

HEARING ON IMPROVEMENTS TO THE POST-9/11 GI BILL

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TUESDAY, JULY 21, 2010

United States Senate,
Committee on Veterans' Affairs,
Washington, D.C.

The Committee met, pursuant to notice, at 9:31 a.m., in Room 418, Russell Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Committee, presiding.

Present: Senators Akaka, Rockefeller, Murray, Begich, Burris, Burr, Isakson, and Brown of Massachusetts.

OPENING STATEMENT OF CHAIRMAN AKAKA

Chairman Akaka. This hearing on the Senate Committee on Veterans Affairs will come to order.

Aloha and good morning to all of you here, and especially our panel and the members of the committee. Welcome each of you to this hearing on the proposed Post-9/11 Veterans' Educational Assistance Improvements Act of 2010.

As one of the only three current senators who received benefits under the original GI Bill after World War II, I know firsthand the value of this program. That is why I was so pleased to join Senator Webb in cosponsoring the bill that created this important new education benefit which became effective August 1 of last year. We know that there

is a great value to this new benefit for the veterans who are currently taking advantage of it. We have come to understand, however, that there are significant and complex issues relating to this new benefit package.

Since the original legislation did not have the usual vetting by the committee, it has come to light that there are a number of provisions in need of modification. Keeping in mind that the goal is to have a streamlined program for beneficiaries and administrators, a number of improvements are also in order so that benefits are delivered in a timely, accurate, and equitable way.

When I introduced my legislation, I intended for it to serve as a starting point for discussion about needed changes. That outcome has been realized. Veteran service members, institutions of higher learning, and many others have come forward with suggestions and ideas for improvements. It is important that we all work together to address issues involved in a considered and a deliberate way.

What we will hear this morning will help us continue toward that goal. I stress, however, that this legislation will not mark a stopping point for work on the New GI Bill. Through the discourse generated by the introduction of this bill, additional concerns have been raised. These include addressing fraud and abuse and ensuring that only programs

offering legitimate education and training are approved for benefits.

Another important issue is eligibility for benefits for other members of the Guard and Reserve. These are important issues, but it is vital that we move now to put the proposed streamlining and operational improvements in place as soon as possible.

As chairman, I will continue to work on the remaining concerns. So I look forward to hearing from the witnesses and my colleagues. So let me call now on our ranking member, Senator Burr, for his opening statements.

Senator Burr?

OPENING STATEMENT OF SENATOR BURR

Senator Burr. Aloha, Mr. Chairman.

Chairman Akaka. Aloha.

Senator Burr. And thank you for this hearing. Thank you to all of our witnesses. I welcome you today, and I apologize to you upfront that I'm going to have to periodically go out. I have got an energy markup that is in another building, and unfortunately, sort of overlays with this, and the majority leader is so insistent on bringing energy to the floor, I do not want to be left out of the debate.

And I want to thank you, Mr. Chairman. I appreciate the opportunity to join with you to discuss this important

topic, and most importantly, how we can improve the post-9/11 GI Bill so it will work better for our military personnel, veterans, and their families.

Mr. Chairman, before I discuss that, I want to comment on an ongoing problem with getting information from the Department of Veterans' Affairs. On Monday, I noticed with interest that the VA issued a press release touting VA's commitment to transparency. Because it's updated, it's open government plan, and I would tell the representatives from the VA here today while I think it's great that the VA had made a commitment to transparency, I'm much more interested in whether the agency is actually keeping these commitments. After all, keeping a commitment is the most important part. I hope this press release is an indication that the VA will be more responsive to inquiries from this committee, the Veterans' Affairs Committee.

As primary example, the VA's lack of transparency to date, and I would point to the VA's continued failure to answer my questions about the VA's fiscal year 2011 budget. After the committee's budget hearing in February, I sent over 300 questions to the VA, asking for more information about portions of that important budget. It took three-and-a-half months for VA to provide answers to the bulk of those questions. But even then, many of the responses did not contain the information I had requested or

required further clarification. So nearly a month ago, I sent more than 30 follow-up questions to the VA. To date, I have not received an answer to over two dozen of my original questions about the VA's budget, and I have not received answers to any of my follow-up questions. On top of that, the VA has not responded to a number of other requests for information, data, and briefings from my office.

Mr. Chairman, for this committee to perform its oversight and legislative functions, we need the full cooperation of the administration. Receiving accurate, timely, candid responses from VA is essential to our effort to improve the lives of veterans, their families, and their survivors. I have asked each VA nominee if they would live up to the standard, and all have agreed. But, clearly, that's not happening.

Mr. Chairman, the situation simply can not be allowed to continue. I appreciate the efforts you have already made to help with the problem, and hope that we can continue to work together to find the solution.

Let me just add on a personal note to my colleagues, having gone through the last four months of exchanges, it's become very clear to me why veterans get frustrated with the Veterans' Administration. We have got to see the human face behind what we do in everything that we do, and it's obvious that decisions are made as it relates to this committee, to

our functions, and people within the Veterans' Administration do not feel that we're an important part of the process. That will change.

As for today's topic, Mr. Chairman, there's no doubt that the Post-9/11 GI Bill provides valuable benefits for many veterans and their families. But as we will discuss today, this new program also has a number of shortcomings, including complexities, inequities and benefits, and technical flaws.

In fact, I have heard from veterans in North Carolina who are concerned that some Guard members are not eligible for these benefits. That veterans may not receive fair benefits if they attend school online, and that students taking vocational training might not receive any benefits at all.

Another North Carolinian was frustrated that he would have received more benefits if he had switched to the Post-9/11 GI Bill after using up his benefits under an older education program, a pitfall VA did not help him avoid.

All of this shows that there's a lot of work to be done so that this program will provide fair, user-friendly benefits, and more importantly, will allow veterans and their families to make the educational choices that best meet their needs. In our effort to make improvements, we should carefully consider whether any proposed changes will

advance those specific goals.

On a final note, Mr. Chairman, I want to say a few words about the path forward. At a hearing in April, you mentioned how important it was that we all work together to fix the problems with the Post-9/11 GI Bill. I agree, and in fact, committed at that hearing to working with you on legislation to do just that. So it was disappointing that you then proceeded alone at introducing the bill.

As we move forward, I hope we can truly work together to improve the educational benefits for our nation's veterans and for their families. I thank the Chair.

Chairman Akaka. Senator Tester, for your opening statement?

OPENING STATEMENT OF SENATOR TESTER

Senator Tester. Yes. Thank you, Mr. Chairman. I want to thank you for holding this hearing today. I know you have to leave early, so, I'll try to be brief.

When we discussed the implementation of the New GI Bill back in April, and I thought it was one of the better hearings that we have had around here, many of us on this committee had some real questions and concerns about the limitation of the Post-9/11 GI Bill. To its credit, the VA addressed many of them, and has made some suggestions about how we can address more issues. I hope that we can expect the process for veterans and for the VA will be a bit

smoother this fall than it was last year.

The Chairman has introduced a very good bill, which addresses some of the concerns that I have heard from Montanians. Most importantly, the Chairman's bill makes eligible for GI benefits for a number of National Guardsmen who had been inadvertently left out of the original bill. It also creates a modified housing allowance for folks who are enrolled in online courses. That's important in a highly-rural state like Montana, where many folks take their courses online.

The Chairman's bill would add a host of new educational opportunities to the GI Bill eligibility, including more vocational opportunities. That's important. And it increases the processing payments to colleges and universities to help make sure they have the resources to handle veterans' claims. Those are all critical elements, and that's why I intend to cosponsor this bill offered by the Chairman.

I would like to also add that for a great many veterans, it is a college veterans' education representative who is the face of the GI Bill, not the VA, and it's important to remember that. The schools are the ones who must help the veteran navigate through the red tape. The colleges are the ones who tell the veteran how their claim is proceeding within the VA. That means that communication

between the VA and the schools must be perfect, nothing less.

From what I understand, it's getting better. We still have a ways to go, but I do believe that things are getting better, and I hope that trend continues.

With that, Mr. Chairman, I appreciate the hearing. Chairman Akaka. Thank you very much, Senator Tester. Senator Brown from Massachusetts?

OPENING STATEMENT OF SENATOR BROWN OF MASSACHUSETTS

Senator Brown of Massachusetts. Good morning, Mr. Chairman. Good morning to the folks who are here to testify.

I'm just eager to start the hearing, Mr. Chairman, so, I'll defer and get right at it. Thank you.

Chairman Akaka. Thank you very much, Senator Brown. Senator Murray?

OPENING STATEMENT OF SENATOR MURRAY

Senator Murray. Mr. Chairman, thank you so much for holding this hearing today on legislation to improve the Post-9/11 GI Bill.

We all know that education benefits are one of the most important tools for our military to recruit and retain our troops, and if we're really committed to maintaining our nation's ability to recruit and retain the best and the brightest, we have got to make sure that the education

benefits offer real incentives to our service members and to their families, but we have also got to make sure that these benefits meet our commitment to provide a smooth transition between military service and the civilian world for veterans.

The Post-9/11 GI Bill was a big step forward in meeting this obligation, and I was delighted to work with many people on this committee and in this room in getting it passed, and I look forward to working with this committee now to improve it in the coming months. We know the implementation of this was far from perfect and this committee does need to learn from the missteps as we work to improve the program. We know the bill was just beginning to address these issues, as many of our vets coming back from Iraq and Afghanistan find that this bill does not meet their educational needs.

Veterans have told me, as well, about being unable to use their GI Bill benefits for apprenticeship programs in particular that they tell me would help them get better jobs, and I, too, have heard from veterans who were not able to use the benefits to pay for needed distance learning education programs. And, of course, we have all heard about the red tape and delays that faced a lot of our veterans who are trying to get their new benefits.

So I look forward to working with everyone to improve

this program so all of our veterans can really realize the full benefits of the Post-9/11 Bill. But when it comes to making sure that veterans have the ability to make it in the civilian world and the civilian workplace, education benefits are just one piece of this larger challenge.

Mr. Chairman, I introduced the Veterans' Employment Assistance Act earlier this year to try and address this challenge comprehensively. Far too often, our veterans go from the battlefield to the working world, and they face really unique challenges. I have talked to a number of veterans in my state, and they are disciplined, they are technically-skilled workers, and time and time again, they are facing real difficulties in getting a job in this market.

In fact, some veterans have told me that they leave off of their résumé the fact that they are a veteran because they believe there is a stigma for veterans in trying to get employment. National Guard members, too, have told me about coming home to find out they've been laid off from the job they had because it does not exist at the company anymore, and a lot of them have told me that the Pentagon and VA Transition Programs are not working for them. And they tell me that they struggle to have employers in the civilian world really understand what skills they have learned in the military and how to translate them to a résumé.

So all of those stories have really convinced me that we need a broad new legislative approach, and the bill I introduced includes a series of proposals to create new employment programs, expand some good existing ones, and assess how to improve the ones that we have now.

