MODERNIZING THE GI BILL

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

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MODERNIZING THE GI BILL

WEDNESDAY, MARCH 15, 2006

U.S. House of Representatives,
Committee on Veterans' Affairs,
Washington, D.C.

The Committee met, pursuant to call, at 10:35 a.m., in Room 334, Cannon House Office Building, Hon. Steve Buyer [Chairman of the Committee] presiding.

Present: Representatives Buyer, Bilirakis, Michaud, Boozman, Snyder, and Salazar.

The Chairman. The House Veterans' Affairs Committee will come to order, date March 15, 2006.

Today we will receive testimony regarding how well the current Montgomery GI Bill is meeting both the servicemembers' needs as well as the needs of our nation.

Our witnesses are the leaders of the National Guard and Reserve components whose members benefit from this very important program.

The Committee's goal for this hearing is to learn what is working and what may need to be changed.

At the hearing during which Secretary Nicholson presented the President's fiscal year 2007 budget, I announced my support for the modernization of the GI Bill and noted that the Partnership for Veterans Education and the Independent Budget have put forth several concepts for our consideration.

Since then, my staff and Lane Evans' staff have met with key stakeholders to begin the process of designing and moving a bipartisan bill that will meet what I see as two primary goals: first, to make the GI Bill more flexible in the types of education and training available to all eligible veterans; and second, to adjust the program to make it more useable for members of the National Guard and Reserves while maintaining its value as a recruiting and retention tool.

A modernized GI Bill must both help the veteran and the nation. According to the VA, about 30 percent of our active-duty servicemembers never use the GI Bill. VA's usage data on members of the Guard

and Reserves is less detailed, but they were paying Section 1606 benefits to about 59,000 as of January 2005, with 81,000 expected to participate this year.

The VA says they have about 13,000 applicants for Section 1607 benefits on hand and expect over 50,000 by the end of 2007.

Many members do not use their GI Bill although they have paid their $1,200 because even with the current level of benefits, they cannot afford to go to college for four years while raising their family. This is at a time when the Department of Labor has identified career fields that are critically short of qualified employees.

One reason for this disconnect is that the current GI Bill focuses largely on degree-granting programs at the expense of short-term training opportunities that could meet some of these critical shortfalls.

My vision of a modernized GI Bill is one that would address both national competitiveness and personal success issues by significantly increasing the number of veterans who use their benefits and that includes members of the National Guard and the Reserve.

One way I would like to do this is by making it easier for the veteran with a family to get short-term training to qualify for a job in good-paying fields that do not require degrees, such as transportation, construction, medical care, public safety, et cetera.

I also want to help members of the Guard and Reserves finish their education after they leave the service if they have not been able to do so while meeting their military commitment. They should not lose their education benefits following such honorable service.

Now, this will not be an easy task. You may have heard that an informal estimate of the cost for the concepts being proposed by the Partnerships for Veterans Education was $4.5 billion over ten years. Some of the cost is due strictly to accounting rules and some is due to providing improved education benefits for a member of the Guard or Reserves following discharge.

I need not remind the officers here along with the senior executives on this panel that your men and women are no longer the weekend warriors.

General Abrams' vision of the total force is now reality, with the Guard and Reserve forces as full partners in the War on Terror. I think it is now time to make them full partners in a modernized GI Bill in a way that meets the needs of the military and the nation.

Today I have asked each of you as leaders representing the military forces to help with the heavy lifting. We need to hear whether you think a modernized GI Bill is needed to help you accomplish your mission.

This hearing on the GI Bill is the beginning of that process and the opportunity to give us your candid views will be very much appreciated.

[The statement of Steve Buyer appears on p. 40]

THE CHAIRMAN. We ask the Committee for unanimous consent for an opening statement on behalf of Lane Evans be submitted for the record along with Stephanie Herseth.

Hearing no objection, so ordered.

[The statement of Lane Evans appears on p. 44]

THE CHAIRMAN. All members are advised if you have an opening statement, it may be submitted for the record. If you would like to do an opening statement at this point, I will be more than pleased to yield prior to hearing from the panel.

[The statement of Corrine Brown appears on p. 48]

[The statement of Silvestre Reyes appears on p. 47]

THE CHAIRMAN. Yes, sir.

MR. SALAZAR. Thank you, Mr. Chairman, for holding this important hearing today. I know that in my heart that every member of this Committee is eager to start work on modernizing the GI Bill of Rights and the GI Bill for our military men and women.

For years, the GI Bill has served our men and women in uniform very well. As a matter of fact, I went to college on the GI Bill. It has helped countless veterans gain access to the higher education system in the country. In fact, like I said, I utilized the GI Bill when I returned home from the Army in the 1970s.

The face of our military is changing as the Chairman clearly stated. The Reserve and the Guard are no longer weekend warriors. And this Congress has had the foresight to make important steps towards recognizing the contributions that the Reserve component makes to the force structure of the United States military.

The addition to the Chapters 1606 and 1607 of Title 10 improve access to the GI Bill benefits for our Guard and Reservists. But in my opinion, they do not go far enough. My son just ETS'd from the National Guard and had quite a bit of trouble getting the GI benefits that I think he deserved.

I support opening up the GI Bill to truly update, modernize, and provide greater flexibility to the educational benefits extended to our military service personnel. I am eager to work with my colleagues in this Committee, our friends in the Armed Forces Services Committee, the Executive Branch, and the military and veterans service organizations to accomplish this important goal.

Our men and women have earned the benefits granted to them in the GI Bill. Now it is time to ensure that the benefit reflects the structure of the force that is distributed equitably across the diverse groups that make up our active duty, Guard, and Reserve compo-

nents of the United States military.

I look forward to hearing your testimony today of the various military branches as well as representatives of the Secretary of Defense.

Again, Mr. Chairman, I thank you for holding this important hearing. I think it is critical that we address the needs of our Guards and Reservists as we have in the past for regular Army or those who are active.

Thank you very much.

THE CHAIRMAN. Thank you, Mr. Salazar.

[The statement of John Salazar appears on p. 49]

THE CHAIRMAN. Chairman Boozman.

MR. BOOZMAN. Thank you, Mr. Chairman. I appreciate you and Mr. Evans' leadership on this very important issue.

I want to remind the members that Ms. Herseth and I will be continuing the fact-finding process by holding a field hearing in Arkansas next week. We will have several members of the Arkansas National Guard testify as well as State and Federal officials responsible for administering education benefits. We will also visit the Muskogee Regional Process Office in Oaklahoma to review how they are handling the claims for education benefits.

I am looking forward to bringing to the Committee a GI bill, under the Chairman's and Ranking Member's guidance, that once again will be the premier education benefit in America.

Thank you.

THE CHAIRMAN. Thank you very much.

All right. We will turn to our only panel witnesses today. From left to right, we will hear from Secretary Tom Hall. He is the fourth Assistant Secretary of Defense for Reserve Affairs and has served in this position since he was sworn in October 9th of 2002.

Next we will then hear from Mr. Bill Carr. He is the Acting Deputy Under Secretary of Defense for Military Personnel Policy. He oversees the recruiting, retention, compensation, and related human resource management for all active-duty members of the United States Armed Services.

We will then hear from Lieutenant General James R. Helmly, the Chief of the Army Reserve, Commanding General, U.S. Reserve Command.

We will then hear from Lieutenant General John A. Bradley, the Chief of the Air Force Reserve Headquarters, United States Air Force, Washington, D.C., and Commander of the Air Force Reserve Command, Robins Air Force Base, Georgia.

Next we will then hear from Lieutenant General John W. Bergman, who is the Commander of the Marine Forces Reserve, Marine Forces North.

We will then hear from Rear Admiral Craig O. McDonald, who is

the Commander of the Naval Reserve Forces Command.

We will then hear from Major General Ronald G. Young, the Director of Manpower and Personnel. He is the J1 of the National Guard Bureau. In addition, he is currently serving as the Acting Director of the Joint Staff for the National Guard Bureau as of May 1st, 2005.

And then last, we will hear from Rear Admiral Sally Brice-O'Hara, who is the Director of the Reserve and Training for the United States Coast Guard.

Secretary Hall.

MR. HALL. Yes, sir, Mr. Chairman.

We do not have a cast of thousands, but we have a cast of seven. So I would ask a couple of requests, that all of our written statements be entered into the record.

THE CHAIRMAN. They will be entered in the record. So ordered.

MR. HALL. And second, we have discussed and propose that I give an opening oral statement on behalf of all of us. And then if any of the members wish to say anything of the panel, they can. But I would make a statement and then get right to the questions, if that is satisfactory.

THE CHAIRMAN. Having just taken your recommendation under advisement, what I would recommend is that we will hear your opening statement.

Dr. Snyder.

DR. SNYDER. I always just hang on your every word. My first reaction is they have brief written statements. I would expect their oral statements would also be brief, and I think there could be value in hearing from them. I think --

MR. SALAZAR. I am thinking that same way, yes.

THE CHAIRMAN. Well, I took it under advisement for at least nine seconds.

MR. HALL. I was just attempting to save time. We are happy to do whatever you want.

THE CHAIRMAN. Well, I understand that. Let's go ahead and hear your opening statement and then we are going to go right down the line. Each of these officers, I am sure, have something to say.

MR. HALL. Yes, sir.

THE CHAIRMAN. So we would like to hear from each of them.

Secretary Hall, you are recognized.

STATEMENTS OF THOMAS F. HALL, ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS; ACCOMPANIED BY WILLIAM J. CARR, ACTING DEPUTY UNDER SECRETARY OF DEFENSE, MILITARY PERSONNEL POLICY; JAMES R. HELMLY, CHIEF, ARMY RESERVE AND COMMANDING GENERAL, UNITED STATES ARMY RESERVE COMMAND; JOHN A. BRADLEY, CHIEF OF AIR FORCE RESERVE; JOHN

W. BERGMAN, COMMANDER, MARINE FORCES RESERVE; RONALD G. YOUNG, ACTING DIRECTOR, MANPOWER AND PERSONNEL, NATIONAL GUARD BUREAU; CRAIG MCDONALD, COMMANDER, NAVY RESERVE FORCES COMMAND; SALLY BRICE-O'HARA, DIRECTOR OF RESERVE AND TRAINING, UNITED STATES COAST GUARD RESERVES

STATEMENT OF THOMAS F. HALL

MR. HALL. Mr. Chairman and members of the Committee, thank you for giving us the opportunity to come before you this morning to discuss Montgomery GI Bill for the Selected Reserve and the Reserve Education Assistance Program.

The Montgomery GI Bill was established to encourage membership in Selected Reserve units. It has proven to be an extremely valuable recruiting tool, a highly effective retention tool for the Reserve components.

The Montgomery GI Bill is very well known amongst the Reserve component members and has helped the components achieve and maintain their strength requirements.

The fact that a member must continue to serve in a Reserve component to maintain eligibility is important and has greatly assisted the Reserve components in maintaining consistently high retention rates over the years.

It has also obviously increased the educational level of our Reserve forces.

Between 1984 and 2005, almost 1.5 million Selected Reserve members gained eligibility for the Montgomery GI Bill entitlement and nearly 40 percent have applied for educational assistance. In fiscal year 2005 alone, almost 200 million in benefits was paid to Selected Reservists.

It continues to fulfill its intended purposes as four of the six Department of Defense Reserve components are meeting or exceeding their recruiting goals thus far for 2006. Retention in all of the Reserve components is very strong and overall attrition is very consistent with historic levels.

The Reserve Education Assistance Program has been implemented and is working well. As of February of this year, almost 14,000 benefit claims have been received and over $1.5 million in claims paid.

Ongoing changes to electronic data system will greatly improve the application process and accelerate the benefit delivery procedures.

A joint Department of Defense and Department of Veteran Affairs working group is currently examining the possibility of a total force education benefit that would draw from the best attributes of the two Montgomery GI Bill programs and the REAP.

We are actively participating in that forum and we encourage any

discussions that examine overall program performance and identify opportunities for improvements that meets the needs of veterans, Reserve component members, and the department.

As we work towards program improvement, we need to stress that the veteran and Reserve programs were designed for and serve different purposes. Both Reserve benefits, the Montgomery GI Bill Selected Reserve and the REAP Program, were designed as retention tools to keep members serving in the Guard and Reserve.

The veteran benefit, although it can be used by someone still serving, was designed to assist members in transitioning to civilian life following service.

As we examine the potential for a total force GI Bill, we want to be certain that such a program would encourage continued Reserve membership as effectively as the current programs. We should be very careful in changing the basic premise of the Montgomery GI Bill Selected Reserve and the REAP.

We look forward to working with this Committee and the Armed Services Committees of the House and Senate to ensure that these programs remain robust.

And I would again like to thank this Committee for all you have done for all of our servicemembers. Thank you, Mr. Chairman.

[The statement of Thomas F. Hall appears on p. 50]

STATEMENT OF BILL CARR

MR. CARR. Thank you, Mr. Chairman.

As Chairman Buyer mentioned, I am Bill Carr. I represent the active component and the military HR life cycle of recruiting, compensation, and retention of course, an important part of that is the Montgomery GI Bill.

If we asked young people today the reason that they would serve in the military or elect to join, it ranges from service and patriotism to an ability to advance into future. And if you then broke those out, you would find that considerably more are interested in carefully advantaging their future.

The Montgomery GI Bill figures squarely in their decisions. The enrollment rate is 97 percent, so it is that important to them. The utilization rate for those who complete their obligation and are eligible is 70 percent. In fact, among those who have separated in the past couple of months, 58 percent are already enrolled in some fashion and using their benefits.

So the Montgomery GI Bill figures squarely in our recruiting, our retention, and our transition, and has been invaluable to us in manning and sustaining the active force.

Thank you, Mr. Chairman.

[The statement of William J. Carr appears on p. 58]

STATEMENT OF GENERAL JAMES R. HELMLY

GENERAL HELMLY. Good morning, Mr. Chairman. I am Ron Helmly. I am an American solider and I am proud to serve in that capacity.

Clearly this hearing comes at an opportune time as we face the first extended duration conflict using an all-volunteer force, both active and Reserve component. For the first time since the Korean War, we are mobilizing numbers of Reserve component members in an unprecedented way. We are looking at repeat as we look at the "long war."

And we have to prepare in a strategic sense for a continuation of that and we must be always mindful, as Mr. Carr reminded us, that we should not just pile on extra benefits to the extent that we would equal those that entice enlistment and service in the regular components of our various services. So we believe that educational benefits are a major draw for both recruitment and retention.

Clearly Chapter 1606 was a welcome addition, but I am mindful of the fact that it was added to an existing measure. And that is why I welcome this hearing today and your efforts in this Committee to look at this afresh in terms of a total force Montgomery GI Bill that provides important educational benefits for active and Reserve component members without just being added to.

Lastly, I would like to point out that one of the frustrations that I have experienced as we have enjoyed such immense support from not only this Committee but elsewhere throughout the Congress to support our members is the fact that our policies, practices, procedures, and systems which underpin the authorities this Committee and others provide us and the measures you provide us have not kept pace.

Thus, as we mobilize soldiers, they go to theater, they are wounded, evacuated for nonwounds, but illnesses or injuries, et cetera, knowing their amount of service and under what capacity they served is terribly important to ensure that we do not have people who fall through the crack and are actually entitled to benefits that the bureaucracy says they are not.

