

Military Compensation and Retirement Modernization Commission

Testimony Before the
Senate Veterans Affairs Committee
May 13, 2015

Statement of:

The Honorable Alphonso Maldon, Jr., Chairman

The Honorable Larry L. Pressler

The Honorable Stephen E. Buyer

The Honorable Dov S. Zakheim

Mr. Michael R. Higgins

General Peter W. Chiarelli, United States Army (Ret.)

Admiral Edmund P. Giambastiani, Jr., United States Navy (Ret.)

The Honorable J. Robert Kerrey

The Honorable Christopher P. Carney

Chairman Isakson, Ranking Member Blumenthal, distinguished members of the Committee: We are honored to be here and thank you for the opportunity to testify today.

Our All-Volunteer Force is without peer. This fact has been proven during the last 42 years and decisively reinforced during the last 13 years of war. It is our obligation to ensure the Nation has the proper resources to support our veterans. Those resources include a valued compensation system that is relevant to contemporary Service members and veterans, and that is operated in a modern and efficient manner. We are unanimous in our belief that our recommendations strengthen the foundation of the All-Volunteer Force and ensure our national security, now and into the future.

Our work represents the most holistic and comprehensive review of military compensation and benefits since the inception of the All-Volunteer Force. Our Interim Report, published in June, 2014, documents the relevant laws, regulations, and policies; associated appropriated Federal funding; and historical and contextual backgrounds of more than 350 compensation programs. Consistent with our Congressional mandate, programs were reviewed to determine if modernization would ensure the long-term viability of the All-Volunteer Force, enable the quality of life for members of the Armed Forces and the other Uniformed Services, and achieve fiscal sustainability for compensation and retirement systems.

Our report is informed by our life-long experiences, but more importantly by the insights of a broad range of Service members, veterans, retirees, and their families. More than 150,000 current and retired Service members responded to the Commission's survey. The Commission visited 55 military installations, affording us the opportunity to discuss compensation issues with Service members worldwide. We developed an ongoing working relationship with more than 30 Military and Veteran Service Organizations. We also received input from more than 20 Federal agencies; several Department of Defense working groups; and numerous research institutions, private firms, and not-for-profit organizations.

Our recommendations align compensation and benefit programs to the preferences of the modern Force and societal shifts since the inception of the All-Volunteer Force. By maintaining or improving benefits, while concurrently reducing costs, our recommendations address the ongoing tension between maintaining Service member benefits and reducing personnel budgets to meet the demands of the new fiscally constrained environment.

11. Safeguard education benefits for Service members by reducing redundancy and ensuring the fiscal sustainability of education programs

DoD and the VA provide many programs that deliver educational benefits to Service members and veterans. Current education assistance programs include the Post-9/11 GI Bill, the Montgomery GI Bill Active Duty, the Montgomery GI Bill Selected Reserve, the Reserve Education Assistance Program, and Tuition Assistance. There are duplicative and inefficient education benefits that should be streamlined to improve the sustainability of the overall education benefits program.

Montgomery GI Bill Active Duty should be sunset on October 1, 2015. Reserve Education Assistance Program (REAP) should be sunset, restricting any further enrollment and allowing those currently pursuing an education program with REAP to complete their studies. Already enrolled Service members who elect to switch to the Post-9/11 GI Bill should receive a full or partial refund of the \$1,200 that was paid to buy in to the MGIB-AD. Eligibility requirements for transferring Post-9/11 GI Bill benefits should be increased to 10 years of service, plus an additional commitment of 2 years of service. The housing stipend for dependents should be sunset on July 1, 2017. Eligibility for unemployment compensation should be eliminated for anyone receiving housing stipend benefits under the Post-9/11 GI Bill. When providing feedback in comments to the Commission, Service members repeatedly emphasized the importance of education benefits as recruiting and retention tools. Ensuring the robustness of education programs is one of the best ways to guarantee the future of the All-Volunteer Force. This recommendation would also support GI Bill benefits, including transferability, while improving their fiscal sustainability.

12. Better prepare Service members for transition to civilian life by expanding education and granting states more flexibility to administer the Jobs for Veterans State Grants Program

DoD, in partnership with the Department of Labor, the VA, and the Small Business Administration, maintains the Transition GPS program to help Service members and their families prepare for a successful transition to civilian life. Transition GPS services are delivered through a series of workshops administered by each Service. The DOL administers One-Stop Career Centers which offer employment services for job seekers across the country, including veterans after they have transitioned to civilian life. These facilities are part of state workforce agencies or employment commissions and are partially funded through a number of grants under DOL's Jobs for Veterans State Grants program. Despite these services, transitioning from military service to civilian life is more difficult than it needs to be. DoD should require mandatory participation in the Transition GPS education track for Service members planning to attend school after separation or those who have transferred their Post-9/11 GI Bill benefits. The Department of Labor should permit state departments of labor to work directly with state VA offices to coordinate administration of the Jobs for Veterans State Grants program. Furthermore, One-Stop Career Center employees should attend Transition GPS classes to develop personal connections with transitioning veterans. A review of the core curriculum for Transition GPS should be required to reevaluate whether the current curriculum accurately addresses the needs of transitioning Service members, and DoD, VA, and DOL should be required to produce a one-time joint report regarding the challenges employers face when seeking to hire veterans.

Thank you again for the opportunity to testify regarding our recommendations. We also want to thank all who contributed to our final report. The Commission is grateful to have been given the opportunity to make recommendations to strengthen the best All-Volunteer Force in the world. Ensuring our Service members, veterans, retirees, and their families' get the support they need is a responsibility the Commission took very seriously. Thank you to all those who serve, those who have served, and the families that support them.