One of my bill's provisions is actually before the committee today in the form of Senator Klobuchar's Post-9/11 Veterans' Job Training Act. I worked with Senator Klobuchar to include the Post-9/11 Veterans' Job Training Act in my package because I believe it provides a really important benefit to veterans. What it does is it expands the Post-9/11 GI Bill to allow returning veterans to use their benefits for apprenticeship and worker training programs, and that will help them get the skills they need so they can provide a stable job for their families. I think it's a great commonsense provision that will benefit our veterans, our employers, and our local communities, and I will be working with all of you in the coming weeks to see that we can move that and move the entire Veteran's Employment Assistance Act as a whole forward in the Senate.

So, thank you very much, Mr. Chairman, for having this really important hearing. I appreciate it.

Chairman Akaka. Thank you very much. I would like at this time to welcome our first panel this morning, representatives from VA and DoD.

Our first witness is Keith Wilson, the director of VA's Education Service. With him is John Brizzi, Assistant General Counsel. Now, from the Department of Defense, we're joined by Robert Clark, assistant director of Accession Policy.

Before we get started, I also want to extend my sincere thanks to each of you for the valuable assistance you have provided to the committee staff on this important issue. It has been really helpful to us, and I welcome each of you. But before I call on you for your testimony, let me ask Senator Begich for any opening statement that you may have.

OPENING STATEMENT OF SENATOR BEGICH

Senator Begich. I'll pass, Mr. Chairman.
Chairman Akaka. Thank you.

Mr. Wilson, will you please proceed with your statement?

DRAFT

STATEMENT OF KEITH WILSON, DIRECTOR, EDUCATION
SERVICE, DEPARTMENT OF VETERANS AFFAIRS,
ACCOMPANIED BY JOHN BRIZZI, ASSISTANT GENERAL
COUNSEL

Mr. Wilson. Thank you, and good morning, Mr. Chairman, Ranking Member Burr, and other members of the committee. I'm pleased to appear before you today to provide views on several bills affecting VA's education programs, most notably S. 3447. I'm accompanied today by Mr. John Brizzi of VA's Office of General Counsel.

Let me start by congratulating you, Mr. Chairman, and your staff, as well as many other senators who have worked hard to put forward legislation to make improvements in education programs administered by VA. The department appreciates your and your staff's consultation throughout the entire process.

Implementation of the historic Post-9/11 GI Bill was and is a top priority. Since inception of this new historic program, VA has issued nearly \$4 billion in payments to over 295 individuals and their educational institutions. Mr. Chairman, your bill, S. 3447, would enhance certain provisions of the Post-9/11 GI Bill, as well as make improvements in other VA Educational Assistance Programs.

Section 2 contains potential impact on military recruitment and retention, and VA respectfully defers to DoD

as well as the Coast Guard regarding the merits of those proposed changes. However, we do note that the amendment would be consistent with qualifying requirements under the Montgomery GI Bill and the Reserve Educational Assistance Program. We also note that this section would generate PAYGO costs, which would require an appropriate and acceptable offset.

Concerning Section 3, VA supports the streamlining of tuition and fee benefits for students attending public institutions and establishing a maximum payment cap for students attending private institutions. The manner in which institutions assess charges varies wildly from state to state and from school to school. VA also does not object to expansion the program to permit payment of vocational, flight, correspondence, and apprenticeship or on-the-job training programs subject to Congress identifying appropriate and acceptable PAYGO offsets. However, we believe several technical corrections to the bill as drafted would be necessary to enable VA to administer this section properly.

Section 4 of S. 3447 would permit individuals to make more than one licensing and certification test. VA does not oppose this proposed amendment subject to identifying PAYGO offsets.

VA respectfully refers to DoD concerning Section 5,

since this section impacts military recruitment and retention.

Section 6 would authorize DoD to permit an individual to transfer his or her entitlement to benefits under the Post-9/11 GI Bill after an individual is no longer a member of the armed forces. The administration is still reviewing this section and we will provide written reviews once VA completes a cost estimate of the entire bill.

Section 7 of the bill would prevent individuals eligible for National Call to Service Incentives and the Post-9/11 GI Bill from receiving payments concurrently. VA supports this provision. VA has also identified other areas of potential duplication of benefits, and would be pleased to work with the committee to include language that would ensure against duplication of benefits.

Section 8 of the bill would provide VA not approved, non-accredited courses of education pursued in whole or in part by distance learning. This change would be similar to the existing rule for courses of education pursued by independent study. VA currently does not approve non-accredited distance learning programs of education. Nonetheless, we would not object to this amendment.

VA does not object to the proposed increase in the reporting fee contained in Section 9 subject to identifying appropriate offsets. In addition, however, VA believes this

section should be further amended to include language requiring educational institutions to use the reporting fee to support veterans' programs and VA certifying official activities.

Section 11 of the bill would remove VA's authority to make interval payments, payments between breaks, terms, quarters, et cetera. VA does not support this amendment because the interval payments are paid to the individuals to help with their living expenses during breaks between enrollment periods. Currently, a student is not eligible for interval pay if the break is more than eight weeks long.

We note that the amendment proposed in 3447 would be effective the date of enactment. VA is working aggressively on a new payment system to support existing Post-9/11 GI Bill provisions.

Since we have concerns about changes to the eligibility criteria impacting our current efforts, as well as our ability to implement the provisions the effective date of enactment, we strongly recommend the amendments made by this bill take effect no earlier than August 1, 2011.

Mr. Chairman, we will provide the committee with our estimates in the entire bill for the record. In the interest of time, I will defer oral comments on S. 1785, 2769, 3082, 3171, and 3389, and respectfully refer the committee to my written testimony.

Mr. Chairman, this concludes my statement. I'd be happy to answer your questions or any questions of the committee. Thank you.

[The prepared statement of Mr. Wilson follows:]

DRAFT

Chairman Akaka. Thank you very much, Mr. Wilson.
Mr. Clark, will you please proceed with your statement?

DRAFT

STATEMENT OF ROBERT CLARK, ASSISTANT DIRECTOR FOR
ACCESSION POLICY, OFFICE OF THE UNDER SECRETARY OF
DEFENSE FOR PERSONNEL AND READINESS, DEPARTMENT OF
DEFENSE

Mr. Clark. Good morning, Chairman Akaka, Ranking Member Burr, and esteemed members of the committee. I'm pleased to appear before you today to discuss the potential improvements to the Post-9/11 GI Bill as proposed in S. 3447 and related bills.

As I stated this past April before this committee, post-service education benefits have been a cornerstone of our military recruiting efforts since 1985 and a major contributor to the success of the all-volunteer force. Money for education has been and remains the forefront of reasons young Americans cite for joining the military. There's no doubt that the Post-9/11 GI Bill will continue to have this impact, and we're seeing that happen with unprecedented recruiting success.

For today's hearing, you asked me to comment on S. 3447, a bill that offers a series of changes to Chapter 33, Title 38. In respect of time, I will limit my comments to those changes that most effect the Department of Defense.

Section 2 of S. 3447 makes changes to the definition of qualifying active-duty and appears to correct omissions in the original statute. As written, this subsection would

include as qualifying active-duty the full time National Guard duty currently eligible for either the Montgomery GI Bill or the Reserve Educational Assistance Program. DoD does not object to this section, provided Congress provides identified, appropriate, and acceptable offsets for the additional benefits cost. We support equivalent benefits for equivalent service, and this change would make that go.

The section also makes a technical correction to the definition of entry and skill level training for the Army's One Station Unit Training, a specific form of initial entry training without a break between basic combat training and advanced individual training. DoD is already reporting this training as entry-level, and we support this technical correction.

Another provision in this section clarifies that all separations to remain eligible for the Post-9/11 GI Bill be characterized as honorable to be eligible and we support that provision.

Finally, this section excludes the statutory period of active service incurred by graduates of the U.S. Coast Guard Academy. This aligns graduates of the Coast Guard Academy with the United States Military Academy, Air Force Academy, and Naval Academy, and we support this provision as it provides equity across the Armed Services.

Today's military stands ready, willing, and able to

defend this nation, as well as its values and principles. Our young service members, all volunteers, and we must remember that, are deployed across the Gulf, many in harm's way. Post-service education benefits have been a major contributor to recruiting achievements and retention achievements over the past 25 years.

Additionally, these post-service education benefits have been an invaluable asset to thousands of veterans, providing them with funding to enhance their education and increase their employability and income-earning opportunities while assisting their transition to civilian life. The Department of Defense is an education employer. We hire educated, young people, we invest in them while in service, and we encourage them to invest further in themselves when they leave. The VA-administered education benefits, in particular, the Post-9/11 GI Bill facilitate that investment.

Few things, if any, are more important to the secretary and to the services than recruiting and retention. We recognize our duty to man the all-volunteer force with high-quality, motivated, well-trained, young men and women. The Post-9/11 GI Bill remains a key to our success. As we move forward in the 21st Century, we must seize the opportunity to build on this remarkable legacy given to us by the visionaries who crafted each preceding version of the

GI Bill.

I thank this committee for its unflagging support of the men and women who have served in providing for the national defense and look forward to your questions.

[The prepared statement of Mr. Clark follows:]

DRAFT

Chairman Akaka. Thank you very much, Mr. Clark.

Mr. Wilson, a fast question. Are you satisfied that there are sufficient safeguards in place to make sure that programs of education are legitimate?

Mr. Wilson. We do believe that there are satisfactory safeguards in place. We have a robust mechanism in place in conjunction with our partners within the states at the state-approving agencies. Statute also supports mechanisms to allow us to weed out inappropriate schools, for instance. The existing two-year requirement that's in the statute requiring an institution to be in place for two years. I believe we do have sound mechanisms in place. Yes, sir.

Chairman Akaka. Mr. Wilson, VA has proposed to accept VA Title IV approvals for purposes of GI Bill Programs. While I'm inclined to agree with this proposal, I'm concerned that this could potentially open the door for some fraud and abuse.

Do you share this concern, and if so, how would you guard against it?

Mr. Wilson. We would share the concern and guard against it by ensuring that we continue to keep the flexibility we currently have. In other words, while we will accept accreditation for Title IV purposes, in some cases for program approval, we would never want to take off the table our ability to continue to go into a school and

make sure that they are doing what they are supposed to to support our veterans, and if not, we will continue to have the authority to removal approval for VA purposes, if needed.

Chairman Akaka. Mr. Clark, I understand the department's opposition to my proposal that DoD reimburses VA for the cost of transferred benefits. That said, I do believe that DoD has too broadly extended this benefit to all service members as they reach the required minimum length of service. I believe a more targeted use of the benefit was envisioned in order to retain individuals in critical skill areas or difficult-to-replace personnel.

Would you comment on this, please?

Mr. Clark. Yes, Mr. Chairman. The department, as you are well aware, in the development and all discussions leading up to the Post-9/11 GI Bill had concerns about the generous benefit being more of a draw for first-term members to leave in order to use this benefit, and we were very pleased to see the transferability which allows our career service members to share this benefit that they have earned with their family members, and we did not believe that this benefit for family members was to be limited to any specific targeting. We believe that every soldier, sailor, airman, and Marine that chooses to stay and we want to stay should have the same opportunity to share their earned benefit with

those family members.

Chairman Akaka. Thank you.

Mr. Wilson, could you please comment on the extent to which you believe that basing many benefits on the national average would make administration of the program easier?