So I would urge your support for those measures so that we can ensure that what you provide us we are able to provide in a timely, accurate way.

Thank you for the opportunity to be here today.

The Chairman. Thank you.

[The statement of James R. Helmly appears on p. 63]

THE CHAIRMAN. Lieutenant General Bradley.

STATEMENT OF GENERAL JOHN A. BRADLEY

GENERAL BRADLEY. Sir, I am John Bradley, Chief of Air Force Reserve. Thank you for holding this hearing on this very important issue. Thank you for your leadership and the other members who are interested in helping the members of our Armed Forces.

This GI Bill is a very important tool for us in the Reserve components, I believe, for recruiting and retention. It does help us in recruiting and it certainly helps us in retention. It has over time, I think, degraded somewhat based on the amount that a Reservist or Guardsman may receive relative to what an active servicemember receives because of some things. So the dialogue here on that issue would be important. And so it is not quite the benefit that it used to be.

There also have been proposals that might make it last a longer period of time than what we have had in the past. I think what would be helpful, and Secretary Hall has recommended this, to use it as a real retention tool is let this last longer than 14 years. Take it to 20- or 25-year point so that I can continue to encourage people to stay with us.

Now, I am fortunate today in that the Air Force Reserve retention is at an almost all-time high. I attribute that to our airmen's feeling that they are part of something very important and doing some important work for our country. So they feel good about their service.

But that may not last forever and we need these benefits to be reviewed periodically to make adjustments so that we continue to encourage people to stay with us because we want them to stay to 20 and 25 and 30 years, as long as they are productive members of our service.

So I look forward to this dialogue. I think also, as I indicated at the beginning, that the amount of benefit we have relative to the tuition costs today, perhaps it has not stayed in pace with tuition increases. So a review of that, I think, would be helpful as well.

But thank you for the leadership on this important issue and I look forward to your questions.

THE CHAIRMAN. Thank you.

[The statement of John A. Bradley appears on p. 68]

THE CHAIRMAN. Lieutenant General Bergman, you are now recognized.

STATEMENT OF GENERAL JOHN W. BERGMAN

GENERAL BERGMAN. Good morning, sir. I am Jack Bergman, Marine Corps Reserve. Thanks for the opportunity to be here today.

Education is so important at all levels, whether it be in military or civilian, that we have to take every opportunity to give the best we can.

We see in the QDR that we are in the long war. Therefore, the word long as in long, longer careers, longer production, longer education, I think, is appropriate.

By and large, young men and women who join the Marine Corps do not initially join for educational benefits. They join to be Marines. However, long-term retention of good Marines comes from providing worthwhile broad-based educational benefits, benefits that are equitable from that individual's perception.

Ann example would be when a Marine separates from active duty after a 20-year career, they have ten years to utilize their GI Bill. If the Reservist, the clock starts the time they finish and goes for 14 years. So you could get a math equation there that does not allow them to really do their career, have their civilian job, and get their education in a timely manner before the education benefits run out.

We look forward to being a partner with all of you in a process that creates education opportunities and benefits that are basically equitable and easy to utilize.

So thank you very much for allowing me to be part of this solution.

The Chairman. Thank you.

[The statement of John W. Bergman appears on p. 79]

THE CHAIRMAN. Major General Young, you are now recognized.

STATEMENT OF GENERAL RONALD YOUNG

GENERAL YOUNG. Mr. Chairman, members of the Committee, thank you for giving me the opportunity to come here today to discuss the Montgomery GI Bill. I would like to just briefly summarize some of the key points that have already been testified to.

The Montgomery GI Bill Selected Reserve and the Reserve Education Assistance Program are a cornerstone for the National Guard recruitment and retention efforts. We sincerely appreciate Congress' continued support of these vital programs.

I would also like to thank the members of the Veterans' Advisory Committee on Education and the Partnership for Veterans Education for their continued hard work on these important programs. Their efforts have highlighted two areas where we feel the Montgomery GI Bill Program could be enhanced, making it an even stronger tool for

building and maintaining the Guard and Reserve forces.

The first area and the one that we feel, the Guard feels, is number one priority is the return of the Montgomery GI Bill Selected Reserve rate back to the 48 percent range of entitlement as compared to the active-duty rate. As you know, back in 2001, the rate for active duty was about $650 per month for a full-time student and the Selected Reserve rate was 263.

Over the years, the Selected Reserve rate has not kept pace with the increases in the active-duty rate and is now about 28 or 29 percent of the rate earned by an active-duty member, about $1,034 compared to 297. The difference needs to be addressed and, as a result, will be an even greater enhancement to our ability to recruit and retain the force.

The second priority for the Guard is the retention aspects of the current program. We feel it is very important that a Selected Reserve member be required to continue their membership and their service in the Guard or the other Reserve components in order to use the Montgomery GI Bill benefits.

Under the current programs, if the servicemember separates from the Guard or Reserve, they lose their entitlement to the Montgomery GI Bill Selected Reserve. We are in favor of retaining this type of a continued service requirement in order to use the benefits.

Keeping the unique aspects of the Montgomery GI Bill as they relate to the Reserve components is also important. For instance, the services should maintain the function of determining eligibility for benefits and we should continue to have the ability to combine those benefits to such programs as tuition assistance and others.

The Reserve components have a vested interest in ensuring their servicemembers are taken care of and should retain their authorities under the current programs.

In summary, from the National Guard's perspective, the bottom line is that we need to increase Montgomery GI Bill Selected Reserve rate, continue the requirement that as servicemembers stay in the Guard, to use their benefits, and allow the Reserve components to continue in managing the unique aspects of the program.

I thank the Committee for your continued work on this important program and for your continued support of the National Guard.

THE CHAIRMAN. Than you very much.

[The statement of Ronald G. Young appears on p. 84]

THE CHAIRMAN. Admiral McDonald, you are now recognized.

STATEMENT OF ADMIRAL CRAIG MCDONALD

ADMIRAL MCDONALD. Mr. Chairman, distinguished members of the Committee, good morning and thank you for inviting me here today to talk to you about the Montgomery GI Bill.

As the Chairman introduced me, I am Rear Admiral Craig McDonald. I am the Commander of the Navy Reserve Forces Command headquartered in New Orleans, Louisiana.

And today I am here representing 70,000 warrior sailors and Vice Admiral Cotton, Chief of Navy Reserve. He sends his respects and regrets he could not be here today.

As you know, we are in a long war. Fighting in this war are our best and brightest that the United States has to offer. Our sailors are serving around the world on land, on sea, in the air, in a Navy that is more capable and more technically complex than at any other time in our history.

We need a total compensation package that will help us attract and retain these outstanding sailors, and the Montgomery GI Bill is a very vital part of that package.

The Montgomery GI Bill provides an important incentive for citizens considering joining the military and those already in our force. I mean, having help going to college or paying for a technical school can be a very powerful motivator for new sailors and Navy veterans.

The Montgomery GI Bill gives an excellent way to improve their earning potential by joining the military. It is a benefit which also gives our present Reserve sailors an outstanding reason to continue their affiliation with the Reserve component. Maintaining and improving this program is a worthwhile endeavor for all of us as it not only helps a sailor personally, it helps him or her professionally.

I have reviewed the Partnership for Veterans Education proposed changes and offer these comments. As part of the Montgomery GI Bill, the portion offered to our Selected Reservists has not been keeping up with the growing cost of education. A readjustment mechanism built into the program requires revamping.

And with educational costs rising as steadily as they have over the past two decades, the benefits have been devalued. Although the active component was increased in 2000, 2001, the Reserve component was not increased at the same time.

As the Partnership for Veterans Education suggests, the Reserve component could be tied to the active benefit to ensure both benefits are increased proportionately when adjustments are made either programmatically, through indexing, or legislatively.

The Partnership on Veterans' Affairs proposed other major changes in both benefits and administration of the GI Bill. These benefits are an important part of the total compensation package and any proposed changes should be studied to ensure maximum value for

servicemembers and the country.

The Navy Reserve shares the Committee's concerns and is very interested in maintaining the viability of the Montgomery GI Bill. Therefore, the Navy Reserve is participating in and fully supports the joint DoD and VA working group on the Montgomery GI Bill. We are working together to ensure servicemembers have a viable program that helps them grow and provides an incentive for them to serve in the nation's military services.

In summary, I would reiterate that this program is a crucial part of the total compensation package offered to our servicemembers. The Navy Reserves looks forward to fully participating in any discussions on how to improve the Montgomery GI Bill.

Thank you, and I am prepared to answer any questions.

THE CHAIRMAN. Thank you.

[The statement of Craig McDonald appears on p. 89]

THE CHAIRMAN. Admiral.

STATEMENT OF ADMIRAL SALLY BRICE-O'HARA

ADMIRAL BRICE-O'HARA. Good morning, Mr. Chairman and distinguished members of the Committee. It is a real pleasure for me to be here this morning to discuss educational benefits for the members of the Selected Reserve.

The Coast Guard Reserve pioneered the full integration of our Reservists into our active component units in the mid 1990s and so we are always eager for ways that we can assure greater parity and seamless transitions between our active and Reserve components. A total force GI Bill may be the possible avenue to help accomplish this.

Educational benefits such as the Montgomery GI Bill and the Montgomery GI Bill for the Selected Reserve are important components in recruiting and retaining members of the Coast Guard's total force. We also believe that our Tuition Assistance Program is an invaluable tool for attracting and retaining 21st century talent.

In January, we began aggressively marketing the new Reserve Education Assistance Program and have had great interest in that as well.

Our recruiters confirm that educational benefits are among the top reasons that individuals join the Coast Guard and decide to affiliate with the Coast Guard Reserve. The fact that Selected Reserve members are not required to pay into the MGIB-SR is cited as a plus. And the nontaxable status of the payments and the ability to combine the MGIB-SR with tuition assistance are also frequently noted positive features.

On the downside, the MGIB-SR cannot be used to repay student

loans and this is a limitation that may discourage promising applicants who already have completed some college. Added flexibility in this area is desirable.

Our funded Selected Reserve strength is 8,100. Strong educational benefits help explain why our retention remains at pre 9/11 high levels. Currently it's about 87.4 percent. And that is despite very heavy utilization of our Reservists in our homeland security missions.

The Master Chief Petty Officer of the Coast Guard Reserve Force frequently visits our units and he is convinced that educational assistance is the key factor in the decision of our first-term members to stay on with the Coast Guard Reserve.

We look forward to the results of the joint DoD and Department of Veteran Affairs working group. There is a merit to a total force education benefit that combines the best aspects of the existing programs as well as new aspects that will better serve our military men and women.

Our paramount concern is that there be no reduction in the quality of service that our members receive, particularly related to the ease of access and timely receipt of benefits. And we would want to ensure that the data systems are in place at the VA to accommodate any new program.

To conclude, the Coast Guard Reserve values its long-standing partnership with the Department of Defense components, support through the Department of Veterans' Affairs, and we are eager to maintain parity of benefits for our men and women who serve so well.

I am happy to answer your questions. Thank you.

THE CHAIRMAN. Thank you very much for your testimony

[The statement of Sally Brice-O'Hara appears on p. 96]

THE CHAIRMAN. I have been placed on notice that we may have some votes that may occur from 11:15 to 11:30. It will be a 15 minute vote followed by two fives. So I apologize to the panel. Life on the Hill continues.

By way of an opening comment, Secretary Hall, I would like for you to know that when we had 19 of the veterans service organizations and military service organizations come testify on their views and estimates on the budget and some of their resolutions, I took an opportunity to share with them a concern.

And the concern is that you have individuals who have been ordered to active duty out of the Individual Ready Reserve (IRR) and have not shown up for duty. And as I understand, the DoD does not want to charge these individuals with AWOL and that you are seeking to administratively process them.

You are in the Veterans' Affairs Committee, so we take care of the benefits of the men and women who serve the military once they be-

come veteran status. And there is a concern here.

The concern is that, if you permit these individuals just to be administratively processed and they receive a general discharge, they may be eligible for their veterans' benefits just as if they had gone to war. And that concerns some of us on this Committee.

So if these individuals who were ordered to appear and did not appear and you elect not to charge them with AWOL, and face Court Marshal, then if you are going to administratively discharge these individuals, they need to be processed under other than honorable conditions.

If you process these individuals and they receive a general discharge under other than honorable conditions, then they will not be entitled to their veterans' benefits and that is an important distinction.

So, Mr. Secretary, if you want to change, we just want you to make sure that these individuals are processed in a manner whereby they can be properly adjudicated.

And I will be very cautious about command influences and things like that. And that is why I shared the Committee's concern with the 19 veterans service organizations and military service organizations.

You just need to make sure that the commanders in the field have knowledge of the tools on how to respond to each of their cases. Would you not agree, Mr. Secretary?

MR. HALL. Yes, sir. And the services who have those members are proceeding with handling them. And I will ensure your words and concerns are relayed to those services that are presently considering those members.

And I might say that the people in the field that I visit with, our members who have reported are also concerned that they reported and the others did not. And so I will make sure that those concerns are expressed to the individuals, to the people handling the cases now.

MR. BILIRAKIS. Would the Chairman yield for a minute?

THE CHAIRMAN. Yes.

MR. BILIRAKIS. Directly on that point, the Chairman focused on the words general discharge. Now, we know that general discharge is not always, at least the way it used to be, is not always a less than honorable kind of thing.

I suppose someone whose expiration of term of service has not been reached and for the convenience of the government, for some reason or another, they are discharged before time or there are other reasons, I suppose, why people are discharged on a general discharge.

And I guess my question is, these people apparently fall under the general discharge, which is unfortunate, I think, for they should not be.

Am I right to be concerned about whether we should be referring

to general discharge here as against specifically the type of military person that the Chairman is concerned about?

MR. HALL. Well, I would not characterize right now the nature of their discharge because it is an ongoing process. The services are looking at them. And so it would be inappropriate to say that they are going to receive this type discharge, whatever. They are considering that right now. And I will relay your concerns.

So no decision has been made on the nature, the type of discharge --

MR. BILIRAKIS. Am I correct, though, the general discharge is not necessarily under other than dishonorable conditions?

MR. HALL. You are. And --

MR. BILIRAKIS. I am. So taking these people and putting them into that particular package would be, I think, a real terrible thing.

THE CHAIRMAN. It requires an administrative process to do that, a hearing. They have their rights. If they had completed their military service and they finish their time in the IRR, you know, they are honorably handled.

But if they have been ordered to active duty -- and as a matter of fact, there is great latitude in the regulations there might be some circumstance whereby you are going to permit their absence.

But if this is an individual who has just said, "no, I am not showing up," then they need to make sure they have the proper tools --

MR. BILIRAKIS. I mean, if you look askance at that individual and want to get rid of them, I would be concerned that that individual would have a general discharge is what I am saying.

THE CHAIRMAN. Right.

MR. BILIRAKIS. That should be under other than honorable discharge or something like that.

THE CHAIRMAN. So this is an individual who did not show up to stand side by side his comrades. He should not be entitled to the same benefits of those people who went.

You would agree with that, right?

MR. BILIRAKIS. I would agree with that, sir.

