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EDUCATION

STATEMENT FOR  
THE RECORD BY  
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CHAIRMAN  
DVA VETERANS ADVISORY COMMITTEE ON EDUCATION  
BEFORE THE  
UNITED STATES SENATE  
COMMITTEE ON VETERANS AFFAIRS  
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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 three 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 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/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 VACOЕ 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 VACOЕ 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 following 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 USC 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 ten-year timeframe. The Committee, after careful study and discussion regarding the purpose of the GI Bill, the need for life long 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 finance 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, USC. 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 USC 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 USC to Title 38 USC 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% 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 two 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 two 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% 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 two 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 six-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 USC, were receiving 47% of the educational benefit of active force Montgomery GI Bill participants. That 47% 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% to 29 % 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 USC, 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 three-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 AFor 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 USC 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 '01.

## 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.