Mr. Wilson. Certainly. The Post-9/11 GI Bill is a fabulous benefit, and at its core, it's going to provide the opportunity for many individuals to attend college that otherwise would not have even under our previous programs. Taking into account though all the specific nuances of how charges are made within each school and within each state, it makes the administration very complex.

Now, the administration of the program, of course, is one issue, and that's VA's responsibility, and we will continue to do our utmost to do that. But the other side of that complexity is the students have to understand the program in order to get the best use out of it, and that complexity, all of those ins and outs make it very complex a lot of times for the students to understand how they can best use the benefit.

Chairman Akaka. Thank you very much.

Senator Brown, your questions?

Senator Brown of Massachusetts. Thank you, sir.

So, I guess it's kind of a follow-up, and any of the folks who are testifying can comment on this. The Post-9/11

GI benefits for veterans and service members who want to pursue vocational training to four-year degree programs, et cetera, how soon would the VA and state-approving agencies be able to implement these programs do you think?

Mr. Wilson. We're recommending right now that the effective date for the enactment be August 1, 2011. That's based on our current status with implementing the new pay system for the initial implementation of the Post-9/11 GI Bill. We have had two releases of the functionality. We will complete the last core release for functionality around the end of December of this year, and then we have got some policing of the battlefield issues that we need, but we believe that we can meet an August 1, 2011 timeframe.

Senator Brown of Massachusetts. And as a follow-up to Senator Burr, I'm not having that same experience, but would the additional workload and resources and the redirection of resources currently in place in providing assistance to veterans, is that an accurate portrayal? Do you have I guess the tools and resources you'll need to implement the program?

Mr. Wilson. I believe we do. We have currently in place in excess of 1,400 individuals processing claims at our four offices around the country. I would be the first to say very clearly that we underestimated the complexity of what we needed to do going into last fall, and there were

unacceptable delays in the processing of claims.

To give you a little picture of where we're at right now, going into the fall, we could process about 1,800 claims a day around the country. Going into the spring semester, which was very successful, we could process in excess of 6,000 a day. So we believe by bringing in those additional resources that we have, streamlining our processes, we were cautiously optimistic that we're going to have a good fall semester enrollment period for individuals.

We are continuing to be very rigorous in our oversight on that. Long-term, we will continue to move down the path of automating a lot of this work, and that will better allow us to address the seasonal nature of our work, the high workloads in the fall periods and the spring periods.

Senator Brown of Massachusetts. And on a side note, obviously, we're getting ready to begin the fall semester, and many more students will be requesting benefits than they did in January.

Are you ready to handle this influx of potential new requests? And, if so, what type of improvement do you think we'll see over the previous time period?

Mr. Wilson. We believe we are ready. We did several things following the beginning of last fall. As I mentioned, we have significant more resources on it and our productive capacity is much higher than it was going into

last fall. So we're in very good shape there.

Additionally, we implemented an initiative over the summer that we believe helps us out, as well. We allowed schools beginning June 1 to begin submitting the enrollment certs for the fall to VA. And we're allowing them to submit that information, even if they do not have their tuition and fee rates in place. They can simply submit zero tuition and fees and report those tuition and fees later to us. That's important because many states in the July-August timeframe are just at that point deciding what their tuition and fees are going to be. We have already processed through completion about 50,000 fall enrollments under that initiative. So we believe we're in a very good position.

Senator Brown of Massachusetts. And one final question. I have a little bit of time left. Being the new guy, or not anymore. I'm actually not the new guy anymore as of yesterday, which is nice.

[Laughter.]

Senator Brown of Massachusetts. Yes. We have an inordinate amount of veterans' issues that we're dealing with in our Boston area. We have a couple of people working full-time on it directly, and I would just encourage, yes, you're making strides, but just the backlog, the frustration that we're getting from people that are calling and dealing with your organization, and I do not want to hurt your

feelings or anything, but they are pretty upset. And then that comes to me, and then I have to pass it down the food chain and up the food chain, and I would just suggest that whatever you have to do to drop some of the fluff stuff and just focus on the real issues when people are hurting and they need help.

And some of it's very simple. It's such a quagmire of paperwork and bureaucracy, and instead of just someone picking up the phone, a warm body and saying hey, I got your claim, I am on it, I just want to let you know that. Sometimes, that's all it takes, and to get that is just it's like pulling teeth.

So that's kind of my message and the sense that I am getting to being here for over six months now. And being in the military and as a JAG, I can tell you that somebody who knows how to maneuver the system, I am having the same problem.

So if you could please pass that on to the folks that work for you to step above and beyond, that would be helpful.

Mr. Wilson. I'd be happy to pass that on. Just one comment in terms of a response, the secretary has significant, major issues underway throughout the department right now, to use his term, break the back of the backlog. He and the rest of the organization are very, very

aggressive on this issue, and we're confident that we can make strides in that area.

Senator Brown of Massachusetts. I appreciate that.

Chairman Akaka. Thank you. Thank you very much,
Senator Brown.

Senator Murray?

Senator Murray. Thank you, Mr. Chairman.

Dr. Clark, I wanted to ask you a question because in my conversations with the veterans as I travel around my state, a lot of them express a real frustration that they can not make their military experience relate to any kind of post-education or professional goal, and in the bill that I have introduced that I have talked about a few moments ago, the Veterans Employment Assistance Act, one of our primary goals was to examine how to take military experience and training and link it up to civilian education and certification and licensure requirements.

Does the Department of Defense consider comparable civilian credit, licensure, and certification requirements when they create or update their military training curricula?

Mr. Clark. Senator Murray, I would have to take that back.

Senator Murray. So--

Mr. Clark. I do not work in that--I know there is a

lot that is done in military transcripts and a lot of crosswalk to try to do this, but it being in another office, I would prefer to take that one for the record.

Senator Murray. Okay, I would really like a response back to that because I think it's very relevant to what our men and women face when they come home, and as part of that, I wanted to ask, and maybe you will not answer it then, is if there is a concern within the Department of Defense that if they modify current course curriculum to provide for that civilian education credit or licensure certification requirement that, somehow, it affects retention.

Mr. Clark. Again, I can not see a direct link to that and the affect on retention, but not being that familiar with that separation and the transcript work that is done to try to crosswalk military training and education with civilian, I would prefer to take that for the record.

Senator Murray. Okay, well, sir, I think we need to be eyes open on this, that sometimes, some of the training and so on is not designed to help somebody get a job when they get home because of retention concerns, but in today's world, we have to make sure that what our military men and women are doing as they transition does transition. They come home to a very tough job market, and we can not just dump them on the street and say tough. We need to make sure that what they get actually work for them in the real world,

and I think we really have to work on that.

So Mr. Chairman, I will yield with this time and wait for the next panel. Thank you.

Chairman Akaka. Thank you very much, Senator Murray. Senator Isakson?

Senator Isakson. Thank you, Mr. Chairman.

I apologize for missing your testimony. I do have really one question that I would like to ask. Do you have any idea, and this is for anybody that would know, do you know the breakdown under the New GI Bill of people going to residential education environments versus online environments? Do you know the breakdown in that?

Mr. Wilson. I do not know the breakdown off the top of my head. We can certainly do some researching and get back to you. I'd be happy to do that.

One comment I would offer though is that the break is not as clean as either or. Many of our students are taking hybrid training. They'll take some courses in residence, but then they are also taking a class or two at night. Perhaps, even at the same institution online. So it does get a little bit more complex.

Senator Isakson. And that, on that same vein for a second, E Army U I think is the term you used for the active-duty online education. Is that not correct?

Mr. Wilson. Yes, that's correct.

Senator Isakson. As I recall, there were about 32 4-year colleges or universities that were participating in delivering content to our active-duty personnel.

Are those the same institutions to which people can get online education through the GI Bill, or is there a different way of certifying institutions that can offer it and those that can not?

Mr. Wilson. There would be a different mechanism for approving the program, but making an assumption that these are accredited institutions or institutions that VA normally works with otherwise, those programs would have been approved through VA's approval purposes to use for VA purposes.

Senator Isakson. That answers my question. But if you would give me the information, and I do understand the hybrid nature in particular of some of the online content and being a residential student, but I'd like to know the number that are full-time online and the number that are full-time residential just for my information, if you would.

Mr. Wilson. I'd be happy to.

Senator Isakson. Thank you. Thank you, Mr. Chairman. Chairman Akaka. Thank you very much, Senator Isakson.

I regret very much that due to signing of the financial reform legislation, I am going to have to leave a bit early today. Senator Tester has graciously agreed to chair the

balance of the hearing in my absence, and I want to thank him. Thank you very much, Senator Tester for that. In addition, I want to extend my deepest thanks to all our witnesses this morning for your insights and input. You've been very, very helpful prior to this and now with the committee's work, as well, and again, I want to say thanks. So let me now turn the gavel over to Senator Tester.

Senator Tester [Presiding]. Well, thank you, Chairman Akaka, and if I may, I'll just ask questions from here and then take your seat after you go. I want to thank you for your leadership, as always, and good luck at the signing.

Mr. Wilson, this is kind of a follow-up on Senator Brown from Massachusetts questions. In April, you talked about the targeting for full functionality of the claims, Automated Claims System, December 2010. Is that on target? You talked about functionality. Is that what you meant? It is going to be fully functional by December 2010?

Mr. Wilson. That's correct.

Senator Tester. Okay.

Mr. Wilson. That's what we're on target for, is providing the functionality to process claims by the end of December.

Senator Tester. Perfect. You also talked about the Chairman's bill would be much better if it were delayed until August 2011.

Do you anticipate the upgraded IT System will be adequately ready to handle the delivery of new benefits proposed by this bill?

Mr. Wilson. We believe it will be. That's what our estimate of August of 2011 is based on.

Senator Tester. Good. You raised the issue of complexity. I am glad that you did. I think one of the problems we had last fall, one of the problems we have today is implantation has been complex for the veteran, and it's been complex for the school.

The question is: What kind of outreach are you doing to help the schools, particularly in rural parts of the country, to better understand how to handle certain cases? And what specifically is the VA doing in terms of listening to the concerns of school administrators?

Mr. Wilson. There are several mechanisms in place for training. First of all, all school officials receive online training from VA. That's VA-sponsored training in terms of providing the technical information that they need to provide the VA so that we can pay benefits.

Senator Tester. Okay.

Mr. Wilson. Additionally, we have individuals stationed throughout the country, our education liaison representatives, who are the first point of contact for all school officials within their state of jurisdiction. In

addition to those individuals, I think you're aware we have had a longstanding relationship with the state approving agencies. The state approving agencies are also on the ground at the states providing training and resources.

Senator Tester. Okay. So if a school has a concern, they go to the VA employees that you talked about?

Mr. Wilson. That's correct.

Senator Tester. Okay. That's exactly the point I am getting at. Those VA employees are in four different places in the country, and correct me if I am wrong. We have a number of schools in Montana, and it's a ways away to get to those folks, and if you have four people in a number of schools in Montana, you extrapolate that out to all the states in the union, and the further away you get, the bigger the problem is.

I have advocated for a VA education rep in Montana. It's for prestige; it's because, as Senator Brown said, we're the ones that catch the input, and I think it would behoove us to have folks on the ground to be able to hear the challenges that are going on in these schools because I think that's how you're going to get to solutions. And if you could take that message back, it would be very much appreciated.