THE CHAIRMAN. All right. Now, the other point I wanted to make, you know, as the Reserve commission is out there and they are also taking into consideration this issue on the IRR and how we are going to properly manage these IRR members. And we want to make sure that we also watch the benefits.

So, you know, General Helmly, you used to manage the IRR and they have taken that responsibility from you, is that correct, or am I --

GENERAL HELMLY. Mr. Chairman, as we integrated our personnel commands or centers in the U.S. Army Reserve and the regular Army into the Army Human Resources Command, the decision was made that daily management would fall to the Commander of Human Re-

sources Command. I do not consider that I then lost responsibility.

I believe if you look at the definition of Reserve of the Army and law, it is inclusive of the IRR and, therefore, I am not worried too much about who manages the records on a daily basis as much as an acceptance of my obligation to advise the Chief of Staff Army and the Army leadership about use, et cetera, of the IRR.

THE CHAIRMAN. Well, here is my point. I want to be able to match the benefit with continued service. And maybe part of our other concern is when they finish a four-year commitment, maybe they should not get their honorable discharge at that moment in time. Maybe you could give it a different name, a title. They do not receive their "discharge" until they have fulfilled the commitment of their contract which includes that inactive duty time. And then you manage them properly. You know where they are. You know what their physical shape and condition is. And they are also drawing their benefits.

So if we look at the GI Bill benefits and if they are continuing to draw those benefits, but, when they have been ordered back to active duty or for whatever reason we do not know where they are, I mean, that is telling me that we have some problems with this inactive status within the IRR.

GENERAL HELMLY. Mr. Chairman, I concur with you. Historically we have not done a credible job of disciplining the records keeping. Large numbers of the IRR, frankly, is they were moved from some other status, be it Selected Reserve or the regular Amy. Their records should never have been coded that they were in the IRR.

We have people in there who never completed basic training, but their records were shipped from the training center coded IRR. We have people who never shipped to basic training. Their records were coded IRR. It has been very undisciplined. And under the leadership of our Manpower and Reserve Affairs Director, we have undertaken efforts to clean up the record keeping, the coding et cetera. But it will take time to clean that record keeping mess up.

I concur with your observations regarding benefits that we accord members. We have the situation where we stopped lost members of the Selected Reserve. Others have moved to the IRR with no action and without a request and without a valid reason to go there. And I concur with you that if they are then ordered to active duty under competent mobilization authority, we should ensure that the laws and the regulations are applied in an even manner.

THE CHAIRMAN. Dr. Snyder.

DR. SNYDER. Thank you, Mr. Chairman. Mr. Chairman, I want to thank you for holding this hearing.

There has been quite a bit of interest in this topic through the years on the Armed Services Committee, perhaps just because you left the Armed Services Committee. But I have been unsuccessful in getting this kind of a hearing on that side. And as you know, we have got this

issue about the benefit is covered by both Committees. But I know this is just the first step in this process.

I am going to try to make Congressman Boozman's hearing in northwest Arkansas next week which I think -- we have so many veterans and a lot of them, as you all know, have been called up in the Guard and Reserves and Air Force Reserve, Army Reserve, Marine Corps Reserve.

So I think we will get a good sampling of people. But I think it is important that we are looking at this topic. And I know that you intend this to be just the opening inning of this game. And I appreciate you doing it.

I wanted to go through here, if I could, and just very quickly, if I could, Mr. Carr, in your written statement, you said, "The MGIB benefit should be sufficient to offset the commitment and sacrifices associated with military service. The current program continues to serve the active components of the military well. It is our belief that there are no significant shortcomings to the program from our perspective."

And then, Mr. Hall, in your written statement, you say -- uh-oh, I am seeing a pattern here; that is my quote, not yours -- "We have not identified any significant shortcomings in the structure and utility of the MGIB-SR." And then you go on down below on page three to say, "We have not identified any further changes we need to make to this program at this time."

But that is in my view, both your statements, that there are no significant shortcomings is in contrast with what we have heard from this panel.

And if I might quickly, Mr. Chairman, run through these. General Helmly in his written statement states, "The cost of college education has risen dramatically over the past ten years and there now is a significant disparity in the dollar amount for the active components, Montgomery GI Bill, Chapter 30, and the MGIB for the Selected Reserve, Chapter 1606 and 1607." A significant disparity.

On page three, General Helmly's statement says, referring to the Selected Reserve MGIB, "It has not kept up with increasing tuition costs and is not commensurate with the expanded role of the Army Reserve." He goes on to say, "An increase in the monetary benefit is needed in the MGIB-SR."

In General Bergman's written statement, he says, "The value of the Reserve component has decreased since its initial implementation."

In General Bradley's written statement, he states that, "The Montgomery GI Bill originally establishes Reserve education benefits at 48 percent of the regular component benefit. Regular component benefits have increased over time with the result that the Reserve benefit has fallen to approximately 27 percent. So it decreased from 48 percent to 27 percent."

To me, by the way, Mr. Chairman, that is a key part that got a lot of members' attention, is the drop in this benefit compared to the active has occurred.

And then also in General Bradley's written statement, he says, "The time has come to look at how the Montgomery GI Bill can be used as a total force incentive."

General Young, in your statement, your oral statement this afternoon, you mentioned, or this morning, the differences, that we need to deal with those differences.

And then, Admiral McDonald, you in your oral statement today specifically, I believe your words, that educational costs have been devalued because of the inflation rate.

Well, in fairness to you gentlemen up here, you know, this is a brief hearing and this is just scratching the surface. But members of this Committee are concerned about this issue as a lot of members are who are not a member of this Committee. This is what we have heard from people back home. And some of us are veterans. And I know the value, the educational value has been diminished dramatically since post World War II.

So I think there are "significant" shortcomings in the current benefit. And I believe the Chairman's calling of this hearing today is just the initial part of this, is an acknowledgement of that and an acknowledgement that we want to work on this.

We also recognize that we have issues of money, that we have issues of complexity. We have issues of fairness. We have our own internal issues between our Title 10 or the way the legislation is set up. But I am interested in working on this with the Chairman and Mr. Boozman and Ms. Herseth and others.

And I look forward to working with all of you because I do believe there are significant shortcomings to the current benefit. Appreciate you all being here.

Thank you, Mr. Chairman.

THE CHAIRMAN. I would welcome any comment on Dr. Snyder's opening. Any of you have any comments on his comments?

Yes, Mr. Carr.

MR. CARR. I think with regard to the arguments had to do with equity, which is important in many of the military compensation programs we undertake. Equity for the sake of equity can be a compelling and prevailing, pervasive argument.

In the case of the Montgomery GI Bill and the case of the active that it serves well given that 97 percent enroll, that 70 percent use, that it covers 77 percent of the tuition cost, better than at the outset of the program. Those are the reasons for which I said that in the case of the Montgomery GI Bill Program for the active, it was okay.

But I think that, sir, you do point to the area that is the rub here and that is we have the Reserves increasingly serving on active duty.

And what we had to do is to create the balance between the benefit and the sacrifice so that it squares in our judgment.

And the fact that they have grown apart because different decisions were made in the public sector is notable, but the degree to which they should converge is the difficult part. And I think therein, two principles guide us.

One, that service in the Selected Reserve is more valuable, that ready and service on active duty is especially valuable. And you can begin to converge toward the active benefit when those types of conditions are met. So those guide us in terms of how to close the gaps that you so correctly pointed out.

General Bradley. Since you asked, Dr. Snyder, for comment, I would say your question is a good one. I would say that I am not looking for parity or equity with the active force. But, frankly, since this began, my Reservists are working almost twice as much as they worked before the benefit began and their benefit is essentially half of what it was when it began.

My airmen and many of the other Reservists and Guardsmen who are represented here by their component chiefs, I think, would tell you as well that our folks are doing a lot. I have been to a lot of sessions where we have had events for wounded soldiers, sailors, airmen, Marine, and Coast Guardsmen. And a huge percentage, a large percentage of the folks who are injured in our current efforts are members of the Reserve components.

So I think their sacrifices are significant and they deserve at least something, rather than a shrinking benefit, at least maintaining where they were because we are an operational Reserve today. We are being used in ways in which some people never envisioned doing it. I personally think it is a good thing to be used as an operational Reserve, but I think my airmen deserve a benefit that matches the level of effort that they are putting into our war.

Thank you.

Mr. Hall. I wanted to have one comment on that. I do not think there is probably any disagreement that we need to address a couple of issues. One is the atrophying of the benefit down to 28 percent and also the length of time in which Selected Reservists could use the bill.

I think we need to move towards incentivizing people to stay longer rather than leave earlier. So perhaps the length of time at 14 years is not right.

I think the issue at hand is the manner in which we do that. We have the Joint Committee which is meeting now, should report out by June. They might well agree the joint DoD and VA Committee raising the rates. They might well agree of lengthening the time.

My statement indicated that it was not in the 2007 Bill from the department, any of those proposals which, of course, is part of clear-

ing the OMB process, et cetera.

Should they come to the conclusion in the Joint Committee that those rates and others need to be addressed, I am sure the department would send those forward.

GENERAL HELMLY. Mr. Chairman, if I may --

THE CHAIRMAN. Mr. Helmly.

GENERAL HELMLY. -- I concur with Dr. Carr's comment that we have had proposals that would make rates of entitlement and benefits for Reserve component members roughly proximate to those of regular force members. And then we have to ask ourselves about the negative effect on our regular forces.

The issue is first of all to acknowledge that the rate has not been modernized since approximately 2001. We face that in a different thing called the first-term reenlistment rate where it was not so much trying to raise that to the active component rate as the fact that when we raised the active component rate, we neglected to address the Reserve component rate. And it put the Guard and Reserve forces roughly two years behind playing catch-up on retention. We do not need to do that on a very important tool for recruiting and retention, our educational benefits, which comprise more than simply the Montgomery GI Bill.

The last remark I would make is that I agree completely with Secretary Hall. Our focus needs to be on retention, not solely the rate at which we are mobilizing. We will not be mobilizing at this rate forever, but we will be dependent on a stronger, more robust Guard and Reserve force roughly forever in my own judgment.

The world has changed in major ways and we must adjust how we plan to man our all-volunteer recruited forces differently for this century than we did last century. That is why I appreciate the strategic view of this hearing.

Thank you.

THE CHAIRMAN. Thank you.

Mr. Bilirakis.

MR. BILIRAKIS. Mr. Chairman, we are running out of time and I cannot run as fast as I used to to get over there in time to cast that vote.

THE CHAIRMAN. How much time do we have?

THE CLERK. Nine minutes.

MR. BILIRAKIS. Nine minutes. All right.

THE CHAIRMAN. Five minutes.

MR. BILIRAKIS. I will just make a statement because, otherwise, you are not going to be able to ask your questions.

Veterans Education Assistance Program (VEAP). I am just concerned about the issue of this hearing as expressed by Dr. Snyder and by the Chairman. But I sort of go even past that. And I am really concerned about VEAP. I am concerned about the unfairness to that

member of the military who had to make that decision, you know, at one particular time and did not do so for whatever reason.

And, you know, I am very grateful to the GI Bill. A hundred and ten dollars a month is what it was in the Korean War, the GI Bill. It was not much, but I will tell you it was just enough there to get me started and I had to work my way through the rest of the time too.

But I made that decision after I got out of the service. I mean, I had intended to go to college. I told all the recruiters who tried to keep me in that I was going to go on to school. But I made the decision afterwards. And, you know, for me to have made that decision during basic training, which was maybe some of the worst eight weeks of my life, would have been pretty damn unfair.

So I wanted to get your comments on that, but really we do not have the time. And I am not going to ask for it now, but I am here to just put you all on notice, as the Chairman did regarding his subject, put you all on notice that I feel very strongly about maybe reopening that as expensive as it is. And hopefully you all will cooperate in that regard.

Thank you, Mr. Chairman.

THE CHAIRMAN. Thank you.

The Committee is going to stand in recess. We need to come back. I apologize to all of you, but we have a lot we have to get on the record. And we need to have a good dialogue here.

So the Committee will stand in recess for approximately 30 minutes.

[Recess.]

THE CHAIRMAN. The Committee will come back to order.

I will now recognize Mr. Bilirakis.

MR. BILIRAKIS. Thank you, Mr. Chairman. I was not sure that we would be coming back. And I apologize for coming in late. I had, as we sometimes do here, had a hearing in health care on transparency of health costs in one of the other Committees.

I am just going to stay on VEAP, Mr. Chairman, because the GI Bill, we over the decades, over the couple centuries, I suppose, have passed legislation up here. Sometimes we do not understand the unintended consequences of our actions. Some of it turned out to be not as good as we hoped it would be.

But I think we would all agree the GI Bill has just been a wonderful thing and a great thing for America, for our republic. It has served us well.

And so to preclude a fair opportunity to all of the men and women who have served in the service, I think, is wrong on our part. And that is why I am so concerned about VEAP.

And I would just merely, in whatever time I might have left, ask to see if you have any comments there. I realize we are talking about

transferring VEAP over to the Montgomery Bill under circumstances other than those under which they were done previously, but with more flexibility, is going to be a costly thing.

And I know these things come out of the appropriate budgets and that sort of thing. But it seems like if we all have flexibility in our minds, maybe possibly those people will get back enrolled, if you will. Maybe their contribution is increased or something of that nature.

But, anyhow, any comments, gentlemen, just very briefly on that? You know, if we are concerned with MGIB and we are concerned about the GI Bill, et cetera, in general, we have got to be concerned, too, about some people who did not have really a fair opportunity, at least in my mind.

General Helmly. Congressman, I concur with reopening the window on VEAP. It seems to me that a young 18 to 22-year-old, which is the age category we really aim for in recruitment, coming into basic training is exposed to a brave new world. The future for that age category is tomorrow, not five, ten years from now.

Most are predisposed on disposable income that I can buy a motorcycle with as opposed to go to school. So I concur with that. I think that later on when the member has settled into the military and realizes that it is not the big, bad thing that they thought, that we are not going to just throw them out to the wolves and has gotten over the emotionalism associated with this great new adventure in life, they will think more clearly.

Mr. Bilirakis. Yes, sir.

General Helmly. And that is why I concur with you.

Mr. Bilirakis. Yes, sir.

Admiral McDonald. Yes, sir. I happen to agree with you. My aide sitting back here was caught up in that. He was a young ensign coming in the program and decided not to take it and now he is kind of kicking himself. If we could reopen that, he would take that real fast. And that has a tool that we can use as our entire package for our people across the service.

Mr. Bilirakis. Sure. Now, he is still in the service on active duty. But should we reopen it also to those who have gotten out of the service? Maybe there should be a certain period of time within which after discharge.

Admiral McDonald. Yes, sir. But my thought process on that would be that if we do that, then they need -- we are looking -- this is a tool to retain them in our organization --

Mr. Bilirakis. Yes. I appreciate that.

Admiral McDonald. -- so they come back to our drilling population, if that be the case, and then serve that time. That would be ideal if that is what they could do. Yes, sir.

Mr. Bilirakis. Well, of course, we have already talked about -- at least I mentioned it -- I am sure you all have, too, others have -- the

greatness of the GI Bill.

And the GI Bill was certainly not something that was used basically for retention purposes, but it is used. It is great for America in general. So if we would preclude those who have been discharged from having an opportunity, I think that would be a mistake too.

