the transferability of education entitlements to members of the Public Health Service and the National Oceanic and Atmospheric Administration. The language takes this a step further to require the "Secretary Concerned," both the Secretaries of Defense and Health and Human Services (HHS), to reimburse the Secretary of Veterans Affairs for GI Bill benefits

transferred to dependents as part of the retention and force management plan administered under DOD. The Defense Department was responsible for crafting regulations to govern the administration of the benefit. DOD awarded transferability to all members of DOD who served the prerequisite years and elected to sign up for the benefit while in uniform. The VFW supports maintaining the powerful retention tool awarded, administered, and financed by DOD/HHS.

The VFW supports the following sections: Section 7 bars the duplication of education benefits under Chapter 33. This ensures the Post-9/11 GI Bill is administered fairly. Section 8 prohibits non-accredited distance learning and independent study programs from approval and use under the Post-9/11 GI Bill. This will help to protect against unscrupulous institutions promising degrees and classes that fall short of nationally recognized education standards. Section 9 increases the amount paid to institutions through annual reporting fees, from \$7 to \$12, and \$11 to \$15. This modest increase will help to cover the administrative costs associated with processing and verifying enrollment.

The VFW enthusiastically supports Section 10 which extends the national average BAH E-5 with dependents rate to disabled veterans using education benefits under Chapter 31 or Vocational Rehabilitation and Education (VR&E). The VFW has long supported increasing the monthly stipend for VR&E to match the compensation rates associated with Chapter 33. This increase will allow a veteran to focus more on their course of study and/or training.

Section 11 would eliminate certain interval payments available to veterans between semesters. Interval payments come at a cost to the veteran, requiring the veteran to consume GI Bill monthly eligibility over Christmas break or over summer vacation without providing the maximum the 36 months of benefit available. This practice often leaves the veteran a few months short of eligibility to cover the full cost of education at a four-year institution. We do not oppose the elimination of interval payments.

Thank you Mr. Chairman, this concludes our testimony. I am happy to address any questions you may have.