Mr. Wilson. I'd be to do that. If I could make a point of clarification.

Senator Tester. Sure. Go ahead.

Mr. Wilson. We do process claims at four locations around the country. However, we have our liaison representatives stationed throughout the country, not at those four sides. I believe our individual responsible for Montana is working out of our St. Paul Regional Office, and then the state approving agency individual works out of Helena, I believe.

Senator Tester. Okay, St. Paul is 1,000 miles away.

Mr. Wilson. Understood.

Senator Tester. Okay. All right. During our last hearing on the subject, you testified--this is Mr. Wilson again--that the VA had been putting the wrong living stipend because the military housing allowance were not revised within the computer system that took effect January 1. You projected the issue would be resolved by last month.

How's it going?

Mr. Wilson. The payment of the housing allowance is tied to the functionality and the data conversion involved with release to. The technical functionality was delivered on July 3, as scheduled. The conversion is occurring throughout the Month of July. We have completed conversion of about 153,000 cases to date. The remainder of the conversion of cases is currently scheduled to occur next week, the upcoming weekend and the following week, and that

conversion, that successful conversion is what allows us to pay that housing allowance.

Senator Tester. Of those 153,000, how many were overpayments?

Mr. Wilson. None of the 153,000 had overpayments. That first group that we converted were the individuals who we had determined eligible, but had not received any payments yet.

Senator Tester. Okay. What have been the results of your review?

Mr. Wilson. Of our 153,000 conversion was successful.

Senator Tester. Okay, how about looking into the folks who were overpaid and underpaid?

Mr. Wilson. As part of the conversion, the additional things that we will get in addition to the conversion into the new tool is the complete list of individuals that are due the increase, and that payment of the increase is going to be automated.

Senator Tester. Okay.

Mr. Wilson. We will push a check for the difference they are owed directly to the individual.

Senator Tester. I guess the question is that I think it was this month you were going to finish looking into who was overpaid and who was underpaid.

Has that been done?

Mr. Wilson. Yes, yes.

Senator Tester. And what has been the result of that?

Mr. Wilson. There's an estimated 150,000 individuals that are due some type of additional payment.

Senator Tester. Okay, so, that's 150,000 you were talking about.

And how are you handling those overpayments?

Mr. Wilson. There won't be overpayments.

Senator Tester. Okay.

Mr. Wilson. There's about 150,000 underpayments.

Senator Tester. Underpayments.

Mr. Wilson. That we will be resolving.

Senator Tester. So, there were no overpayments?

Mr. Wilson. No. In terms of overpayments, we are following the same policy that DoD has in place. If an individual is residing in an area that has a decrease, we grandfather them into their current rate.

Senator Tester. Thank you.

Mr. Wilson. So that would cover everything that live in that area when the decrease occurs.

Senator Tester. Thank you.

Senator Begich?

Senator Begich. Let me just do a quick run. So people who have received an overpayment, are they being requested to pay back? Isn't that the ultimate question?

Mr. Wilson. The overpayments, and perhaps, I need to seek a little clarity on the specifics, if an individual has an overpayment for pursuing VA education benefits, we pursue collection of that overpayment, and that's the same as we do for Montgomery GI Bill, et cetera.

Senator Begich. Right. So that's the question I think was: How many of those people? How many were in that category?

Mr. Wilson. Okay, I understood the question to be related to the BAH increase, and the BAH increase does not cause overpayments for those individuals that were in that housing zone when the decrease occurred because we grandfather them into the old rate. So we do not pay a decrease, so, there would be no overpayment for those individuals. And perhaps, I am not being clear, and if not, I apologize if I am missing the question.

Senator Begich. I am going to hold that because I have about six questions I want to rapid fire. I might come back to that, depending on time, because I want to pursue that.

And first, let me get two kind of Alaskan issues out of the way. Muskogee area and how we respond, and our folks, that's one of our service centers; I think the four, that's our area. We just get a pile of complaints of service or lack of response or slow response or delayed response.

Do you have any method that you keep track of? For

example, call time, wait time, response time, letter response time, e-mail response time? Do you keep those kind of data points?

Mr. Wilson. We do.

Senator Begich. Do you do that on a regular basis?

Mr. Wilson. Yes, we do.

Senator Begich. So, for example, if I asked you give the last six months of how long people stay on hold, how many disconnects there are, in other words, people who hang up because they are frustrated, how that's been improved or not improved, do you have those kind of data points?

Mr. Wilson. We do. I'd be happy to provide it to you.

Senator Begich. I would love that. If you could do that for that office specifically for the last at least six months, and I recognize there's a high enrollment request, but I want to see through those data points how the flow is. If you could do that.

The second is: Do you coordinate with the Direct Student Loan folks within the Federal Government to determine, because yours is not a loan, it's basically a grant to allow folks to move on to higher education. But do you have any connection with understanding because theirs is watching default rates or watching capacity of these universities, they are basically taking money and not doing really the job they should be doing.

What is your way to coordinate to make sure we're not doing GI benefits to schools that over here are being questioned of their ability to perform? Do you do that?

Mr. Wilson. We do do that. The mechanisms by which we approve our programs are separate and distinct, and they are codified in Title 38. And I would argue actually that our mechanisms are more robust. Even for a school that is accredited, there is a mechanism by which they are required to seek approval for their programs for VA purposes in addition to that.

Senator Begich. Can I ask you a question? Have you ever kicked a school off the program?

Mr. Wilson. I do not know the exact answer to that.

Senator Begich. Could you get that to the record?

Mr. Wilson. I'd be happy to find out.

Senator Begich. Because in the perfect world, everything is good, but I used to chair the Student Loan Corporation for the State of Alaska for seven years, Post Secondary Education Commission. Despite the great schools that are in our country here and overseas, there are some that just have a lack of ability to understand what they should be doing with the monies that the Federal Government provides for these students. So I would like to see in the last 5 years or 10 years, you pick the period of time, if anyone's ever been taken off the program and benefited from

the GI benefit?

Mr. Wilson. Okay.

Senator Begich. Universities, school, certification program, it does not matter, just what's the skinny there?

Mr. Wilson. We'd be happy to provide a response. Just in terms of a clarification, we approve each individual program. We do not approve the institution overall. We approve specific programs. There have been, I know, programs that we have not approved initially. I just do not know whether we have yet pulled approval once a program has been approved.

Senator Begich. What happens if you have a program that let's say it's a good program, I'll just use that, but the school is in a serious situation with, for example, the other side of the equation, the folks that are doing the Pell Grants and the student loans on the other side. In other words, they've been booted off that program.

Do you still fund the program within a school like that?

Mr. Wilson. We will still allow a veteran to pursue training at that institution, making the assumption that they still have to meet our approval criteria. That approval criteria is still out there for our purposes, and we can go out whenever we need to, to survey whatever's needed to ensure the veteran's quality of education is still

there.

Senator Begich. Okay. My time has expired, but if you could follow-up and give me some information on that.

And then the last quick comment is I know Senator Murray talked about certification and how we make that connection between what services they receive in the military and then how they can move that forward. My understanding is, and you can get back to me on the record on this later, my understanding is the Coast Guard has developed a program to do that, and if you could maybe look at that. I am pretty sure it's the Coast Guard, where they've been able to ensure some of the work they do and the training that goes on there can literally transfer right over into certain certifications that then can be utilized in the private sector without additional expense and cost to Coastie. So could you follow-up on that and--

Mr. Wilson. I would be happy to look at that just in terms of amplifying a little bit more on Senator Murray's comments, it does get, based on our experience, a little bit more complex than one list in the military and another list on the outside. It's one thing and much cleaner if there is a DoD certification, for example, and then externally one national certification.

Senator Begich. Correct.

Mr. Wilson. However, our experience is that most of

the certifications that we deal with are at the state level, and there's obviously very many different state--

Senator Begich. No, I understand that, but I think the Coast Guard has done something on the national. I do not know why some discussion I have had, and it's just coming back to me here. So, great. Thank you very much. Thanks for your testimony.

Mr. Chairman?

Senator Tester. Senator Burriss.

Senator Burriss. [Microphone malfunction] I'd like to welcome Judy Flink who is from the University of Illinois for making her way here to testify today. Her expertise, over 30 years of experience in student financial services and higher education should include the invaluable [microphone malfunction] and provide her input on how we can make the Post-9/11 GI Bill the best bill that it can be. [Microphone malfunction.]

And also, Mr. Wilson, could you provide that information that [microphone malfunction] Senator Begich requests to all of us on the committee, please?

Mr. Wilson. I'd be happy to.

Senator Burriss. [Microphone malfunction] do that. Okay.

Could you tell me [microphone malfunction] registered with the University of Phoenix?

Mr. Wilson. We do. Yes.

Senator Burris. And that's [microphone malfunction] online education.

Have you approved that university?

Mr. Wilson. That's correct. The University of Phoenix conducts both online and resident training.

Senator Burris. Can you tell me the status of the \$3,000 advance payment checks that went out to veterans and the service members in October of 2009 and those who have not yet received their VA benefit for the fall enrollment period? How much of the money have you recouped?

Mr. Wilson. I do not know the exact numbers. I'd be happy to provide a response for the record, Senator.

Senator Burris. Would you please do that for us? And how do we ensure that we will not have to do a second round of emergency payments [microphone malfunction] the next school year? Is that an internal VA policy that we need to [microphone malfunction] or can we fix it?

Mr. Wilson. We believe we're much better placed going into this fall than we were last fall, as witnessed by our success last spring. We will do whatever it takes to make sure individuals are paid their benefits. However, because we have been able to increase our productive capacity significantly and have taken steps to work with schools to begin processing enrollment certs earlier, we believe we are

much better positioned this fall and believe that we can provide timely benefits this fall. We will continue to monitor that day by day very aggressively.

Senator Burris. Now, Mr. Wilson, the implementation process of the Post-9/11 GI Bill has not been a smooth journey, which you said. But we are starting to make progress. It is disturbing though to hear stories about phone lines, hold times or even dropped, a lack of communication between schools and the VA, and the lack of standardization of policies.

How can we proceed from here to make sure that not only the process become more standardized and streamlined, that there's an open communication process between the VA and the schools?

Mr. Wilson. We have worked very hard, and we'll continue to work hard to make sure that we have an effective relationship with the school officials. The school officials are crucial to veterans being able to obtain their benefits timely. They are the ones on the ground at the school. They, as well as the state approving agencies are the folks on the ground where these students are at. We work very aggressively with the school certifying officials through our education liaison representatives around the country, as well as providing material online, as well as the state approving agencies working with the school

officials.

Senator Burris. Mr. Wilson, I understand though when a payment would go to the school, and you correct me if we have misinformation on this, and let's just say that there's some overpayment to the school, rather than the check coming back to the VA, the check comes back to the student. The student does not understand what the check is for, and the student may have, in fact, spent that check, thinking it was a refund of overpayment that he or she has made. Now, have we gotten our handles on that issue?