Yes, sir, Mr. Secretary.

MR. CARR. Yes, sir. Thank you.

The VEAP is a program compared to the MGIB that was of considerably lesser value.

MR. BILIRAKIS. Yeah.

MR. CARR. And the way it operated was that the member could invest in an account and get some extra education benefit in lieu of that, recognizing that the Committee has two open seasons --

MR. BILIRAKIS. Yes.

MR. CARR. -- for those VEAPsters. One was for those who had money in their account at the time and then again another open season for those who ever had money in their account. And so the only ones excluded from open seasons to this point have been those who manifest no behavior toward and interest in the education.

MR. BILIRAKIS. At the outset of their basic training.

MR. CARR. Yes. And so I mention that is the population we are discussing here. There has been considerable work by the Committee already toward VEAP.

With regard to the sentiment toward VEAP in the Defense Department, there is great sensitivity toward it because they are serving in today's military. But the bill is one that falls to the Veterans' Administration.

And so in that case, the question might be answered differently if it were an item that were to be funded from the Defense budget than if it were to be funded by Veterans' Affairs. And I just report that observation and perhaps the obvious.

MR. BILIRAKIS. Well, I get the feeling, though, that you are all thinking sort of positive in that regard and I realize that we have our barriers or money and the language and that sort of thing.

Any other -- I do not mean to cut anyone off, but I guess -- okay. Thank you very much, Mr. Chairman. I yield back.

THE CHAIRMAN. Before I yield to Mr. Michaud, this is going to be one of our challenges, Dr. Snyder, between your jurisdiction on Armed Services and ours. And we need to drill this down a little bit further in a moment about this as a retention or a recruiting tool and how it is rated among other tools that you may have.

If the VA takes total jurisdiction over this, DoD transfers all of this to the VA, we then are removing really some discretionary authorities over civilian leadership and what tools that these uniformed leaders get to use.

You know what I am trying to say? I mean, that is going to be our

challenge. It is easy to say, okay, let us just transfer all this over to us and we will administer this for you. But all your testimony has been pretty clear that this is a retention tool for you.

And when I hear certain benefits are used as tools from you, you need to have some discretion and latitude. That is my sensing on it.

But let me yield now to Mr. Michaud.

MR. MICHAUD. Thank you very much, Mr. Chairman. Thank you for having this hearing. And, actually, my question relates to the retention issue.

Assistant Secretary Hall, in your written testimony, you stated that, and I quote, "The fact that a member must continue to serve in the Reserves to maintain eligibility has greatly assisted the Reserve component as a whole in maintaining consistently high retention rate over the years."

I am curious as to what you base your conclusion on. As I understand it with respect to the retention issue, education benefits are quite low in the priority list for members when determining whether to continue or separate from the Reserves. And maybe that is because the benefits are not there.

When I looked at Mr. Bradley's testimony, he said that they have gathered information to help us better gauge the importance our members place on their education benefits. And according to a 2004 status, only 14 percent of the respondents stated education benefits affect their continuation decision.

So I am just wondering, Assistant Secretary, what do you base that quote on.

MR. CARR. Well, as you probably know, I spent 34 years on active duty and during those 34 years of active duty, I learned how important it was to not sit behind a desk and presume what people thought.

So during my three and a half years, I have talked to 200,000 people, 200,000 from all services in the field. And here is what they tell me.

They consistently list the Montgomery GI Bill as one of their top five programs that they value. And not all of them say they use it and that is very important. Even if you do not use it, you feel that the government is giving you something which you can use and it is positive. And they know that as long as they remain a Selected Reservist drilling, they can use it.

They also consistently say, however, the rates have atrophied and we need to do something about it. And they also indicate that perhaps ending the eligibility at 14 years, maybe we ought to extend that up through 20, 25, or some other period of time.

So they talk about having it a longer period of time they can use and addressing the rates. But they all tell me that it is a very important benefit. Even if they do not use it, they know that it is there if

they want to.

Now, my colleagues who command all those might have a different perspective, but that is how I gained that, from going and talking to them, holding a town hall and saying what are your four or five benefits which are important to you. The Montgomery GI Bill always stands up high as something they think we are giving them the opportunity to use whether they use it or not.

MR. MICHAUD. And I guess the next question would be to Mr. Bradley because actually you heard the top five. And in looking at your written testimony, you said approximately half rated education benefits number nine out of seventeen as a factor.

GENERAL BRADLEY. Yes, sir. Our utilization rate is lower than perhaps we would like. I think that is a reflection of a couple of things. And it also, I think, may affect where they place it in their survey of what is important to them as far as that list of benefits that they think are rank ordered in importance.

I think the amount of work we are doing, the operations tempo that our folks are under over the last several years is so high, many people are not able to continue education because they are working hard for us, many times deployed.

So it is just not possible to do as much because we are making them do more Reserve work. We are asking them to do more and they are volunteering to do it. And so I think that is why the utilization is not as high as you would expect.

I think the fact that the amount of the benefit has, so to speak, degraded over the years may also be a reflection. You know, it is about enough to buy books for a couple of courses is what they tell me, which everything helps, but maybe it could be better.

So I think that is really the answer to that, and also the fact that the benefit terminates after the 14th year. Many times folks have come to us from the active service, six, eight years of service, and then they come to us, so there are not that many years for them to use it because at 14 years after they sign up, they are done.

I think like Secretary Hall's proposal to make this a 20 or 25 year, I would go for a 25. I think it could be a retention tool. It is not going to be what keeps everybody in, but it will keep some in, I think. So I think it would be a positive thing for our retention if we increased the number of years which an individual would be eligible for this benefit.

MR. MICHAUD. I would like the other branches also to comment. Do you do a similar survey and, if so, how does education fall in that survey and do you think if the rate is low, is it because the benefits are not in your opinion where they should be?

ADMIRAL BRICE-O'HARA. I would be happy to talk about the Coast Guard for you, sir. We have a career intention survey which is administered not just as an exit survey, but when you change status. So

if someone would go from enlisted to officer through a commissioning program or if they would go into a new enlistment contract, we ask them to complete that survey.

There are a few things that are cited in a higher priority than education. They include pay, job security, health care, medical, dental specifically. But then after those, you also consistently find education, educational opportunity as well as education assistance listed as reasons that people want to be within the military.

So we find that it is very much a factor that influences retention decisions as well as enlistment decisions, sir.

GENERAL BERGMAN. I do not have the numbers right at my fingertips, sir. But when our Marines go through their transition TAM class when they transition from active duty, they do fill out surveys. The incidence, the level of education, taking advantage of that right after completion of their active duty is, I would suggest, in the Marine Corps probably lower than our sister services for varying reasons.

Some of our young Marines just choose to chill out for a while after the intensity of the activity. But those Marines who join the Marine Corps Reserve and continue to serve, when they have developed, if you will, a parallel civilian career, they become more aware that to be a success in a civilian occupation, they need to continue to educate themselves in that chosen field.

And then it seems like it falls over that all of a sudden, the light goes on and that education, whether it be on the military side or how they use these benefits to grow themselves, if you will, in either one or both realms, clicks in.

MR. HALL. Congressman, I think that all of us would tell you that we do our own surveys in addition to using those administered by the Department of Defense.

Educational benefits, I believe, are perceived by the soldier as a normal benefit during abnormal times. That while in the historical sense, it is not abnormal at all to mobilize Reserve component members during a time of conflict.

The suddenness of this conflict and the fact that it is extending creates the abnormality. And so if you look at Army Reserves' specific surveys, most soldiers say that items such as predictability and length of mobilization as well as period between mobilizations are their most pressing concerns.

If you look back prior to 9/11 at what prompted more people to stay in or to enlist, educational benefits inclusive of others besides Montgomery GI Bill, notably tuition assistance, were consistently ranked number one or two with regard to what motivated them to enlist and/or to stay.

MR. CARR. I think when we take a percentage, one key question would be if we decomposed that and say who is the most predisposed toward this benefit, the answer is enlisted and specifically junior en-

listed.

Given that the topic is retention, it is a fact from Defense surveys that cut across the components that 25 percent of the E1 to 4 in the Reserves believe that education benefits figure prominently in their decision way ahead of health care, way ahead of retirement. In fact, almost just a little bit below pay and benefits.

So when we decompose who is it that we get a bang from the buck from, it is the crowd we want to influence favorably to retain. We have other incentives. If you go to the senior crowd, they are going to be more disposed toward the retirement system and its value. But if you are trying to work the junior enlisted and that is the base of the pyramid, then MGIB is a strong pusher.

THE CHAIRMAN. Mr. Michaud, would you yield on that point for a second?

MR. MICHAUD. Sure.

THE CHAIRMAN. Who are you citing? Who would you cite as an authority for your testimony?

MR. CARR. For the figures I just gave?

THE CHAIRMAN. Yes.

MR. CARR. Defense Manpower Data Center in surveys that it gives annually to the Reserves and to the active. And I have got a summary of it I could provide to staff.

THE CHAIRMAN. I would appreciate that.

MR. CARR. Yes, sir.

THE CHAIRMAN. I would appreciate if you could get us that survey. I think it would be helpful to us.

MR. CARR. Absolutely.

THE CHAIRMAN. Because we were able to discern that from this very same survey, 14 percent stated that education benefits affected their continuation decision. And half of those surveys ranked education ninth out of the seventeen benefits. So that does not link very well.

General Bradley, that was from your testimony.

GENERAL BRADLEY. Sir, I think that was a survey that the Air Force Reserve did, not a DoD-wide survey.

THE CHAIRMAN. Well, then please reconcile the difference between -- Mr. Carr, your testimony that you just gave to Mr. Michaud based on data from your manpower and Lieutenant General Bradley's testimony relying upon -- we have two surveys here that are in conflict.

MR. CARR. Remember, I cited a subset of the population, that being the junior enlisted and that their behavior was particularly rich. The opposite is true if you go to the more senior ranks, depressing how robust that conclusion is. So that would influence it.

But the Defense Manpower Data Center surveys are consistent over time. We have a longitudinal history of them. And, again, we will be delighted to provide them if that would be constructive.

THE CHAIRMAN. We welcome your comments, General Bradley,

please. Do you concur with this?

General Bradley. Sir, I am certain that is right. I would imagine -- I mean, I would think that junior folks, young folks who join would cite education benefits as being much more important to them when they make a decision to join or stay than someone who is much older.

So my survey would cover the entire force. I did not break it down into that young junior enlisted category about which he spoke.

The Chairman. All right. I will go back, Mr. Michaud.

Let me take this one step further. I am trying to reconcile this survey with your testimony also about the needs you have. You know, let us take advantage of the inequities. Let us address the rate problems. And then you come with a survey, your 2004 status of forces survey of Reserve component members. Only 14 percent of respondents stated education benefits affected their continuation decision.

Will you please comment on this?

General Bradley. Yes, sir. What I think may play into that survey is the fact that the educational benefits are not worth what they were several years ago. I think it reflects also the operations tempo of our forces. They are so much busier and are deployed in their busyness now in what they do.

They are deployed and so it is not easy or convenient to do night schools or whatever they do to complete these additional educational programs. That makes it a lot more difficult. I think that is a reason why it does not rank as high. I think in other times when we are not as busy, it probably would seem like it is a better benefit to them. That is my conjecture.

So I think it is only one tool that we could use for retention. I think the fact that people like what they do and they think it is important is a reason why they stay with us. But education helps a certain population. And I just think that any help we get to retain people would be a good thing, but it is not the be all and end all for retention, I do not think.

Mr. Carr. Mr. Chairman, I might be able to help in clarifying this. It is from the status of forces survey. Fourteen percent which you cite and 25 percent which I cite for junior enlisted are both part of that survey. So the correct answer for the respondents in total is about 14 percent.

I cited E1 to 4. But if we looked at E5 through 9, it is only nine percent. It becomes less important. Again, talking about the education benefit. And officers are all five percent or below.

So as a group, they would respond 14 percent as it being important, but disproportionately, the junior enlisted E1 to 4 felt that it was important to them. Not remarkable because they see that and they do not count much on health care because they consider themselves invincible and they do not look at retirement because that is well out

in the future. Therefore, you get a skewed reaction to the education appeal if you are talking to the very youngest members.

THE CHAIRMAN. When we say GI Bill, a lot of people immediately will think, all right, World War II. All right. Soldiers coming home. But we had a draft. So the draft went across the population and brought many people in to serve their country and then we provided that education for them and we as a society benefited tremendously from that.

Then we transitioned to the all-volunteer force and under the leadership of Senator Montgomery worked seven years to produce the Montgomery GI Bill as a "tool" to the services on recruiting and retention of their all-volunteer force.

We find ourselves, though, very challenged. You recruit individuals then to come join the all-volunteer force to obtain your education. And, yet, then we also have the Reserves and the National Guard, with individuals who are already established -- not all of them -- but you are also using this as a recruiting tool to join the Guard, and the Reserves. You can obtain your education benefit on a part-time basis and serve your country.

But we also have equally a large portion that are already in their job. They are comfortable with their career path. And then they find themselves at war and then we want to immediately judge them and say, well, but you are eligible for a benefit, but you are not utilizing the benefit and you cannot force that horse to drink.

You know what I am trying to say? I mean, General Bradley, I think you are the one that said, you know, inequity for inequitie's sake.

GENERAL BRADLEY. But, sir, you know one thing I would add is the benefit has timed out for many of the people who are answering this survey. If they are beyond 14 years of service, the benefit does not matter to them probably because they are not eligible for it any longer.

The day you sign up, a 14-year clock starts and it runs out at 14 years. And so if you are serving at 15, 16, 20, 25 years, you are not eligible for this benefit anymore. So to those respondents to a survey, the benefit is irrelevant. So I think it might be more relevant, be used more, and be a little retention tool, I think, if we could make it a 20- or 25-year benefit instead of 14.

THE CHAIRMAN. I am going to go to the rate issue for a second. I noted the original nine-to-one ratio of the GI Bill benefit to the contribution level, and I looked at the numbers.

Under the original Montgomery GI Bill, we have the $1,200 contribution. The pay of an E1 at the time was $573.60. So back in 1985 when Senator Montgomery got everyone to go along with this, that was 17 percent. That contribution was 17 percent of $573. That was a $103 pretax contribution.

Think about that. That is a lot out of the $573. The payout at the time was $10,800. Okay? The payout today is around 37,200. Yet, the contribution has also maintained itself at 1,200. So the contribution is not even a nine-to-one ratio anymore.

So based on today's E1 salary of $1,273, if you want to maintain the nine-to-one ratio on the payout, the contribution from the soldier should increase to $216 a month pretax. So the contribution based off of today's payout should be $4,136.

So this whole issue about having skin in the game, you know, about what is your personal investment to your own education given the payout, the contribution has not even maintained relative to the payout as designed by Congressman Montgomery and the Committee at the time.

I just want to make sure all of you knew and understood that.

Now, as we then go to the Reserve components, with this whole issue about equity for equities sake, the Reservists, are not making a contribution.

So if we want to bring this back into balance, we are talking about increasing the contribution with regard to soldiers and whether or not Reserve components should also be making a contribution into the GI Bill benefit.

