

Colonel Robert F. Norton, USA (Ret.) Deputy Director, Government Relations the MILITARY OFFICERS ASSOCIATION OF AMERICA

STATEMENT
of the
MILITARY OFFICERS ASSOCIATION OF AMERICA
on

"SEAMLESS TRANSITION" EDUCATIONAL ASSISTANCE LEGISLATION

before the

SENATE VETERANS' AFFAIRS COMMITTEE

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Presented by

Colonel Robert F. Norton, USA (Ret.)
Deputy Director, Government Relations

MISTER 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 \$1200 payroll reduction. However, we believe the value of the monies proposed to be reimbursed - service members never actually received the \$1200 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 four-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 Dept. 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 Dept. 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 service men 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 \$1000 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 \$1200 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% of active duty benefits (vs. today's 29%).

? 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 one month of "tier one" benefits (currently, \$1075 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 two years on active duty and one 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 two or more years in Iraq over a period of six or eight 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 one 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 Educational Enhancement Act of 2007 (Durbin). Cosponsors: 2

S.698 would increase survivors' and dependents' educational benefits (DEA) 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 \$1200 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 \$1200 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 \$1200 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 90s, 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 service members 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 four-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 Dept. 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 Dept. 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 bi-partisan 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 FY 2008 Natl. 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 five years and \$235 million over ten 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 \$1075 (Chapter 30, 38 U.S. Code), which covers about 80% of the current cost of education for books, fees, and expenses at the average four-year public college or university according to Dept. of Education data. The Partnership for Veterans Education has long sought benchmarking MGIB rates to track with the average cost at a four-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 five or six 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% 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% 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-yr 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 \$1200 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 service members who entered on / after Sept. 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. Service men 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 service members 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 \$2700 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 children's 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% -- is defending the other 99% 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 exchange 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 (O3). Fill rates range from about 50-60%. 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 \$1200 payroll reduction for active duty service members who entered service on / after Sept. 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