Mr. Wilson. There are a lot of moving parts concerning how VA pays tuition and fee amounts to the schools, and there are also non-VA-related requirements. For example, we are always paying the tuition and fee payment toward the beginning of the semester now, based on the charges that the school official certifies to us. Anytime there is a change in enrollment status during that semester, there will have to be an adjustment of that amount of tuition and fees.

Sometimes, for instance, the school could have a policy that says that they refund half of the tuition and fee amounts if a person drops within a certain amount of time. They will certify those new tuition and fee amounts to us, and since we have already paid the full tuition and fee amount upfront at the beginning of the semester, those situations are going to result in an overpayment, and those

overpayments--

Senator Burris. And the refund would go back where? To the student or back to us?

Mr. Wilson. If there's a refund, whether the refund goes to the student or the VA will depend on the circumstances of the payment amount and who--

Senator Burris. Do you have any data from what information we have been able to ascertain as to students who now are getting refunds which they are not entitled to, and they are spending those refunds, and now the VA is trying to collect money from the students.

Mr. Wilson. I am not aware of information, but I'll be happy to--

Senator Burris. Would you please check on that?

Mr. Wilson. --do research on that and provide a response.

Senator Burris. That's what we are getting information on. Thank you, Mr. Chairman. I am going to have to leave to preside.

Senator Tester. Okay.

Senator Burris. Thank you.

Senator Tester. The senior senator from West Virginia, Senator Rockefeller? Finally.

Senator Rockefeller. You see bullying takes place everywhere. That's what he's doing to me because he's my

friend. And because he's so small.

We have been trying to do a lot of what you're talking about in West Virginia at Concord University, Mountain State University, and create sort of a veterans'-friendly atmosphere, and we're taking it very seriously, they are taking it very seriously. And Mr. Chairman, I'd like to put my statement in the record, with your permission.

Senator Tester. Without objection.

[The prepared statement of Senator Rockefeller follows:]

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Senator Burris. But we need help. I mean, we always need help on these things. West Virginia is 4 percent flat, 96 percent mountainous. People do not like to travel. A lot of people, they can not sort of go to Web sites, particularly in our rural areas. A lot of coal miners and others that they do not have time for Web Sites, and sometimes, they do not have money for Web Sites.

So I appreciate very much what you say about the pending legislation, but I'd also like to ask about other ways that the VA and the DoD can support our military personnel and our veterans as they come back and make this absolutely impossible transition. And my state is working, as I say, to do veteran-friendly campuses. I am very proud of that effort, but I know these folks can use help, and I am wondering in what ways VA and DoD can be helpful in taking states that are working in good faith to try and help veterans make this transition. And I know it's a very general question, but it's a very important question for me.

Mr. Wilson. The key, I believe, to success at the state level is the relationship VA has with the state approving agencies. Those individuals are on the ground with our VA's education liaison representatives in the states.

We do not have a physical ELR in every state, as Senator Tester is aware. But those individuals are on the

ground, they are funded to provide outreach services. Can the outreach services be more robust? Absolutely. We're constantly looking at how we can do better of getting out there, not just at campuses, but reaching individuals before they make the decision on where they want to go to the school. But that's key, I believe, is those individuals that are on the ground in the states.

Senator Rockefeller. But is not that sort of like the difference between a veterans' hospital and a vet center? At least in our state in Appalachia, people are afraid of going into big buildings, universities, colleges, hospitals. They're just not accustomed to doing that.

There are some that have never been in an elevator before, and I love them for that because they are so busy trying to survive and make things come together so that when you say the word "outreach," I understand your intention, I understand your good intentions, but outreach is really hard to convince a veteran to go do something to get themselves improved. That's why VA Vet Centers work so well because they are always on the ground floor, there's always on the corner, they are in an old Kroger store or something of that sort. They walk in there and they know they are going to meet fellow veterans, and they are immediately comfortable, and they immediately go. Well, universities are not like that.

And so, the outreach, I just want to persist on that. You do not have enough people on the ground, you do not have all kinds of things that you'd want to have and need to have. But outreach to me is a very sensitive subject in West Virginia. You have to somehow connect with the veteran, and I do not know how that happens. We have so many vet centers, they are so used, and we have four visions all going in different directions, which I never quite understood, but which I accept. And but people do not like to go to big places.

So talk to me about the rural veteran. He has a lot of them in his state, too.

Mr. Wilson. I certainly did not want to imply that we believe the veterans should be coming to us, coming to a regional office, coming to a VA hospital. That's not our goal of outreach. Our goal of outreach is being out in the locations where those individuals are at.

The state approving agencies are the ones that do know those states best. They know where the veterans are located. If that means that we go to vet centers or they go to vet centers, then that's what they do. They go to vet centers. If it means that they are aware that there's a veteran stand down at a local service office or hall, a VFW hall--

Senator Rockefeller. Mr. Wilson, make the case to me

that these approving agencies in the states--I mean, I was a governor for eight years, and I can not say that all agencies were the most efficient that ever were. There are a lot of things that pay better than state government. So when you say that they know where the veterans are, I have to relate to that, I have to believe you, because we're not very good at tracking people. Some people do not want to be tracked. Make it difficult to be tracked. Do you understand what I am asking?

Mr. Wilson. I believe I do.

Senator Rockefeller. I am asking an impossible question, of course.

Mr. Wilson. Yes. I believe I do, and I do not think I can provide an adequate response. You're absolutely right. Some states and some locations in VA are better at providing outreach services than others. That's a fact. We are always working on improving that. I think the key is, of course, not requiring individuals to come to us. We have to find the mechanism to be out where they are at.

I mentioned being on campuses, but I think it's important to be able to reach the veterans before they make the show on campus because the fact is, a lot of folks do not use the GI Bill benefits. Even though our usage rate for the Montgomery GI Bill, which is the most recent statistics we have, is 70 percent, 70 percent of individuals

that are eligible use the program, that's the highest in history, but that also means that there's 30 percent of the individuals that for whatever reason are not using the benefit. Those are the individuals we need to do a better job of trying to make aware of the programs.

Senator Rockefeller. Yes, and I am over my time. I respect the 70 percent that are using, and I regret the 30 percent that are not using. On the other hand, we're obviously moving in the right direction, and word of mouth, the VSOs, there are a lot of things in rural states have to be done informally. And I think that's going to end up somehow being our answer. People who keep the statistics, who know where these folks are supposedly, and then others who just through word of mouth reach out because I think veterans know where veterans are.

Mr. Wilson. Understood. One of the things that we have done also to address it is brought in a firm to help us with the national marketing strategy for the Post-9/11 GI Bill on a national level doing the type of research that we have not done in the past concerning where veterans are at, how do we reach veterans, and I think most importantly, perhaps, is how do we reach the veterans' family, looking at the issue broader than just the individual.

Senator Rockefeller. Yes.

Mr. Wilson. How do we reach those family members?

They've done a very good job, and we're just at the beginning of this, and placing information concerning the Post-9/11 GI Bill in local and national media, getting ads on radio.

One of the things that they came up with, which I am very proud of, is helping sponsor a NASCAR during one of the recent NASCAR events. We were able to get several portions of the car with GI Bill on it and the contact information on how to get a hold of us. Our Web Site traffic went up one-third.

Senator Rockefeller. That's amazing. Excuse me, Mr. Chairman, but I mean, this is America now. You put your number on a NASCAR, and if you--

Mr. Wilson. It worked, sir.

Senator Rockefeller. And if you see the darn thing pass and you can write it down.

[Laughter.]

Mr. Wilson. Yes.

Senator Rockefeller. Because I guess it goes around so many times, you can sort of do number by number.

Mr. Wilson. Well, it's interesting, and we're learning a lot in this area. But what we found out is as you create these relationships, and it's more than just our Web Site going by, but it's the commentator talking about what's on the car. It's the driver talking about our GI Bill Program

during press interviews. Their research showed that one in three of our potential students or their family members are NASCAR followers. So those are the type of things that really allow us to get out there, and informally.

Senator Rockefeller. Yes.

Mr. Wilson. Getting back to your message.

Senator Rockefeller. No, and I do not mean to be joking because NASCAR is huge in West Virginia, and I am sure it is in Montana. Right?

Senator Tester. Yes, it is, actually.

Senator Rockefeller. And you've got cars, do not you?

Senator Tester. Yes. Yes.

[Laughter.]

Senator Rockefeller. Thank you, Mr. Chairman.

Senator Tester. Thank you, Senator Rockefeller. I just have a couple more questions before wrap this panel up, unless you have more questions, Senator Rockefeller.

First thing, as far as the educational rep in St. Paul, did it just get moved to St. Paul because it was in St. Louis?

Mr. Wilson. Let me go back for the record--

Senator Tester. Okay. That's fine.

Mr. Wilson. And provide a full response.

Senator Tester. Through the efforts of technology, I was just informed that the ed rep that's either in St.

Louis--the ed rep from Montana retired earlier this year, and there will not be a new one until December.

Mr. Wilson. Okay.

Senator Tester. I just heard at a previous hearing I was at that Iraq and Afghanistan vets are coming back, and their unemployment rate is about 12.5 percent, higher than the national average. I mean, there's got to be people out that can do this job. Why are we waiting until December to do it? We're missing a whole semester in Montana.

And to back up a little bit, it was about two or three months ago I had a session in Montana with the college folks that go through the red tape. This is a big issue. I mean, there was an incredible amount of frustration in the room. They did not have access to people that could answer their questions. They did not fully understand the program to a point where they could answer the veterans' specific questions. We have got a problem. How are we going to deal with it? In a place like Montana, and by the way, Montana probably is not the only one with the educational liaison impacts. How can this continue?

Mr. Wilson. It can not. I'll take the message back; I'll look into it more.

Senator Tester. Okay.

Mr. Wilson. Unfortunately, I can not provide an adequate response.

Senator Tester. Okay. Fine. One last thing. We had a pretty good discussion about overpayments last time around in April, and I appreciate the frankness and your realistic statements about what you can guarantee and what you could not. Following that hearing, Senator Begich and I wrote a letter to your boss, Deputy Undersecretary Cardarelli, and I have got the letter here. Unfortunately, we have not received a response. Just to be clear, I do not blame you for that. It's something we'll take up with Acting Undersecretary Wilkoff. But, in the meantime, it rightly or wrongly falls to you to have you to address this significant change.

So where are we in fixing the problems so that veterans are not immediately placed in overpayment? Now, I heard the conversation with Senator Burris. I can also go back and tell you that the testimony that we received, because I have it right in front of me from the hearing back in April, on something like this. For me, my question is: "Moving forward, is putting veterans in overpayment status something that the VA is going to continue or are we going to fix that?" Your response was, "We would prefer not to have the veterans in overpayment status." I said, "Are we going to fix it?" You said, "We will do everything we can to put them in a status other than overpayment status." That's not what I heard here today. I heard that they are still going

into overpayment status.

Do we understand what kind of fix we're putting the vets in by doing that?

Mr. Wilson. I believe we do. Just my own personal experiences, I have been in debt to the Federal Government, you do not want to be in that situation.

Senator Tester. Yes.

Mr. Wilson. We fully realize the difficulty that that puts an individual in. The core issue with overpayments is we will see more overpayments under the Post-9/11 GI Bill than we have under our other education programs. Unless there's a statutory change, because of the manner in which the payments are structured, we're paying the total charges at the beginning of the semester.