I am just throwing this out to you. You cannot just say, well, we are going to do it for equity, but, gee, I want some, but then I do not have skin in the game either.

So I want to have a conversation with all of you about this. So if we are going to say, okay, now we make this original amendment to say, okay, we are going to go to the 1606 benefit. So for the Reserve components, it was about $297 a month. And at that time, it was about 48 to 49 percent of the active-duty rate.

And according to your testimony, Secretary Hall, you are saying that that has now shrunk to about 28 percent. Now, that is DoD's responsibility, Secretary Hall. I view that as your responsibility at DoD.

If your senior leaders are saying this is an important tool to us and it is not being kept or maintained, you have got to tell us this because obviously this thing, I believe it needs to be increased. We are going to have to bring, the 1606 benefit up, and it is not linked to anything right now.

When we did the 1607 benefit, it was linked and it was able to maintain itself to the active benefit. But if we are going to continue to do these increases, should there be a level of contribution from the Reserve components?

So let me turn that over to you. This is a policy question and I need your best counsel. There are not going to be volunteers. I am going to go right down the line. All right? Let me start with the Coast Guard.

ADMIRAL BRICE-O'HARA. Sir, I would say that you have to look at the totality of tools that you have to use to influence our servicemembers. And so the fact that there is no pay-in by the Reservist is an inducement.

And if we were to require a pay-in, that may have then diminished attractiveness to that Reservist which would then cause us to have to use another tool potentially to attract them, recruit them, retain them in the services.

ADMIRAL MCDONALD. Sir, I recommend you just stay the way it is. I have no data to show that if we make them have a pay-in whether it is going to make a difference or not. But from what I see from my Navy Reservists, the program as is benefits them across the board if they do not have to pay in. I would like to see it stay that way.

THE CHAIRMAN. General Young.

GENERAL YOUNG. Sir, I have to agree. I am not in favor of a contribution on behalf of the servicemember to continue to receive their Selected Reserve benefit.

THE CHAIRMAN. So I want equity with the active components, but I do not want to pay for it? Is that what I am hearing? I mean, come on. I am serious. I am going to pick on all three of you for a second. I know you really want to jump in this fight. That is really not what you are telling me, is it?

ADMIRAL MCDONALD. Well, equity would be then given the entire 100 percent return without a pay-in. Obviously the Navy Reserve is not exactly the active Navy, so there are differences. So I think this is an equitable tool by no pay-in, but you are not receiving the 100 percent benefit.

THE CHAIRMAN. All right. General Bergman.

GENERAL BERGMAN. Sir, I would suggest to you that equity in this instance refers to a perception in the mind of the individual for what they are receiving, for what they are giving, if you will, and their time.

And to that Reserve Marine, they know, for example, when it comes to a perception of equity, some of their active component counterparts wonder why they get two drills for one day's pay.

The point is, in the dollar value benefit, I do not see a need to change to put the Reserve component equal with the active duty as far as what they receive in that actual dollar output.

THE CHAIRMAN. The Committee is going to stand at recess for about two minutes.

[Recess.]

THE CHAIRMAN. Mr. Bilirakis, any further questions?

The hearing will come back to order.

MR. BILIRAKIS. Mr. Chairman, I do not have any questions. I just want to raise a point here that I have been talking to staff. I guess I

was not aware that the Reservist can pick up this benefit immediately on day one, whereas someone serving on active duty does not get the right to the benefit unless they have served what is either three years or two years depending on what the contract is for.

You know, active duty -- I am not belittling the role of Reservists. God knows in this day and age, thank God for them. But I am not sure that they should be able to pick up the benefit on -- am I correct? Does someone have to serve in the Reserves for a certain period of time first before they have the right to this education benefit?

MR. HALL. I think it is enlist or reenlist for six years, make that obligation, whereas on active duty -- someone can correct me -- you can start it after two years. But within the Reserve, if you make an obligation of six years or reenlist for six, you are eligible for it. So just make the commitment you are going to serve for six years in the Reserve, unless somebody wants to correct that -- I think --

MR. BILIRAKIS. But they have served that six years?

MR. HALL. Yes -- no, not served six years. Agree to serve six years and you can start picking up the benefit.

MR. BILIRAKIS. Yeah. Okay. So it goes right back to what I --

MR. HALL. When you join and say I am going to do this for six years, you can start.

MR. BILIRAKIS. Yeah. You can start on day one then?

MR. HALL. No. I think it is after an amount of training.

MR. BILIRAKIS. Well, all right. All right. So it is after two months or whatever it might be?

MR. HALL. There is a small period that you have to complete, some active duty for training period, a small time, and then you can start it. So there is a little bit of training piece you have to do successfully. That is not very long. I think it is a matter of weeks or months.

MR. BILIRAKIS. Well, I realize you are all representing the Reserve Corps and they are very, very important to us. But I do not know. I find something wrong with all that.

MR. HALL. Could I make a comment --

MR. BILIRAKIS. Go ahead, sir.

MR. HALL. -- that relates to the Chairman's question? You know, the words equal and fair, I think we have to think about. Because something is not equal, is it perceived to be fair? And we heard the word perception.

And I think to get the idea that in order to be fair, we must have the Reserve benefit exactly equal to the active duty is wrong because if we have those, why not -- if the pay is the same, if all the benefits are the same, you have to characterize the nature of the service. And I think in the minds of a Guardsman or a Reservist, fair rather than equal is what they look at.

And I think originally when Senator Montgomery put this together and the benefits were at 48 percent of the active duty, based upon a

characterization of your service, you were not full time, they thought that was a fair thing. Now that it has atrophied, perhaps in their view, it is not the equal. Is it still as fair as it was at that point.

So I think they focus more on perhaps having it for a longer length of time, perhaps having it back at what it started at, the 48 percent. And that would be fair. I do not think they would say it has to be exactly equal to active duty and the same things before the situation.

So I think we just need to think about the fair and equal between the two and characterize the nature of the service and they will end up being different benefits. But if they are perceived to be fair, then I think our young men and women will reenlist and will continue to serve. That is my view on the equality versus fairness.

MR. BILIRAKIS. Mr. Chairman, I realize the focus is on retention and that is awfully significant. And if we look at it from a retention standpoint, then I stand corrected. But I think we have -- again, I keep repeating this -- the value that the GI Bill has been to our way of life. And if we think of that, then I think we ought to also be thinking beyond just retention as significant as retention is. And, you know, it should be a little bit of a reward, I should think, for the person who served a certain period of time.

THE CHAIRMAN. All right. To focus this then so we do not get too far out of the box on redesign, the issue is going toward rate and length of time for the opportunity to utilize the benefit.

GENERAL HELMLY. I would commend to you, and I have heard several of my peers also state this, also the use of the benefit, that is to allow, as you noted in your comment, for certain types of training, not just the traditional college degree.

MR. HALL. I would also mention, Mr. Chairman, last year, some of the changes you made to use were some of the certification and training courses which were received exceptionally well by our members. And I think a further expansion of that into things for long-range truck drivers and other kinds of courses would be welcome as a positive step. So expanding some of the training certification and other kinds of skills would be the third item in addition to the rate and length.

THE CHAIRMAN. All right. General Helmly, then an issue, or, General Bradley, actually, this is for the entire panel: credentialing.

Right now if you have got one of your mechanics working on a particular aircraft and he has been trained to work on that aircraft and now he wants to leave, but now he cannot go down and work on that aircraft because he has not been properly certified according to blah-blah-blah.

GENERAL BRADLEY. Yes, sir. I would be in favor of that. I would agree with what General Helmly just said and Secretary Hall. I think those changes would make it a much more viable, helpful program.

THE CHAIRMAN. Okay. So focus more predominantly on these three

issues, the rate, the opportunity of use, IE, length of time, and then the credentialing. And what word did you use? You did not use credentialing. You called it?

MR. HALL. Certification

THE CHAIRMAN. Certification.

MR. HALL. Yes, sir. That is what I would agree with.

THE CHAIRMAN. All right. I need to do this for the record. I would like to go down the line from Lieutenant General Helmly on down. I want you to give me a good 35-, 40-second snapshot of one of your Reservists, Coast Guardsmen, National Guardsmen, who has been brought to active duty. Tell me what happens to them, for example, tank platoon commander, round out. I just need to get on the record when they serve next to an active-duty counterpart, that counterpart gets X, but my person does not get what, but gets utilized in comparison.

Can you do that for me, General Helmly.

GENERAL HELMLY. Congressman, I think the biggest complaint -- in fact, I know the biggest complaint we have from Army Reserve soldiers is not so much the measurement of benefits and entitlements as it is the treatment.

THE CHAIRMAN. Will you hold just a second?

GENERAL HELMLY. Yes, sir.

THE CHAIRMAN. Mr. Bilirakis is going to take the Chair to finish this series of questions and then I am going to need to leave.

MR. BILIRAKIS. You said this question.

THE CHAIRMAN. And any other follow-on you would love to have.

We are going to have questions that we will submit for the record. I want to thank you for coming. This is very important and I appreciate that. You help focus us in three very important areas that can be very helpful to you.

MR. BILIRAKIS. [Presiding] Who had the floor here? Go ahead, sir.

GENERAL HELMLY. Congressman Buyer had asked for each of us to address an issue as regards how our Reserve component members may feel relative to an active component member.

I had just responded that I personally do not often hear a complaint about equity of benefits. And I agree with Secretary Hall. It is really about benefits and entitlements commensurate with one's service, commensurate with inactive service as opposed to daily active-duty service.

Having said that, the biggest complaint we have about relative to the active component is regards to treatment. And I do not mean an intentional Army bad treatment of Reserve component members. As much as we mobilize them, we consider them to be unready rather than treating them as a professional soldier, challenging them, providing them kinds of training that challenge them, that energize them looking forward.

They will often point to I do not understand why I had to spend 75, 90 days at a mobe station trying on new kinds of boots, why I could not just be issued the boots ahead of time, why if I passed the PT test ahead of time you did not take it like my active component counterpart, those kind of things.

They see it as somewhat dehumanizing. The Army has made strides at issues of our Reserve component members, the same kinds of equipment, et cetera, but they complain often about the length of time and before I get to theater and start getting on with my business.

MR. BILIRAKIS. And I think we get those comments. I know I went with a group with the Air Force Caucus to Iraq a few weeks ago and we received some of those comments.

Who is next?

GENERAL BRADLEY. General Bradley. I think he intended for us to go down the line with that question.

Actually, sir, I think for our Air Force Reserve airmen, I do not hear complaints about treatment or benefits or pay for folks that are mobilized. They are pretty much qualified for the same pay and benefits that active regular Air Force, regular component folks acquire in those cases.

There are things that some people consider not quite right or fair when they are not mobilized, some of the things. But the question was about when you are on active duty, what things are different. And there is actually very little that is different in regard to the pay and benefits.

MR. BILIRAKIS. All right. Thank you.

General.

GENERAL BERGMAN. Sir, from the Marine Corps perspective, I would echo the comments of my colleagues. When you are in active duty, everything is basically the same. They are all going to the same fight.

When you are in a nonmobilized, nonactivated status as a Reserve, you are really running a parallel, the kind of dissimilar life that you have chosen. And to be honest, when our Marines come whether for two weeks or two days in that nonmobilized environment, they are there because they want to put on the uniform and they want to just be Marines.

So you do not hear -- the complaint, of course, we always want more chow. We always want more bullets, always want more training. And I say that in a very serious way because at the rate of utilization of our resources, our equipment, when these young folks come to train, they want to have the capability to do that. And they are really not talking about the kinds of things that we have been discussing here.

MR. BILIRAKIS. General Young.

GENERAL YOUNG. Sir, I think overall, the department has done a

great job at equalizing the benefits and making our Guardsmen that are mobilized feel that they are receiving equal treatment and the same degree of equipment, training, and everything else.

Early on, those returning from theater that had medical problems, there was some perception there that their degree of treatment, the level of treatment was not the same. But the Department of Veterans' Affairs, everybody has worked hard that where we found those types of disparities or differences, we have worked hard to change those and change those programs to make sure that is not the case.

So I would think today -- I was an Assistant General for six years and mobilized a lot of soldiers out of Ohio and early on, there were some of those perceptions -- but today, the returning soldiers from the Ohio Army National Guard feel like they are treated just like an active-duty counterpart.

MR. BILIRAKIS. That is good.

GENERAL YOUNG. Thank you.

MR. BILIRAKIS. Admiral.

ADMIRAL MCDONALD. Sir, I will have to agree with the chiefs. Once on active duty, there is very little differences. It is getting to and off active duty, the continuum of service, the ability to easily move from the Reserve component to an active status and back with all the difficulties in there. We are working on that within DoD, but we have got some hurdles there. That is about the major issue I hear from my mobilized Reservists.

MR. BILIRAKIS. Coast Guard.

ADMIRAL BRICE-O'HARA. Sir, I would echo what was just said concerning the transparency and seamlessness with which we manage our Reserve component. As much as we can do to make processes the same between the two components, the better we will be.

Relative to specific complaints, the most frequently heard in the past has been the discrepancy in housing allowances, but recent legislation has vastly improved that. And with the new change to the basic allowance for housing entitlement, we do not hear that complaint. But by far, that was the largest that I had heard in my travels through the Coast Guard.

But with our integration, the Coast Guard Reservists feel very much a part of team Coast Guard and they do not feel second citizens. They are right there on the front line and delivering services with great professionalism and dedication just as their active counterparts are.

MR. BILIRAKIS. Well, thank you.

Before I forget, I do want to go into this other area that I brought up previously. But you are among the busiest people in our society and for you to sit here all these hours, I mean, we really commend you. I apologize for it, but many of you have experienced this before, so you know what the heck it is like up here. So I just wanted to get

that.

But let me get back again to the Reservists. And your job is to get people to come into the Reserves and to retain them and that sort of thing. And I appreciate that.

But a guy signs up for six years and is still a civilian and immediately starts his education and maybe picks up the degree in four years, three years depending on what and then does not complete the six-year contract. And this goes back, I guess, to what the Chairman had brought up.

In the meantime, that person has already had the education that has cost the taxpayers an awful lot of money. You have had the use of that person for that three or four years and probably served in Iraq or Afghanistan or whatever. In today's world, the Reservists, I know, are just serving so much differently than they used to many years ago.

The only penalty for that individual would be a nonhonorable discharge? It could be general or it could be something else; is that right? In the meantime, the person has gotten the education?

MR. HALL. No, sir. No, sir. On the education, we recently submitted our biannual report to Congress on the Montgomery GI Bill. And this is the way it works.

If you do not complete your obligation and you have used your benefits, we recoup the money from you. And in that report, we have the amount of money and we are recouping it now.

So you cannot just take the Montgomery GI Bill and say, oops, at the end of four years, I want to leave. If you do not serve that time, we recoup that money from you and we are actively doing that and have recouped an amount from the people that did not meet their obligation.

So you do not get off freely. You must --

MR. BILIRAKIS. Okay. You are actively recouping it, but do you have to go to court on it?

MR. HALL. No. We go to them and say you owe us that amount of money and obviously we take that out of their paycheck or they pay it, but we do recoup it.

MR. BILIRAKIS. Okay. Well, that is good to hear.

Well, gentlemen and lady -- is there anything more? Apparently the Chairman had a long list of questions here. He asked me to continue receiving the answers to the one item and then proceeded to talk about a variety of items.

So he has a number of others and I know he is going to submit them to you in writing. But they are very important to him. He spent an awful lot of time on this subject and we discussed it at length when we discussed the budget a couple of times during the last two or three weeks.

Well, I am going to ask this question, but I think I am going to ask

you to respond to it in writing. To the Reserve chiefs, I guess, many states provide significant education benefits for members of the National Guard. However, members of the Reserves did not qualify for these benefits even though they may reside and drill in a State. Darn good point.

So do you see an inequity there and how would you remedy that inequity?

Now, again, in the interest of time and whatnot, that is a very significant question and hopefully -- and it is a very good point -- hopefully you can think about that and maybe respond to the Committee in writing if you would within what period of time? Okay. They will send it to you.

All right. Thanks so much. I think we will just go ahead and adjourn the hearing at this point in time. You have been very helpful.

And, again, I do feel very strongly about VEAP. I may be wrong. If I am, I would appreciate your letting us know. But any comments you may have on that, you might submit to the Committee along maybe with a copy to me or whatever the case may be because I do not want to do the wrong thing. But at the same time, I just think that there is an area there that -- talking about inequity, there is an area of inequity there.

Thank you very much. The hearing is adjourned.

[The statement of Joseph F. Sharp, Jr. appears on p. 100]

[Whereupon, at 1:15 p.m., the Committee was adjourned.]

APPENDIX

Honorable Steve Buyer
Oversight Hearing on Modernizing the GI Bill
March 15, 2006

Good morning. The Committee will come to order.

Today we will receive testimony regarding how well the current Montgomery GI Bill is meeting both servicemembers' needs as well as those of the nation. Our witnesses are the leaders of the National Guard and Reserve components whose members benefit from this very important program. My goal for this hearing is to learn what is working and what we need to change.

At the hearing during which Secretary Nicholson presented the President's FY 07 budget, I announced my support for a modernized GI Bill and noted that Partnership for Veterans Education and the Independent Budget had put forward several concepts for our consideration. Since then, my staff and Lane's staff have met with key stakeholders to begin the process of designing and moving a bipartisan bill that will meet what I see as two primary goals: first, to make the GI Bill more flexible in the types of education and training available to all eligible veterans; second, to adjust the program to make it more useable for members of the National Guard and Reserves while maintaining its value as a recruiting and retention tool.

A modernized GI Bill must help both the veteran and the nation. According to VA, about 30 percent of our active duty service members never use their GI Bill. VA's usage data on members of the Guard and Reserves is less detailed, but they were paying Section 1606 benefits to about 59,000 as of January 2005 with 81,000 expected to participate this year. VA says they have about 13,000 applicants for Section 1607 benefits on hand and expect over 50,000 by the end of FY 2007.

Many members don't use their GI Bill – although they have paid in their $1,200 – because even with the current level of benefits, they can't afford to go to college for four years AND raise a family. This is at a time when the Department of Labor has identified career fields that are critically short of qualified employees. One reason for this disconnect is that the current GI Bill focuses largely on degree-granting programs at the expense of shorter-term training opportunities that could help meet some of those critical shortages.

My vision of a modernized GI Bill is one that would address both national competitiveness and personal success issues by significantly increasing the number of veterans who use their benefits and that includes members of the National Guard and Reserves. One way I want to do that is by making it easier for a veteran with a family to get that short-term training to qualify for a job in good-paying fields that don't require degrees such as transportation, construction, medical care and public safety.

I also want to help members of the Guard and Reserves finish their education after they leave the service if they have not been able to do so while meeting their military commitment. They should not lose their education benefits following honorable service.

This will not be an easy task. You may have heard that an informal estimate of the cost for the concepts being proposed by the Partnership for Veterans Education was $4.5 billion over 10 years. Some of that cost is due strictly to accounting rules and some was due to providing improved education benefits for members of the Guard and Reserves following discharge.

I need not remind the Officers and Senior Executives on the panel that your men and women are no longer Weekend Warriors. General Creighton Abrams' vision for a Total Force is now a reality and National Guard and Reserve forces are full partners in the War on Terror. It is time to make them full partners in a modernized GI Bill in a way that meets the needs of the military and the nation.

Today, I ask each of you, as the leaders representing our military forces, to help with the heavy lifting. We need to hear whether you think a modernized GI Bill is needed to help you accomplish your mission. This hearing on the GI Bill is the beginning of that process and your opportunity to give us your CANDID views.

I now recognize the Ranking Member for his opening remarks.

Thank you, Mr. Evans. I would now like to take a brief moment to introduce each of our witnesses today.

Secretary Thomas F. Hall is the fourth Assistant Secretary of Defense for Reserve Affairs, and has served in this position since he was sworn in on October 9, 2002. Secretary Hall is a retired two-star Rear Admiral having served almost 34 years of continuous active duty in the United States Navy.

Mr. Bill Carr is the Deputy Under Secretary of Defense for Military Personnel Policy. He oversees recruiting, retention, compensation, and related human resource management for the 1.4 million active duty military members of the U.S. Armed Services. He is a graduate of the United States Military Academy, which was followed by a 20-year military career performed in the field of military personnel management, include service as the Chief of Enlisted Management for Army forces in Korea.

Lieutenant General James R. Helmly is the Chief, Army Reserve; Commanding General, U.S. Army Reserve Command. Lieutenant General Helmly is a Vietnam combat veteran, having entered the Army as an enlisted soldier in 1966, and received his commission through Officer Candidate School in 1967. Among his many awards and decorations, Lieutenant General Helmly was inducted into the Infantry Hall of Fame in 1996. At the time of his selection, Lieutenant General Helmly was serving in his civilian occupation, as the Assistant Deputy Chief of Staff for Operations at the Total Army Personnel Command, Alexandria, VA.

Lieutenant General John A. Bradley is Chief of Air Force Reserve, Headquarters U.S. Air Force, Washington, D.C., and Commander, Air Force Reserve Command, Robins Air Force Base, GA. As Chief of Air Force Reserve, he serves as principal advisor on Reserve matters to the Air Force Chief of Staff. As Commander of Air Force Reserve Command, he has full responsibility for the supervision of all U.S. Air Force Reserve units around the world. He was

commissioned in 1967 after completing the Air Force ROTC program as a distinguished graduate at the University of Tennessee at Knoxville. As a fighter pilot, General Bradley flew 337 combat missions in Vietnam. Before assuming his current position,, General Bradley was Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters. The general is a command pilot with 6,900 flying hours in the T-38, A-37, A-10, F-4, and F-16.

Lieutenant General John W. Bergman is Commander, Marine Forces Reserve/Marine Forces North. He was commissioned as a second lieutenant in the Marine Corps Reserves under the Platoon Leader School program after graduation from Gustavus Adolphus College in 1969. He flew CH-46 helicopters with HMM-261 at Marine Corps Air Station, New River,, NC and with HMM-164 in Okinawa/Republic of Vietnam. Lieutenant General Bergman returned to active duty in October 2003, when he served as Director, Reserve Affairs, Quantico, VA. He assumed command of the Marine Forces Reserve/Marine Forces North on June 10, 2005.

Rear Admiral Craig O. McDonald is the Commander of the Navy Reserve Forces Command. He is a graduate of the United States Naval Academy in June 1976. On October 21, 1977, after initial flight training at VT-10 and Advanced Airborne Tactical Data Systems training at RVAW-120, he was designated a Naval Flight Officer. He was released from active duty in June 1982, after which he went to work for New York Telephone. Rear Admiral McDonald was selected for the Full Time Support (FTS) program and was recalled to active duty in April 1983. He was selected for Flag rank on August 1, 2003, and served as Chief, Office of the Defense Representative Pakistan from July 2004 until October 2005. He assumed his present duties as Commander, Navy Reserve Forces Command on August 12, 2005.

Major General Ronald G. Young is the Director, Manpower and Personnel (J1), National Guard Bureau. He assumed these duties on September 13, 2004. In addition, he is currently serving as the Acting Director, Joint Staff, National Guard Bureau as of May 1, 2005. The General's military career began in 1966. He was commissioned in 1968 as a Second Lieutenant through the West Virginia Officer Candidate School program. Prior to his current assignment, General Young served as the Assistant Adjutant General for the Ohio Army National Guard and as the Wartime G-1, Eight United States Army, Korea. He is also a former Commander of the 16th Engineer Brigade, Ohio Army National Guard.

Rear Admiral Sally Brice-O'Hara is the Director of Reserve & Training for the U.S. Coast Guard. She serves as director of the Coast Guard Reserve and is charged with developing policies to recruit, train, allocate, and support over 12,000 Coast Guard Ready Reservist. She serves as a member of the Reserve Forces Policy Board, which advises the Secretary of Defense on Reserve matters. Rear Admiral Brice-O'Hara graduated from Goucher College with a Bachelor of Arts Degree in Sociology in 1974. She received her Coast Guard commission from Officer Candidate School the following year. At the time of selection to flag rank, she was Commanding Officer of Training Center Cape May, site of the Coast Guard's only recruit training program.

----- CLOSING -----

At the recent National Guard and Reserve Caucus breakfast, all 14 Service Chiefs and Senior Enlisted Advisors stood up and told us how important benefits are to helping them meet their mission goals. The Members of the Veterans Affairs Committee will support you in meeting that challenge.

Secretary Hall, you have indicated a willingness to work with the Congress towards improving education benefits. I take you at your word and give you my promise to assist in any way I can.

Having said that, we can't take 7 years like it did with the Montgomery GI Bill and I'm sure Sonny Montgomery would agree with that. I know that Chairman McHugh shares our concerns and I will work cooperatively with him and the HASC staff to get this train moving.

So, unless the Ranking Member has something for the good of the order, the Committee stands adjourned.

Statement of Honorable Lane Evans
Ranking Democratic Member
House Committee on Veterans' Affairs
March 15, 2006

Thank you, Mr. Chairman, for holding this hearing today. It is incumbent on this Committee to exercise its oversight duties to review the education and training programs that play such an important part in the Armed Forces recruiting and retention efforts, and remain critical to any servicemember's and veteran's readjustment and opportunity for success in civilian life.

I also would like to thank the witnesses appearing before the Committee today. I appreciate your service to the country and am interested in hearing your views on modernizing and improving education and training benefits for our total military force.

Mr. Chairman, it has been over 60 years since enactment of the Servicemen's Readjustment Act of 1944, commonly known as the GI Bill of Rights, by all accounts a landmark legislative accomplishment. Further, last year marked the 20th anniversary of the implementation of the Montgomery GI Bill (MGIB), another critically important legislative measure aimed to support an "all volunteer force" by providing education and training benefits to servicemembers, veterans, survivors and dependents.

I firmly believe the time has come to update, modernize, and provide greater flexibility to military and veterans' educational assistance programs. For education and training benefits to remain a relevant recruitment, retention and readjustment tool, we must ensure that VA's education and training programs reflect the manner in which individuals earn and learn in the 21st Century. Congress, other than providing benefit increases, has not significantly modified or modernized any administrative or process provisions of the MGIB. Due to advances in technology, recognition of lifetime learning and long-distance learning concepts, dynamic workforce changes, and implementation of the "total force" defense policy coupled with ever-increasing demands on military recruiting efforts, Congress should modernize the MGIB to provide servicemembers, veterans and their families relevant education and training benefits that meet their educational and vocational goals for success.

I would like to work in a bipartisan fashion to explore a number of options to improve and modernize the MGIB to better reflect current trends in education and vocational training programs. The VA's Advisory Committee on Education and the Partnership for Veterans Education – a group made up of traditional veterans and military service organizations, as well as higher education advocates, all have endorsed a proposal termed the "Total Force GI Bill." I believe this proposal deserves to be studied further. I also am interested in other proposals to provide greater flexibility to the MGIB:

- extend $1,200 MGIB pay reduction over the first 24-months of enlistment to equal $50 per month;
- extend the 10-year delimiting period for MGIB use;
- allow eligible veterans to transfer up to one half of an individual's education entitlement to a spouse or dependent;
- establish a more robust student loan repayment program for servicemembers who enter with pre-enlistment student loans;
- authorize accelerated payment for certain high-cost, short-term training programs;
- authorize National Guard and Reserve members who qualify for chapter 1607 education assistance to maintain entitlement after separation from Selected Reserve status.

Finally, Mr. Chairman, I am very concerned that the current education and training programs designed for members of the Selected Reserve (chapters 1606 and 1607 of Title 10, United States Code) do not include a transition or readjustment benefit. We all recognize the total force policy of the Armed Forces includes increased activation of the National Guard and Reserve forces. Like no other time in our history has the citizen-soldier sacrificed so much and served with such distinction as he or she does currently. Since September 11, 2001, nearly 500,000 National Guard and Reservists have been activated and approximately 40 percent of the troops currently serving in Iraq and Afghanistan are citizen-soldiers.

Clearly the Selected-Reserve component of our total force military is critical to supporting and defending our national security. These patriots have earned and deserve portable, high quality education and training benefits, to be used when best suits their career and vocational goals. I do not subscribe to the theory that allowing National Guard and Reserve personnel an opportunity to access their earned education and training benefits upon separation from the Selected-Reserves would prove harmful to service branches' retention efforts. Indeed, data indicates that education benefits play a minimal role in determining whether a National Guard or Reservist chooses to leave the military. Moreover, providing a high quality readjustment benefit may in fact prove to be a powerful recruiting incentive as National Guard and Reservists understand how important such readjustment assistance is to successfully transition from military service back to civilian life and the workforce.

Thank you Mr. Chairman.

Honorable Jeff Miller
Statement for the Record
Full Committee Hearing
March 15, 2006

Thank you, Mr. Chairman.

A great portion of this committee's work is geared toward paying a debt of gratitude to our servicemen and –women. Although we can never fully pay that debt, programs such as the Montgomery GI Bill can take us in the right direction.

It is clear that the benefit system for our veterans must remain flexible enough to keep up with the constantly changing nature of how our military and veteran community is structured. Our armed forces are different than they were 50 years ago- our National Guard and Reserves are sometimes called to serve in a different capacity than they were a generation ago.

I hope that the Department of Defense and the Department of Veterans' Affairs can become focused on the goal of providing the best educational assistance for our servicemembers. If seamless transition is to be an objective, then both agencies must keep mindful of what type of education will best serve active troops and as well as those separating from service. A clear goal will lead to a clear idea of what must be done, and from there they can determine how best to achieve that goal.

I welcome the testimony we are receiving today as an important step toward illuminating that goal, and look forward to the progress we will be able to make from here.

SILVESTRE REYES
16TH DISTRICT, TEXAS

COMMITTEE ON ARMED SERVICES
RANKING MEMBER
SUBCOMMITTEE ON STRATEGIC FORCES
SUBCOMMITTEE ON READINESS

COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

PERMANENT SELECT COMMITTEE
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STATEMENT OF CONGRESSMAN SILVESTRE REYES (TX-16)
On the Modernization of the Montgomery GI Bill

March 15, 2006

Mr. Chairman, let me begin by thanking the distinguished officials testifying before us here today. Their dedicated service provided to our servicemembers and veterans is commendable.