Senator Tester. Yes.

Mr. Wilson. Since we're frontloading those payments, which we have never done in the past, anytime there is a training time change, whether that be a reduction or a withdrawal from class, any time during that semester, there will be some type of adjustment in the payments.

Senator Tester. Okay.

Mr. Wilson. Since they are all out the door for tuition, a lot of times, it will result in an overpayment.

Senator Tester. So what you're saying is that the VA can not handle this problem without a statutory change?

Mr. Wilson. That's correct.

Senator Tester. Could you give us recommendations on what that statutory change would say?

Mr. Wilson. Yes. We have been working with the committee. We'd be happy to continue to work with the committee on that issue.

Senator Tester. That'll be good. Thank you very much. Appreciate the panel, appreciate your testimony. And Mr. Clark, I wish we could have fired more questions at you. But you got enough, I guess. So, thank you very much for being here. Thank you.

We have the second committee, the second panel that will include representatives from many of the GI shareholders. First on the panel will be Eric Hillman, national legislative director of the VFW. He'll lead off with the views of that organization. He will be followed by Tim Embree, legislative associate for the Iraq and Afghanistan Veterans of America. I want to also especially thank you and your organization for the help and the input and development of this legislation.

Our third witness today is Terry Hartle, senior vice president of the American Council on Education. Fourth, we're joined by Judy Flink, executive director of Student Financial Aid Service at the University of Illinois. And finally, Captain Gerard Farrell is here, representing the

Commissioned Officers' Association of the U.S. Public Health Service.

With that, if you folks would take your seat, and we'll start out with Mr. Hillman.

Mr. Hillman. Good morning, Senator Tester.

Senator Tester. Good morning. Good to have you all here. And whenever you are ready, Eric, you can rock and fire.

Mr. Hillman. Thank you, sir. Senator Tester, we appreciate--do you want to give the minute to let the door close?

Senator Tester. We'll give them a minute to get the door shut here. Very good. Okay, go ahead, Eric.

DRAFT

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

Mr. Hilleman. Thank you, sir. Senator Tester, thank you for the opportunity to testify today. We certainly thank Chairman Akaka and the members of this committee, and Ranking Member Burr.

On behalf of the 2.1 million men and women of the Veterans of Foreign Wars and our auxiliaries, we are pleased to testify on this important issue of GI Bill implementation and upgrades. With specific comments on improvements to the Post-9/11 GI Bill and the legislation introduced by Senator Akaka.

We would like to begin by thanking Senator Webb, Senator Akaka, and all the members of the Senate Veterans' Affairs Committee. Because of their work, their leadership, the Post-9/11 GI Bill came into being. It is educating hundreds of thousands of veterans around the nation.

The VFW is proud to have worked with Congress to pass this GI Bill. A generation of veterans is now better equipped to seek higher education. With this huge success behind us, it is time to reexamine the Post-9/11 GI Bill with an eye towards simplifying, strengthening, and providing better benefits to veterans.

The VFW believes a number of changes should 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, OJT, and vocational training to the World War II generation of veterans. We believe the Post-9/11 GI Bill should also provide those same opportunities in the skilled trades to our service members. The VFW supports the standardization with an eye toward equitable benefits for equitable service.

The VFW priorities for standardization, simplification, and strengthening of the GI Bill are as follows: We need to expand eligibility. Under the expansion of eligibility, programs that currently do not qualify for Chapter 33 or lump sum payments, vocational training, distance learning, and Title 32 AGR Guard and Reserve service.

With the increased reliance 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. Chapter 33 should include certified vocational programs, non-degree-granting institutions. The opportunity to learn a skilled trade while receiving a tuition allowance, book stipend, and BAH would greatly improve the lives of individuals who are seeking technical degrees. We should incentive veterans to invest in technical educations, as these are the skill sets that help build our cities, connect our communications, and drive our economy.

Further, on-the-job training should be included in Chapter 33. OJT Apprenticeship Programs should receive a living allowance based on BAH of the ZIP code of the program. And a book stipend, which help them purchase tools, equipment, and pay dues.

The program such as Helmets to Hardhats have successfully placed veterans in skilled trades from across the nation. This public-private partnership is paving the way for a generation of tomorrow's journeymen. Further, we believe that redefining full, three-quarter, and halftime enrollments will help to address some of the inequities within the legislation.

We must equitably adjust this mechanism. Current law does not pay the living allowance for halftime students, yet, students enrolled in one credit or more of halftime receive a full living stipend. We encourage the committee to consider basing BHA payments on stair step programs similar to that under the Montgomery GI Bill benefit.

The VFW is very enthusiastic about S. 3447. This legislation is taking the GI Bill in a new direction, a stronger direction. It recognizes the service of hundreds of thousands of National Guard members activated in support of national emergencies. It also seeks to address the important vocational apprenticeship and on-the-job training programs that I have outlined in my oral statement.

Further, it addresses multiple issues, such as distance education, correspondence courses, active-duty book stipends, retention kickers, and stipends for disabled veterans.

Senator Akaka, this legislation will address every area of concern the VFW has with improving the GI Bill. We can not say enough about the noble efforts of this legislation. Our written testimony offers a number of simple suggestions to help improve, simplify, and strengthen this legislation with a goal of equitable benefits for equitable service. We look forward to continuing to work with this committee, its staff, and the Congress to improve this valuable benefit that makes a life-changing difference to so many veterans.

Senator Tester, thank you for this opportunity to testify. That concludes my statement. I am happy to take any questions.

[The prepared statement of Mr. Hilleman follows:]

DRAFT

Senator Tester. Well, thank you for being here. There will be questions, and I appreciate both your verbal and your written testimony.
Mr. Embree.

DRAFT

OPENING STATEMENT OF TIM EMBREE, LEGISLATIVE
ASSOCIATE, IRAQ AND AFGHANISTAN VETERANS OF
AMERICA

Mr. Embree. Thank you, sir. Mr. Chairman, Ranking Members, members of the committee, on behalf of Iraq and Afghanistan Veterans of America's nearly 200,000 members and supporters, I'd like to thank you for allowing us to testify at this critical hearing on the improvements of the Post-9/11 GI Bill.

My name is Tim Embree. I am from St. Louis, Missouri, and I served two tours in Iraq with the United States Marine Corps Reserve. The Post-9/11 GI Bill will be remembered as one of our country's shrewdest investments for generations to come if we act now and we finish the work this committee began two years ago.

IAVA is encouraged by S. 3447, the Chairman's Post-9/11 Veterans' Educational Assistance Improvement Act by simplifying and streamlining the administrative rules as 3447 would enable Department of Veterans' Affairs to process GI Bill claims in a timely manner. As 3447, which we have come to call New GI Bill 2.0, it's a comprehensive effort to address the concerns of tens of thousands of student veterans and their families. IAVA is proud to endorse this legislation, contingent upon the improvements we submitted for the record be included in the final bill. As 3447 will

help veterans access valuable job training by granting Post-9/11 GI Bill benefits to veterans in vocational, apprenticeship, and on-the-job training programs.

IAVA member Charles Conrad returned home from war to face a bleak economy. He had finished two tours, was released from his stop-loss orders, and was ready to begin the next chapter of his young life. Charles moved to Pittsburgh and enrolled in the Pennsylvania Gunsmith School, a well-known vocational school founded in 1949. Charles, like countless other veterans, assumed that by combining his military experience with a vocational certificate, he would make himself marketable in today's rough job scene.

Unfortunately, the Post-9/11 GI Bill does not pay for trade schools, and now Charles is left struggling to pay down a pile of bills. Most people do not realize the majority of World War II Veterans used their GI Bill benefits to attend vocational schools. The 78th Congress passed a correction bill one year after the first GI Bill in order to include veterans just like Charles who want to attend vocational schools. Much like we are asking the 111th Congress to do right now. Allowing veterans to enroll in the vocational program of their choice would enable all of our war-fighters to use their hard-earned New GI Bill benefits.

IAVA recommends following a simplified pay chart for

on-the-job training and apprenticeship students, which we have submitted for the record, as well. As 3447 will help National Guard service members by granting full GI Bill credit for full-time service, this vital improvement will ensure that thousands of National Guard troops from Louisiana, Alabama, Florida, and Mississippi, who are currently protecting our coastline from the oil in the Gulf will receive credit towards their Post-9/11 GI Bill benefit.

IAVA member Sergeant First Class Bradford Mingle has been wearing our country's uniform every day for the past 19 years, including a recent tour in Afghanistan. Sergeant First Class Mingle is part of the Active Guard and Reserve Program, which means he works full-time for the National Guard. Imagine Sergeant First Class Mingle's surprise and anger when he applied for the New GI Bill, only to have the VA tell him that he had not served long enough to qualify for full benefits.

According to the current law, only one year of Sergeant First Class Mingle's 19 years of active-duty service actually counted towards his GI Bill eligibility. Yet, a full-time Reservist doing the same job as Sergeant First Class Mingle would qualify for the full GI Bill simply because his or her checks were paid for by the Federal Government rather than the state government. The same uniform, same service, vastly different benefits.

Under the current form of the New GI Bill, the tuition benefits are not only confusing, they are completely unpredictable. The nationwide tuition caps have fluctuated wildly since last year, and recently in front of this committee, the VA admitted that reforming the tuition and fees benefit was its top priority fix for the New GI Bill. We need a GI Bill benefit that is easy to calculate and is easily understood by those who use the benefit, as well as those who distribute it.

The New GI Bill 2.0 simplifies the tuition benefit by abolishing the confusing State Cap program and replacing with a simple promise. Under the proposed New GI Bill 2.0, if a student veteran attends a public school, the New GI Bill will pay for the entire cost of tuition and fees, no questions asked. However, if a student veteran attends a private school, the proposed rate in S. 3447 is frighteningly low and would slash benefits for student veterans attending private schools in over 23 states.

IAVA recommends simplifying the annual tuition reimbursement rate for private schools by setting a national baseline of \$20,000 per year. This baseline should be increased by an annual cost of living adjustment on an annual basis. Creating this baseline will provide a fair and generous benefit for all students, and will mean an increase in tuition reimbursement in 45 states.

New GI Bill 2.0 is a much needed comprehensive upgrade, involving changes large and small. These changes are vital to the academic success of student veterans pursuing a higher education. History has shown us the value of investing our country's veterans. The Post-9/11 GI Bill will be remembered as one of our greatest investments in our country's veterans for generations to come if we act now and finish the work this committee began two years ago. IAVA is proud to speak on behalf of the thousands of veterans coming home every day. We work tirelessly so veterans know that we have their back.

I appreciate your time today, sir, and from the whole committee, and I look forward any questions you may have.

[The prepared statement of Mr. Embree follows:]

DRAFT

Senator Tester. I appreciate your testimony.
Mr. Hartle.

DRAFT

OPENING STATEMENT OF TERRY W. HARTLE, SENIOR VICE
PRESIDENT, AMERICAN COUNCIL ON EDUCATION

Mr. Hartle. Thank you very much, Senator Tester. I appreciate the opportunity to be here with you this morning to talk about S. 3447, the Post-9/11 Veteran's Educational Assistance Improvements Act.