While the Montgomery GI Bill has been a great benefit to thousands of servicemembers looking to continue their education, today's servicemembers and veterans are having to meet new challenges. As many of us know, the Global War on Terrorism has increased the demand on our Armed Forces to include our Guard and Reserve personnel. We in Congress must now address the educational needs for Guard and Reserve members who have been called up for active duty. In addition, although Congress has been increasing the financial benefits covered under the GI Bill it is not keeping up with the rising cost of tuition.

As a Vietnam veteran and a member of the Armed Services and Veterans Affairs Committees, I have taken the responsibility to ensure the welfare of our servicemembers and veterans very seriously throughout my tenure in Congress. To this end, I have long supported legislation to provide the best available services such as the GI Bill. Our men and women in uniform deserve greater access to education to better prepare them for life after their service. I look forward to working with both the Armed Services and Veterans Affairs Committees to provide a GI Bill that would meet the needs of today's servicemembers.

Again, I would like to thank our witnesses for taking the time to be here with us today.

PRINTED ON RECYCLED PAPER

Rep. Corrine Brown
House Committee On Veterans' Affairs
Hearing On Modernizing The GI Bill
Wednesday, March 15, 2006, 10:30 A.M.
334 Cannon House Office Building

Thank you, Chairman Buyer and Mr. Evans, for holding this hearing and putting the focus on the Montgomery GI Bill for active duty, guard and reserve forces.

As **George Washington** said:

``The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their country."

This program is one way to show the soldier and future soldiers what they mean to us.

The Montgomery GI Bill was designed to aid in recruitment and retention for the All-Volunteer Force, and provide a "readjustment" benefit to active-duty servicemembers as they separate from military service.

I am concerned at the reduction in usage over the past few years in the education benefit.

Our military force is constantly being asked to change, to modernize, to transform itself for the 21st century.

The Montgomery GI Bill is now 21 years old. We need to find ways to make it relevant to today's citizen-soldier to use in the best way they deem fit.

The submitted testimony says the program is working well. It seems the soldier is telling us otherwise.

Yes, the changes may cost money, but every news report, and anecdotal evidence, suggests that recruitment and retention is not the ice cream sundae official reports make it out to be.

I would like some real answers and not that "everything is fine."

Thank you Mr. Chairman.

For the Record

Office of Congressman John Salazar
House Veterans' Affairs Committee Hearing
Education Benefits for the Total Military Force
Opening Statement
March 15, 2006

Thank you Mr. Chairman for holding this important hearing today. I know in my heart that every member of this committee is eager to start work on modernizing the GI Bill for our military men and women.

For years, the GI Bill has served our men and women in uniform well. It has helped countless veterans gain access to the higher education system in this country. In fact, I utilized the GI Bill after I returned from my Army service in the 1970's.

The face of our military is ever-changing according to the threats we face and where we are engaged in the world. Important changes to the benefit were made in the 1980's, but that was a different time and place. We were engaged in a Cold War with the Soviet Union. The Reserve component of our armed forces was not utilized to the extent they are today and the GI Bill reflects that.

This Congress had the foresight to make important steps towards recognizing the contributions the Reserve component makes to the force structure of our United States military. The addition of Chapters 1606 and 1607 of Title 10 improve access to GI Bill benefits for our Guard and Reservists, but in my opinion they do not go far enough.

I support opening up the GI Bill to truly update, modernize and provide greater flexibility to the education benefits extended to our military service personnel. I am eager to work with my colleagues in this committee, our friends in the Armed Services Committee, the Executive Branch and the military and veterans service organizations to accomplish this important goal.

Our men and women have earned the benefits granted them in the GI Bill; now it is time to ensure that the benefit reflects the structure of the force and that it is distributed equitably across the diverse group that makes up our Active Duty, Guard and Reserve components of the United States Military.

I look forward to hearing the testimony of the various military branches as well as the representative of the Secretary of Defense.

Again, Mr. Chairman, I thank you for holding this hearing. I look forward to our committee working hard on this issue. It is important to me, to my constituents and to our nation as a whole.

TESTIMONY
Of

THE HONORABLE THOMAS F. HALL
ASSISTANT SECRETARY OF DEFENSE
RESERVE AFFAIRS

BEFORE THE
HOUSE COMMITTEE ON VETERANS AFFAIRS

10:30 AM
MARCH 15, 2006

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Honorable Thomas F. Hall

Assistant Secretary of Defense for Reserve Affairs

Secretary Thomas F. Hall, a native of Barnsdall, Oklahoma, was sworn in as the fourth Assistant Secretary of Defense for Reserve Affairs on October 9, 2002. A Presidential appointee confirmed by the Senate, he serves as the principal staff assistant to the Secretary of Defense on all matters involving the 1.2 million members of the Reserve components of the United States Armed Forces. He is responsible for overall supervision of Reserve component affairs of the Department of Defense.

Secretary Hall is a retired two-star Rear Admiral having served almost 34 years of continuous active duty in the United States Navy. He is a distinguished and decorated Naval Aviator, who served a combat tour in Vietnam. He has performed in numerous high level staff, command, and NATO positions during his career. He commanded Patrol Squadron EIGHT, Naval Air Station Bermuda, and the Iceland Defense Force. His final military assignment was as the Commander/Director/Chief of Naval Reserve. His military awards include the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit, Air Medal, and various other personal and unit decorations. He was awarded the Order of the Falcon, with Commander's Cross, by the President of Iceland in recognition of his accomplishments and service as Commander Iceland Defense Force. In 2000, he was given the International Partnership Award for his service to the United States and Iceland. He has been inducted into the Oklahoma Military Hall of Fame. In 2003, he was given the National Service Award for Leadership by the Federal Law Enforcement Foundation. In 2004, he was given the National Citizenship Award by the Military Chaplains Association of the United States. In 2005, he was given the Admiral Jackson award by the Reserve Officers Association.

Secretary Hall attended Oklahoma State University for one year before entering the United States Naval Academy in Annapolis, Maryland. In 1963, he graduated from the Academy with a bachelor's degree in Engineering and was named as one of the top 25 leaders in his class, having commanded both the top Battalion and Company. He was, also, awarded the Brigade Intramural Sports Trophy. In 1971, he received a master's degree in Public Personnel Management from George Washington University. He graduated with highest distinction from the Naval War College; with distinction, from the National War College; and from the National Security Course at Harvard University. He was selected as a Fellow and served on the Chief of Naval Operations Strategic Studies Group.

Secretary Hall has served on the Boards of Directors of numerous nonprofit organizations that are supporting the needs of our veterans and citizens in general. Prior to returning to government service, Secretary Hall served as the Executive Director of the Naval Reserve Association for six years. The Naval Reserve Association is a 501 (c) (3) nonprofit veterans' organization that represents over 23,000 Naval Reserve officers, members, and their families.

Secretary Hall is married to the former Barbara Norman of Jacksonville, Florida. They have one son, Thomas David Hall.

Mr. Chairman and members of the Committee, thank you for giving me the opportunity to come before you this morning discuss the Montgomery GI Bill for the Selected Reserve (MGIB-SR) and the Education Assistance Program for Reserve Component Members Supporting Contingency Operations and Certain Other Operations, which we and the Department of Veterans Affairs refer to as the Reserve Education Assistance Program (REAP).

The MGIB-SR was established to encourage membership in units of the Selected Reserve. It has proven to be a very attractive recruiting tool, and its effectiveness as a retention tool is certainly equally important to the Reserve components. In combination with Kicker payments, which allow us to target specific, critical wartime skill shortages with additional benefit payments of up to $350 per month, the MGIB-SR is a very well known program among Reserve component members and has worked well in helping the components maintain achieve their strength requirements. The fact that a member must continue to serve in the Reserves to maintain eligibility has greatly assisted the Reserve components as a whole in maintaining consistently high retention rates over the years and has increased the education level of our Reserve force. The continued support of Congress for the MGIB-SR has provided the Department with a very powerful incentive to join the National Guard or Reserve as a member of the Selected Reserve and to continue membership beyond the initial service obligation period. Between 1984 and

2005, over 1,490,000 Selected Reserve members gained eligibility for MGIB-SR entitlement, and over 585,000, or 39 percent, have applied for educational assistance.

Thirty percent of Reserve component members who are currently eligible for the MGIB-SR benefits have applied for the benefit. This represents a two percentage point increase in the past two years. In Fiscal Year 2005, almost $195,000,000 in benefits were paid to 87,161 Selected Reserve members who were participating in the MGIB-SR program that year.

The program continues to fulfill its intended purposes. Four of the six Department of Defense Reserve components are meeting or exceeding their recruiting goals for 2006 in a very challenging recruiting environment, and attrition in all of the Reserve components is within acceptable limits and is very consistent with historic levels.

Improvements over the years have made the MGIB-SR even more attractive and useful. Thanks to Congressional action expanding the permissible use of benefits, over 12,000 Selected Reserve members now use MGIB-SR benefits in pursuit of masters and doctoral degrees. In the National Defense Authorization Act for Fiscal Year 2006, Congress provided authority to use MGIB-SR benefits up to $2,000 for licensing and certification tests. This program enhancement provides a strong encouragement for our Selected Reserve members to obtain certification in civilian skills that are of great value

to the military, and it assists our military members in obtaining civilian certification in skills learned and developed in the military to enhance their civilian employment opportunities.

We have not identified any significant shortcomings in the structure and utility of the MGIB-SR. In future studies, we wish to assess whether this benefit should be better linked to chapter 30 MGIB. Although we have met our total recruiting and retention needs for most years since the MGIB-SR was enacted, we believe we will continue to face challenges in our recruiting efforts in the foreseeable future.

In the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Congress, at the President's request provided the REAP program, which recognizes the significant active service participation of Reserve component members in the Global War on Terror. This authority supports the Department's efforts to focus new benefits and entitlements on those who are bearing the burden of mobilization. We sincerely appreciate Congress's support for the technical changes we requested last year to improve the program. At this time, we have not identified any further changes we need to make to this program.

The REAP program has been implemented and is working quite well. Under a memorandum of understanding between the Departments of Defense, Veterans Affairs and Homeland Security, payments under the program began in early December 2005. As

of February 24, 2006, the Department of Veterans Affairs has received 13,929 benefit claims, and paid 959 claims, for a total disbursement of over $1.54 million. Ongoing changes to electronic data systems will greatly improve the application process and accelerate the benefit delivery procedures.

Certainly almost any program can be improved, and we are interested, as this Committee is, in ensuring that the MGIB, and all voluntary education assistance programs, are robust and adequate to ensure that the Department of Defense and the United States Coast Guard can meet their human resource needs in the future. A joint Department of Defense and Department of Veterans Affairs working group is currently examining the possibility of a Total Force education benefit that would draw from the best attributes of the two MGIB programs and the REAP. We are actively participating in that forum, and we appreciate discussions that examine overall program performance and identify opportunities for improvement in education assistance programs that meet the needs of veterans and Reserve component members. As we work collaboratively and deliberately with the goal of program improvement, we need to stress that the veteran and reserve programs were designed for and serve different purposes. Both reserve benefits – the MGIB-SR program and the REAP – were designed as retention tools, to keep members serving in the Guard or Reserve; a benefit for continued service just like bonuses. The veteran benefit, although it can be used by someone still serving, was designed to assist members in transitioning to civilian life following service. As we examine the potential for a Total Force GI bill, we want to be certain that such a program

would encourage continued reserve membership as effectively as the current programs. Anything that could be viewed as changing the basic premise of the MGIB-SR and the REAP should be considered very carefully.

The MGIB-SR continues to be one of the most popular and effective Reserve component programs. Whether used alone, or in combination with other voluntary educational programs, the MGIB-SR is an important element in providing educational benefits to the men and women of the Reserve components and in meeting our manpower requirements. We recognize the importance that continuing education plays in the lives of our Guard and Reserve members.

I am pleased to report that 787 Reserve component members have achieved eligibility to enroll in the active duty MGIB as a result of being mobilized in support of the Global War on Terror and completing 24 continuous months of service, and they have made the $1,200 contribution required for the basic benefit. In addition, 593 Reserve component members who already held eligibility for active duty MGIB benefits have opted to increase their benefit by making an additional contribution. Combined with any MGIB-SR entitlement they may have, this active duty MGIB benefit may give these members a total of 48 academic months of education benefits.

However, with nearly 485,000 Guard and Reserve members mobilized since 9/11, a very small percentage of the force has met the 24 continuous month requirement to qualify for the active duty MGIB benefit.

Again, we believe that the Montgomery GI Bills under both chapter 1606 of title 10, United States Code, and chapter 30 of title 38, United States Code, continue to serve us well. Combined with the REAP under chapter 1607, they encourage service and permit us to recognize the increased contribution of our Reserve component members to worldwide military operations. We look forward to working with this committee and the Armed Services Committees of the House and the Senate to ensure that these programs remain robust. I would again like to thank the Committee for all you have done for our servicemembers. The Department of Defense appreciates this opportunity to discuss these important matters with you.

STATEMENT OF

MR. WILLIAM J. CARR

ACTING DEPUTY UNDERSECRETARY OF DEFENSE
(MILITARY PERSONNEL POLICY)

Before The
House Committee on Veterans' Affairs

ON

The Montgomery GI Bill

March 15, 2006

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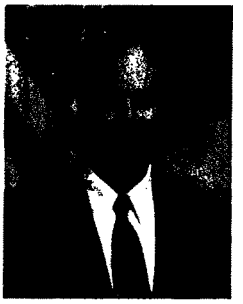
BILL CARR

Deputy Under Secretary of Defense
(Military Personnel Policy)

Office of the Under Secretary of Defense
Personnel and Readiness



Mr. Bill Carr is assigned to the Office of the Secretary of Defense, serving as the Deputy Under Secretary (Military Personnel Policy). He oversees recruiting, retention, compensation, and related human resource management for the 1.4 million active duty military members of the U.S. Armed Services.

A graduate of the United States Military Academy, Mr. Carr holds a Master of Science in Systems Management from the University of Southern California, and has completed postgraduate work (Senior Officials in National Security) at the Kennedy School of Government, Harvard University.

Mr. Carr's 20-year military career was performed in the field of military personnel management, including service as Chief of Enlisted Management for Army forces in Korea; he also served with the U.S. Army Military Personnel Center as enlisted strength and readiness manager for the Pacific -- Korea, Panama, Hawaii -- and as officer accession manager for Department of the Army. Mr. Carr worked with Armed Forces recruiting as commander of the Defense activity managing recruit-eligibility screening for Hawaii and the Pacific region.

Mr. Carr authored the Secretary of Defense's 1990 report to Congress defining the Department's goals and strategies for accomplishing then-forthcoming military manpower reductions, along with the legislation needed to execute those reductions. He also led the Department's review of aviator management, and authored the report to Congress outlining program deficiencies and legislation -- subsequently enacted -- to address pressing pilot shortages. Mr. Carr also authored the Department's comprehensive review of Armed Forces Quality of Life -- compensation, housing, and support -- culminating in Defense reprogramming ($2.7 billion; six years) to accomplish the reforms outlined in that review.

Accomplishments include award of the Defense Superior Service Medal, the Defense Civilian Career Service Award, and selection as one of the Outstanding Young Men of America. He and his wife, Chris, reside in Alexandria, Virginia.