I am testifying on behalf of my own organization, the American Council on Education, as well as 12 other higher education organizations that wish to be associated with my testimony. I have prepared a list of those organizations, and I'd like to ask that it be added to the official record.

Ten years ago, the veterans' groups and the higher education community established a collaborative venture called the Partnership for Veterans' Education. I am honored to testify here today with several of our organizations in that effort. And we stand ready and committed to working with them and you to ensure that our nation's returning veterans have access to and good opportunity for success in post secondary education.

Colleges and universities have eagerly embraced the Post-9/11 GI Bill, and institutions have worked hard to reach out to veterans, not only welcoming them to campus, but changing the way they do things on campus in an effort to best meet the specific needs of veterans.

At ACE, we have been fortunate enough to work with

hundreds of institutions that are doing things, and I mentioned several of those institutions in my testimony.

As a result of our extensive work in this area, I think we're well-positioned to comment on the impact on student veterans and college campuses of the Post-9/11 GI Bill, as well as S. 3447.

The Post-9/11 GI Bill, as already had been mentioned, provides excellent education benefits for veterans. It's really landmark legislation. However, several provisions in the legislation have complicated our ability to implement the law and S. 3447 addresses these issues. At the end of the day, we think the bill will improve both benefits for veterans and the ability of colleges and universities to serve them.

I think that the bill as drafted, 3447, offers three distinct improvements to existing law. First, it provides greater clarity and accuracy about the benefits that service members will receive. This will enable them to make informed decisions about their education plans. Second, the bill ensures true equity for all veterans who have served. And third, the bill will simplify benefit schedules and administration, reducing bureaucracy and institutional costs while improving services to veterans. And I think these ought to be the three goals of the committee as you continue to refine this legislation. Great clarity and accuracy

about benefits, true equity for all veterans, and simplified benefit schedules and administration.

I think Mr. Embree put a very human face on exactly how that works under this bill and the improvements that you will be making. We think that eliminating the state tuition and fee caps is laudable. The widely varying state caps have resulted in an extremely cumbersome and inaccurate process that's caused frustration, anxiety, confusion for the VA, for the service members, and for institutions. We strongly support the intent of the legislation to fully cover the cost of public institutions, while setting a national baseline for private colleges and universities.

I would point out, however, that the language set forth in Section 3 employs terminology not currently used by the U.S. Department of Education that's likely to cause confusion in implementation. I believe these matters are relatively easily fixed, and I'd encourage you to put it in terms that will ensure the Department of Education gives the VA exactly the information that you intend the VA to have.

We also strongly support the effort to clarify the eligibility of National Guard members and troops serving in the Active Guard Reserve Program. We also support the expansion of benefits to include vocational schools, apprenticeship, and on-the-job training.

The bill does much to streamline the delivery of

benefits, and we would strongly encourage the committee to keep the ease of implementation in the forefront of your decision-making as you continue to work on this legislation.

I would also note that 3447 includes several provisions designed to help offset the cost implications that may arise from the passage of this bill. While the bill has yet to be scored, I think the inclusion of offsets and other provisions to mitigate possible costs demonstrates the committee's desire to meet the needs of veterans in a fiscally-responsible way, and we applaud you for that.

In conclusion, on behalf of ACE, the American Council on Education and our 2,000 college and university members, we strongly urge the committee to support S. 3447. We thank you for your efforts to strengthen this critical legislation, and we look forward to working with you as it moves forward.

[The prepared statement of Mr. Hartle follows:]

DRAFT

Senator Tester. Thank you, Mr. Hartle.
Judy Flink, director of Financial Services for students
at the University of Illinois?

DRAFT

OPENING STATEMENT OF JUDITH FLINK, EXECUTIVE
DIRECTOR, UNIVERSITY STUDENT FINANCIAL SERVICES,
UNIVERSITY OF ILLINOIS

Ms. Flink. As Senator Tester has mentioned, I serve as the executive director of the University of Illinois Student Financial Services for the three campuses. I have worked in university business offices, and have been actively involved in higher education for over 30 years.

On behalf on myself, colleagues in the AAU Bursar Organization, colleagues from other educational institutions around the country, and most importantly, on behalf of the veterans we serve, I thank you for this opportunity to testify. In particular, I would like to thank Senator Burris and his staff for this invitation. It's an honor for me to be here today.

In 2008, with remarkable leadership from Senator Webb, Congress passed landmark legislation recognizing the contribution and needs of millions of Americans who served their country in our armed forces in Afghanistan, Iraq, and elsewhere. This legislation, the Post-9/11 GI Bill, makes possible educational dreams that not only express a special thanks to our veterans, but also contribute directly to the economic recovery and future of America.

America's post secondary institutions are proud to have supported the enactment of this bill and welcome the

opportunity to serve veterans in our classrooms. Today, universities across the country enroll thousands of veterans who receive support through Federal GI Benefits. Part of my hope in being here is to promote changes to the program that will increase that number.

Unfortunately, as you are aware, implementation of the vitally important education benefits authorized by the bill has not been smooth. Delays in getting the program up and running, followed by numerous subsequent flaws in the interface between the VA and educational institutions have created significant hardships for our veterans.

My colleagues and I recognize the enormity of implementing this program and creating the system to manage it. We sincerely applaud the VA for its work in getting the program up and running under these difficult circumstances. Our desire is to strengthen our partnership with the VA in an effort to help the program run better.

With that in mind, I focused my testimony on flaws in the system that, if corrected, will more effectively fulfill the promise of this program. Included with my remarks is a list of concerns compiled by the University of Illinois and 16 peer institutions. While this list is not exhaustive, it identifies major concerns that render access to educational benefits under this program, difficult for veterans and expensive for the Federal Government and institutions.

Some of these concerns result from legislative provisions, and many of them result from VA policy and procedures. A number of our legislative concerns are addressed in S. 3447, Senator Akaka's Post-9/11 Veterans' Educational Assistance Improvements Act of 2010, and other legislation under consideration at this hearing. We support the provisions within these bills that address our concerns. We applaud Congress for its willingness to propose the necessary changes that will help us improve the delivery of the benefits, and we hope this testimony leads to further opportunity for collaboration between Congress and the higher education community.

The majority of our concerns are administrative in nature. VA policies and procedures often fail to accommodate the education community's existing systems and procedures, thereby creating needless delay and hardships for our veterans. I will not belabor the committee with all of the concerns on our attached list, but allow me to highlight just two of these.

Perhaps, our greatest concern is university business officers is the VA's refund policy which requires institutions to refund tuition overpayments to students who must then refund them back to the VA. This policy mirrors that of the original GI Bill, wherein all benefits, including tuition, were paid directly to the student, who

was then responsible for paying their tuition bills to the school and for refunding any overpayments back to the VA. But, under the Post-9/11 GI Bill, tuition benefits are paid to the school, not the student.

Therefore, the requirement to refund overpayments to the student instead of directly to the VA is not only inefficient, it has put students at risk of losing future benefit eligibility under the program when they fail to understand and fulfill their responsibility of returning those funds to the VA. In all other financial aid programs, overpayments are refunded directly to the aid source, bypassing the student. Thus, students have come to expect when they receive a refund back from the school, they can use it for books and other expenses. This risk is high. By the time they receive notification from the VA of the amount they must repay, the money, unfortunately, may have been spent. The VA will then suspend their benefit eligibility until payment is received which would delay or prevent the student from continuing their education. So they are out of the game.

A second major concern is the VA's remittance of payment for students for whom the institution has certified a different amount or for whom the institution has not even completed the certificate of eligibility. No explanation is provided with these payments; therefore, the institution

must contact the VA for an explanation of the discrepancy before releasing payment to the student.

Well, you have heard during our discussion this morning, those hold times can be up to 40 minutes. My staff will come and say to me, and I got cut off and I had to call again. And the cycle continues. And for months, the VA phone lines were closed on Thursdays and Fridays. So as my staff was getting frustrated, so were our veterans. These delays and the result in hardship to the veterans could be eliminated if the VA included an adequate explanation to the school when sending payments.

While I have only mentioned two of our concerns, the attached list is more comprehensive. We are confident, however, that many of them can be successfully resolved through an open dialogue between the school business officers and the VA. Our recent attempts to initiate this dialogue met with disappointing results.

We received a written response from the VA, for which we're grateful, but we were not given the opportunity to discuss the matter in more detail and have that meaningful dialogue that we feel strongly would help us fix the system.

My peers and I respectfully ask for your assistance to open this dialogue. We believe regularly-scheduled meeting between the VA and a working group from the education community will enable both parties to collaborate on

proposed program changes and regulations prior to their implementation. We'd like to be considered as both a resource and a partner for the VA and Congress in our mutual endeavor to improve the delivery of Post-9/11 GI Bill tuition benefits to our veterans. Thank you again for the opportunity to speak with you today. I hope my testimony can be a springboard for productive dialogue between all parties who share our commitment to strengthening and improving service to our veterans. Thank you.

[The prepared statement of Ms. Flink follows:]

DRAFT

Senator Tester. Thank you, Ms. Flink.
Captain Farrell?

DRAFT

OPENING STATEMENT OF CAPTAIN GERARD M. FARRELL,
USN (RET.), EXECUTIVE DIRECTOR, COMMISSIONED
OFFICERS' ASSOCIATION OF THE U.S. PUBLIC HEALTH
SERVICE

Captain Farrell. Good morning, Mr. Chairman. I am privileged to be able to speak with you here today on behalf of the more than 6,500 active-duty and retired officers who are members of the Commissioned Officers' Association of the U.S. Public Health Service. I will confine my remarks exclusively to Section 6 of Senate Bill 3447, which will extend the transferability entitlement of the Post-9/11 GI Bill to the Commissioned Corps of both the U.S. Public Health Service and the National Oceanic and Atmospheric Administration.

In the original Post-9/11 GI Bill signed into law in 2008, the PHS and NOAA Commissioned Corps were left out. The oversight was partially rectified in 2009, during the development of implementing regulations by the VA. The Veterans' Administration, citing law and precedent, observed that PHS and NOAA officers had always been entitled to the GI Bill benefits, but because of the wording about transferability in the Post-9/11 statute, the VA could not fix the problem through rulemaking.

There are three reasons to include PHS officers in the Post-9/11 GI Bill transferability entitlement. First and

most obvious is that doing so is simply a matter of law and precedent, as certified by the VA. Second, it will have a positive impact on retention, and thus, on public health security, arguably, the most important and fundamental component of national security. Finally, it involves fair and equal treatment for all of our uniformed service veterans, regardless of the uniform in which they happen to serve.

S. 3447 will bring the Post-9/11 GI Bill into conformance with Title 42, Section 213(d) of the U.S. Code, which reads in part that "active service commissioned officers of the Public Health Service shall be deemed to be active military service in the Armed Forces of the United States for the purposes of all laws administered by the secretary of Veterans' Affairs."

The PHS Commission Corps is the second-smallest of the seven federal uniform services with an active-duty force of some 6,500 health professionals. The Corps is not well-known to the general public, and sometimes not even to policymakers, yet, the PHS Commission Corps' effective impact on the nation's public health far exceeds its small size, and maintaining public health security is a critical element of national security.

The U.S. Government recognized this fact in 1889, when it created the Public Health Service Commission Corps as a

uniformed service. And the inextricable relationship of public health to national security and now global health security has only grown more important over time. Indeed, global health diplomacy has recently become an integral part of our national military strategy. Think of the PHS Commission Corps as a public health national security force multiplier.

PHS officers train with their military colleagues, participate in joint missions, and serve shoulder to shoulder alongside them in Iraq and Afghanistan and elsewhere around the world. PHS officers are among the first to deploy with the Navy to Haiti following the earthquake earlier this year. PHS officers serve in ever greater numbers throughout the Department of Defense and the Department of Homeland Security. The head of the DoD TRICARE Pharmacy Directorate is a PHS flag officer. The director of Psychological Health for the National Guard is a PHS officer. PHS officers provide oral health and dental care for the Coast Guard, but today, are not able to transfer their Post-9/11 GI Bill benefits to a family member as can the Coast Guardsmen alongside whom they serve. I could go on.

Domestically, PHS officers are assigned to nearly every stage and have a presence in almost every federal agency and right here on Capitol Hill. PHS officers deploy in

anticipation of and in response to every incident involving public health, including sending one-third of their officers to the Gulf Coast before, during, and after the 2005 hurricanes, and even today along the Gulf Coast, monitoring environmental health issues incident to the Gulf oil leak disaster.

In a field where cultural sensitivity is a key requirement in providing effective care, and all the uniform services are concerned about diversity issues, especially in their officer corps, the PHS Commission Corps stands out as the most diverse institution in the federal workforce in terms of ethnicity, race, and gender. But there is a well-documented crisis in the public health workforce today. The number of physicians and dentists in the Corps, for example, has declined precipitously in recent years, and there are thousands, literally thousands of unfilled billets throughout the entire Public Health Service. As stated earlier, this is not only a public health crisis, but also a crisis for national security.

Finally, I will comment briefly on proposed change in the funding of the transferability entitlement alluded to earlier by Chairman Akaka. If I read the bill correctly, transferability would no longer be funded by the VA, but by the service members' parent agencies. In the case of the Public Health Service Commission Corps, that would be the

Department of Health and Human Services. Clearly, this would make transferability far less appealing to those departments. Such a change now seems particularly unfair to the Public Health Service and NOAA Corps, the two smallest uniform services so far excluded from this entitlement.

Further, shifting a funding responsibility for a veteran's entitlement to agencies other than the VA would set a strange precedent, as well as adding still more complexity to the program's administration, exactly the opposite of the intended effect of S. 3447. The practical result would be to severely reduce an extremely popular veteran's benefit and restrict the ability of all the uniformed services to retain key mid-career professionals. A better approach might be to establish funding caps and return to the original idea behind the transferability benefit, which was to focus laser-like on retaining mid-career service members with highly-valued skills that are in short supply.

Even in the best of economic times, qualified public health physicians, dentists, and nurses who are willing to commit to public service careers are in short supply. The transferability entitlement in the Post-9/11 GI Bill offers the Department of Health and Human Services a valuable tool for recruiting and retaining the scarce health professionals. This tool will be even further enhanced by

retaining the funding as it currently exists within the Department of Veterans' Affairs.

For these reasons, I ask all the members of this committee to support the provision within S. 3447 that would, at last, extend the Post-9/11 GI Bill transferability to the Public Health Service and NOAA Commission Corps.

I appreciate the committee's time, attention, and consideration, and would be pleased to answer any questions you may have. Thank you, sir.

[The prepared statement of Captain Farrell follows:]

DRAFT

Senator Tester. Well, I appreciate your testimony, Captain Farrell, and I appreciate the testimony of everybody who is on this panel. I also see that Keith Wilson and John Brizzi are here, and I want to thank them for listening to the testimony and being here. I very much appreciate that. I think it's helpful.

I will point out one of the things that Judy Flink said to you gentlemen while you're there, and that is that the fact that we need more of a partnership, better communication if we're going to get to the bottom and get all that stuff fixed, I think is the same thing I am hearing in Montana, by the way, from people who hold similar positions to yours, Judy. And so, I think it could bear some fruit.

I am going to start with Mr. Hilleman. You had talked very briefly in your opening statement about enrollments, and I want you to elaborate on it a little bit, because I do not exactly understand what you're saying. Half enrollments, there's no living allowance, but one credit and a half time program, explain what you're talking about there.

Mr. Hilleman. Under current law--

Senator Tester. Yes.

Mr. Hilleman. A veteran can game the GI Bill by enrolling in more than half time. More than half time

seven credits. So, there's no BAH stipend for individuals who are half time or less, but if you're seven credits, you get a full BAH stipend.

Senator Tester. Got you. Okay.

Mr. Hilleman. So our proposal is in line with the original Montgomery GI Bill, creates stair steps and percentages that give a percentage of the BAH based on enrollment, which could also address some of the challenges that you had in the previous panel with questions, Senator Tester. The issue of over and underpayments with one credit change could be impacted if they were bracketed by half time between six and eight credits.

Senator Tester. Yes.

Mr. Hilleman. So you go up and down one credit. There's no over or underpayment. If you go to the three-quarter time, 9 credit to 11 credit, if they move up or down one, it's not too much an issue. You still have it between the different percentages.

Senator Tester. Levels.

Mr. Hilleman. It could alleviate some of the challenges.

Senator Tester. Okay.

Mr. Hartle, you talked about language in Section 3 is not language that's used by the Department of Education. Have you been asked to submit language that would work?

Mr. Hartle. We have not. We would obviously be very happy to do that.

Senator Tester. Well, I would like to have it.

Mr. Hartle. Certainly.

Senator Tester. I think that if there's an issue in the language of the bill that could stop proper implementation, then we need language that's going to work. So if you could provide that, that would be great.

Mr. Hartle. Absolutely.

Senator Tester. Judy Flink, I want to thank you for taking time to pull together some ideas for improving the administrative issues that we face. Getting these benefits and processes right requires all hands on deck, and we appreciate your work. And we can not afford to overlook any good ideas.

As executive director of Financial Services, it sounds as if you had a significant amount of experience working with veteran students over a significant period of time. You specifically hit on an issue that I have a great interest in, and that is the overpayments issues, as Mr. Hilleman pointed out and the impact on students that go into overpayment status.

I want to know if you could describe some of the experiences that you have had with the kind of situation that has resulted in overpayment, and what can be done to

help alleviate the problem not only yours, but at other education?

Ms. Flink. It's pretty universal. If a student enrolls at the University of Illinois and then they have to stop out for any reason, sometimes, it may be the programs are just too rigorous. And then they make a decision that they want to go to a community college, that the program might be easier for them to attain. Our point that we have been trying to make with the VA is we would rather return the money to you because that timing is very short. Say they dropout in mid-October and they want to enroll at our community college, Parkland, in January. By the time we send the money back, VA finally bills the student; the student might pay them back. They're already enrolled in Parkland, and the VA is telling them that they do not have benefits because they may owe money.

Senator Tester. Right.

Ms. Flink. So it gets stuck in this cycle. Or if they come in full-time, dropped to half-time, we have been saying to the VA, unfortunately, on a number of occasions, and it is a larger group of public schools that have been saying we simply want to return the money to you and get out of the process that's been implemented because it will make it much easier for the veteran and less confusing.

Senator Tester. Okay. Well, thank you.

This is a question for each one of you. In your testimony, you all talked about the good things and the bad things in the bill. Or that's not the right term. The good things in the bill and the things that need improvement in the bill. If you were going to pick one thing that you would like to see changed in S. 3447 as an improvement, what would it be, and we'll start with you, Mr. Hilleman.

Mr. Hilleman. If nothing else was going to be changed, absolutely nothing else would be changed, it would probably have to be the Title 32 AGR deployments. That was a group of individuals that was inadvertently left out of the first iteration of the bill, and they have certainly, through their service and their continued service, have earned education benefits under this bill.

Senator Tester. Okay.

Mr. Hilleman. Or under this law, excuse me.

Senator Tester. Good.

Mr. Embree?

Mr. Embree. Yes, sir, and thank you for the question. I think we can all agree on the importance of including folks from AGR, but I think something that's extremely important is, and we're hearing from veteran students everyday, is tuition and fees. Folks are really blown away by the problems from the tuition and fees. Congress did not intend when they wrote the original Post-9/11 GI Bill for it

ever to be implemented that way. They intended a simple way. So to actually create a nationalized baseline for the private schools and to just simplify and include all public schools, as the way S. 3447 says, is just so important right now because there are so student veterans and their families affected every day by the debacle of tuition and fees the way it's currently structured.

Senator Tester. Okay. Mr. Hartle?

Mr. Hartle. I completely agree with what Mr. Embree has said. I think I already indicated I think there are some areas where the language needs to be tightened, and we will be happy to work with the committee on that. But that's really not a fundamental issue. I think the fundamental thing you're doing in this bill is putting an absolute very clear set of numbers out there so that people can plan with respect to their post secondary education. The benefits to students, the benefits to institutions that are trying to counsel students will be enormous, and I think that provision alone makes this bill worth passing. Nothing against any of the other provisions at all, it's just I think that that would be an extraordinary benefit for veterans and institutions.

Senator Tester. Okay.

Ms. Flink?

Ms. Flink. I agree with Terry. Someone who's in the

trenches and has to help the students build their budgets and plan for their education, it's critical to make that process more streamlined and much more easy for them to understand.

Senator Tester. Okay. Captain Farrell?

Captain Farrell. I would have to say that the first and most important thing is to bring the bill into conformance with existing law, and to include all veterans in all facets, in all entitlements in the Post-9/11 GI Bill, including Public Health Service and NOAA Corps in the transferability entitlement.

Senator Tester. I have one more question for you, Captain Farrell. How you think about the Post-9/11 GI benefits and their expansion will help us recruit and retain good health care professionals in rural America, also.

Captain Farrell. Absolutely.

Senator Tester. And, as you know, finding and keeping good folks in medical jobs in rural America is a tough task for the VA, as well as private providers.

Are there other things that we should be doing to sweeten the pot for Health Service Commission Corps officers and for rural providers in general?

Captain Farrell. That's a great question, and I think the answer is, and it falls into line with the Post-9/11 GI Bill, and that is more educational opportunities. I mean,

and particularly for the Public Health Service Commission Corps folks, they have a hard time getting continuing education in the course of their careers as mid-career professionals or as terminal career professionals in terms of leadership, exposure and leadership courses, further technical training, for the clinical training. That's really tough for the department to fund and something our small association affiliated foundation tries to help fill the gap on. So I think that's an important area to look at.

Senator Tester. Well, thank you, and I want to thank the folks from panel one and from panel two. I appreciate your testimony; appreciate your direct answers to the questions.

I think that as this bill moves forward, it's going to be critically important that the folks from both panels stay involved and you can do that in a number of ways, and you know how to do it, if we're going to get this thing ironed out to make it all it can be to live up to the promises we make to our veterans. We're going to need your help in doing that. So I appreciate your testimony at this panel and today and look forward to your further input down the line. Thank you all very much, and this meeting is adjourned.

[Whereupon, at 11:32 a.m., the hearing was adjourned.]