INTRODUCTION

Good morning Mr. Chairman and members of the Committee. I am pleased to appear before you today to discuss a cornerstone of our military recruiting efforts, the Montgomery GI Bill (MGIB). There is little doubt that the MGIB has met or even exceeded the expectations of its sponsors when it was enacted, and has been a major contributor to the success of the All-Volunteer Force.

The original "GI Bill of Rights," created at the end of World War II, gave returning Servicemembers a comprehensive package of benefits to compensate for opportunities lost while in the military, and to ease their transition back into civilian life. The noted economist, Peter Drucker described the GI Bill by saying, "Future historians may consider it the most important event of the 20th century." Perhaps the most far-reaching provision of the GI Bill was the financial assistance it made available for veterans to attend college. The GI Bill offered returning Soldiers, Sailors, Airmen, and Marines payment of tuition, fees, books, and supplies, along with a living stipend, at the educational institution of the veteran's choice.

Today's Montgomery GI Bill traces its lineage directly to this milestone program, with one important change. While all earlier GI Bill programs were designed to ease the transition to civilian life from a conscripted military force, since 1973 we have defended this nation with a volunteer force. Thus, the MGIB has as one of its purposes, *"to promote and assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces by establishing a new program of educational assistance based upon service on active duty or a combination of service on active duty and in the Selected Reserve to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces."*

For today's hearing, I will limit my comments to the Active Duty Components and their MGIB entitlements contained in title 38, U.S. Code. My colleague, Secretary Hall will cover the Reserve Components and the chapter 1606/1607, title 10 U.S. Code, education assistance programs.

THE MONTGOMERY GI BILL

In assessing the current MGIB program it is important to note that education benefits are vital to our recruiting efforts. "Money for college" consistently ranks among the major reason young men and women give for enlisting. Enrollment in the active-duty MGIB program has risen from only 50 percent in its first year, 1985, to nearly 97 percent today. A total of 2.8 million men and women, from an eligible pool of 3.8 million, have chosen to participate in the MGIB since its implementation on July 1, 1985. Such enrollment rates demonstrate the attractiveness of the Montgomery GI Bill.

Today, the Services are facing stiff challenges to recruiting. The number of graduates who are pursuing post-secondary education right out of high school is at an all-time high, and young people are finding that financial assistance to attend college is available from many sources. While few of those sources match the benefits of the MGIB, neither do these sources require young men and women to delay their education for a term of military service or possibly place themselves in harm's way. The MGIB benefit should be sufficient to offset the commitment and sacrifices associated with military service. The current MGIB program continues to serve the Active Components of the military well. It is our belief that there are no significant shortcomings to the program from our perspective.

THE TOTAL FORCE GI BILL

In addition, you asked that we present our views on the Total Force GI Bill concept as proposed by the Secretary on Veterans Affairs Advisory Committee on Education and the Partnership for Veterans Education. Our staff has been working diligently with staff at the Department of Veterans Affairs as part of a special task force reviewing these initiatives. It would be a bit premature for us to take a position pending the recommendations of that task force. However, it appears clear that these initiatives will have a much more profound impact on the Reserve Components than on the Active Components. There are many issues that must be considered by this task force which will affect both the recruiting and retention of our forces. While I understand the importance and interest in these efforts, I believe it will serve us well to wait to evaluate the task force's findings before taking a firm position.

CONCLUSION

Today, the volunteer military stands ready, willing, and able to defend our great nation, as well as its values and principles. Credit for our success in attracting high-quality people to serve in uniform belongs in large measure to Congress and to your Committee for providing military members with the benefits embodied in the MGIB program. Few areas, if any, are more important to the Secretary of Defense and the Services than recruiting and retention. We recognize our duty to man the All-Volunteer Force with high-quality, motivated, and well-trained men and women. The MGIB education benefit has been a major contributor to recruiting achievements over the past 20 years. It is our hope that any changes to this program, if enacted, would significantly enhance that benefit as a recruiting incentive without a detrimental impact on long-term retention. As we move into the 21st Century, we must continue to build on the remarkable legacy of the visionaries who crafted preceding versions and improvements in the GI Bill. I thank this Committee for its dedicated support to the men and women who currently serve, and those who have served, our great nation.

RECORD VERSION

STATEMENT by
LTG JAMES R. HELMLY
CHIEF, ARMY RESERVE
and
COMMANDING GENERAL
UNITED STATES ARMY RESERVE COMMAND

before the

COMMITTEE on VETERANS' AFFAIRS
UNITED STATES HOUSE of REPRESENTATIVES

Second SESSION, 109TH CONGRESS

EDUCATION BENEFITS for the

TOTAL MILITARY FORCE

March 15, 2006

NOT for PUBLICATION
until RELEASED by the
COMMITTEE on VETERANS' AFFAIRS

LIEUTENANT GENERAL JAMES R. HELMLY

Chief, Army Reserve;
Commanding General,
U.S. Army Reserve Command

Lieutenant General James R. Helmly was confirmed by the U.S. Senate for promotion to lieutenant general and appointment as the Chief, Army Reserve, March 21, 2002. He took command of the U.S. Army Reserve Command on May 3, 2002, and became the Chief, Army Reserve, on May 25, 2002. His promotion to three star rank was effective on May 25, 2002.

Lieutenant General Helmly, a Vietnam combat veteran, was most recently assigned as the Commanding General of the 78th Division (Training Support), headquartered in Edison, NJ.

He served as the Deputy Chief, Army Reserve, Washington, DC, from June 1995 to June 1999. From June 1999 to August 1999, he served as the commander of the joint task force conducting Operation PROVIDE REFUGE at Fort Dix, NJ. Until taking command of the 78th Division in May 2001, he was the Military Assistant, Manpower and Reserve Affairs (Individual Mobilization Augmentee), Office of the Assistant Secretary of the Army, Washington, DC, from October 1999 to May 2001.

Lieutenant General Helmly entered the Army as an enlisted soldier in 1966 and received his commission through Officer Candidate School in 1967.

He served on Active Duty from 1966 to 1973 in a variety of company- and battalion-level assignments, to include two tours in Vietnam with the 101st Airborne Division and command of an infantry company in Panama.

As an Army Reserve Soldier, Lieutenant General Helmly has held logistics and operations positions in the 87th Maneuver Area Command and the 81st Army Reserve Command (ARCOM). He commanded the 352nd Maintenance Battalion in Macon, GA, and the 449th Area Support Group in Forest Park, GA. He was also the Deputy Chief of Staff for Training and the Deputy Chief of Staff for Personnel of the 81st ARCOM.

His military education includes the Infantry Officer Basic and Advanced Courses, the Command and General Staff College, the Armed Forces Staff College and the Army War College. He has a bachelor's degree in liberal studies from the State University of New York in Albany.

Among his numerous awards and decorations are the Distinguished Service Medal, Legion of Merit with one Oak Leaf Cluster, Bronze Star with Valor Device and three Oak Leaf Clusters, Meritorious Service Medal with silver Oak Leaf Cluster, Army Commendation Medal with four Oak Leaf Clusters, Combat Infantryman Badge, Parachutist Badge, Army Staff Identification Badge and Ranger Tab. He was inducted into the Infantry Hall of Fame in 1996.

At the time of his selection, in his civilian occupation, Lieutenant General Helmly was serving as the Assistant Deputy Chief of Staff for Operations at the Total Army Personnel Command, Alexandria, VA. Prior to becoming the Deputy Chief, Army Reserve, in 1995, he was a civilian supervisory program analyst at Headquarters, U.S. Army Forces Command, Fort McPherson, GA. He has twice been awarded the Meritorious Civilian Service Medal.

Written Testimony of the Chief of the Army Reserve

To The House Committee on Veterans' Affairs

15 March 2006

Mr. Chairman and members of the Committee, good morning. I am Ron Helmly, an American Soldier. I am honored to appear before you to discuss education benefits, especially the Montgomery GI Bill for the Selected Reserve (MGIB-SR), and the proposed Total Force GI Bill.

Since September 11, 2001, the Army Reserve has mobilized more than 149,000 Soldiers, and nearly 40,000 are on Active Duty today. They have served magnificently – with courage, professionalism and a profound dedication and commitment to this nation. However, the continuous state of mobilization in the Global War on Terror has presented some challenges to us in manning the force. So far in Fiscal Year 06 (through the end of January) we are achieving 95% of our reenlistment goal and we are achieving 99% of our recruiting goal. We are meeting the challenge of manning our force. But clearly we must continue to concentrate on strength management.

Certainly, educational benefits, especially the Montgomery GI Bill, continue to be among the most important benefits to our Soldiers, so I welcome this opportunity to discuss them today.

Recruiting and retention incentives and the authorities governing their use need to be evaluated regularly to ensure they remain effective. Educational benefits continue to be among our most important recruiting and retention tools.

We are highly supportive of this committee's efforts to ensure that the educational benefits, particularly the Montgomery GI Bill for the Selected Reserve, continue to provide the benefits that our Soldiers desire and deserve.

The Montgomery GI Bill for the Selected Reserve has continued to be a functional tool in our recruiting and retention arsenal. However, the cost of college education has risen over the past ten years, and there now is a disparity in the dollar amount for the Active Component's Montgomery GI Bill (Chapter 30) and the MGIB for the Selected Reserve (Chapters 1606 and 1607).

While the Chapter 30 Montgomery GI Bill pays up to $1034 monthly, the Montgomery GI Bill-Selected Reserve pays only a maximum of $297 monthly.

Currently MGIB-SR (Chapter 1606) authorizes Army Reserve Soldiers to receive monthly benefits up to $297 per month. Tier Two of the Total Force MGIB proposes an increase proportionate to the Active Duty rate. The Central Office of Veterans Affairs has defined "proportionate" as 35% of the Active Duty rate. This would raise the monthly amount authorized for the Reserve Components to $362, a net gain to the Army Reserve Soldier of $65.

There are several concerns with the Total Force MGIB.

The first involves Tier 3 of the Total Force MGIB. That tier disadvantages Soldiers who do not qualify for benefits under Tiers 1 and 2. Under the Total Force MGIB, certain Soldiers would qualify for benefits for only the duration of time spent on active duty; current rules allow those Soldiers benefits for 36 months.

Soldiers who would be affected include:

- Soldiers who are no longer eligible for Chapter 1606 because they left the Selective Reserve due to separation.
- Soldiers who transferred to the Individual Ready Reserve for more than a year, or multiple times.
- Soldiers who have not met the basic eligibility requirements for Chapter 1606.
- Prior active duty Soldiers who are ineligible for Chapter 30 or Chapter 1606.

The second concern involves the 24-month "consecutive" month requirement. Under current mobilization policies, relatively few Army Reserve Soldiers have met the 24 consecutive month requirement to qualify for the active duty MGIB benefit.

Finally, I would say the importance of educational benefits to all of our Armed Forces cannot be overestimated, and I encourage all efforts to ensure they are as robust and effective as possible. Our Soldiers sacrifice every day, putting their lives on the line because they believe in a cause greater than themselves. As a Nation, in return for their outstanding service, we owe them the prospect of a better life that a college education provides.

Once again, I thank you for your support to our dedicated Soldiers who continue to perform magnificently in the most challenging of circumstances.

I now look forward to your questions.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: **Education Benefits for the Total Military Force**

STATEMENT OF: **Lieutenant General John A. Bradley**
Chief of Air Force Reserve

March 15, 2006

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

BIOGRAPHY

UNITED STATES AIR FORCE

LIEUTENANT GENERAL JOHN A. BRADLEY

Lt. Gen. John A. Bradley is Chief of Air Force Reserve, Headquarters U.S. Air Force, Washington D.C., and Commander, Air Force Reserve Command, Robins Air Force Base, Ga. As Chief of Air Force Reserve, he serves as principal adviser on Reserve matters to the Air Force Chief of Staff. As Commander of Air Force Reserve Command, he has full responsibility for the supervision of all U.S. Air Force Reserve units around the world.

General Bradley was born in Lebanon, Tenn. He was commissioned in 1967 after completing the Air Force ROTC program as a distinguished graduate at the University of Tennessee at Knoxville.

As a fighter pilot, General Bradley flew 337 combat missions in Vietnam. He has commanded a fighter training squadron, fighter group, fighter wing and numbered air force. He also served as Deputy to the Chief of the Air Force Reserve and as the Deputy Commander of Joint Task Force - Computer Network Operations. Before assuming his current position, General Bradley was Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters. The general is a command pilot with 6,900 flying hours in the T-38, A-37, A-10, F-4 and F-16.

EDUCATION

1967 Bachelor of Science degree in mathematics, University of Tennessee at Knoxville
1978 National Security Management Course, by correspondence
1996 Program for Senior Executives in National and International Security, John F. Kennedy School of Government, Harvard University, Cambridge, Mass.
2000 National Security Leadership Course, Maxwell School of Citizenship and Public Affairs, Syracuse University, N.Y.

ASSIGNMENTS

1. September 1967 - February 1969, mathematician and program analyst, Headquarters Strategic Air Command, Offutt Air Force Base, Neb.
2. February 1969 - March 1970, student, Undergraduate Pilot Training, Sheppard AFB, Texas
3. March 1970 - July 1970, A-37 pilot combat training, England AFB, La.
4. July 1970 - August 1971, A-37 fighter pilot, 8th Special Operations Squadron, Bien Hoa Air Base, South Vietnam
5. August 1971 - April 1973, T-38 instructor pilot, 50th Flying Training Squadron, Columbus AFB, Miss.
6. April 1973 - September 1978, A-37 instructor pilot, 47th Tactical Fighter Squadron, Barksdale AFB, La.
7. September 1978 - February 1981, chief of standardization and evaluation, 917th Tactical Fighter Group, Barksdale AFB, La.
8. February 1981 - August 1983, assistant operations officer, later, operations officer, 47th Tactical Fighter

Squadron, Barksdale AFB, La.
9. August 1983 - July 1985, Deputy Commander for Operations, 917th Tactical Fighter Group, Barksdale AFB, La.
10. July 1985 - December 1988, Commander, 924th Tactical Fighter Group, Bergstrom AFB, Texas
11. December 1988 - July 1989, Deputy Chief of Staff for Operations, 10th Air Force, Bergstrom AFB, Texas
12. July 1989 - January 1993, Commander, 442nd Fighter Wing, Richards-Gebaur AFB, Mo.
13. February 1993 - February 1998, Deputy to the Chief of Air Force Reserve, Headquarters U.S. Air Force, Washington, D.C.
14. February 1998 - March 2002, Commander, 10th Air Force, Naval Air Station Joint Reserve Base, Fort Worth, Texas
15. March 2002 - December 2002, Deputy Commander, Joint Task Force-Computer Network Operations, U.S. Space Command, Arlington, Va.
16. December 2002 - June 2004, Assistant to the Chairman, Joint Chiefs of Staff for Reserve Matters, the Pentagon, Washington, D.C.
17. June 2004 - present, Chief of Air Force Reserve, Headquarters U.S. Air Force, Washington D.C., and Commander, Air Force Reserve Command, Robins Air Force Base, Ga.

FLIGHT INFORMATION
Rating: Command pilot
Flight hours: 6,900, including 337 combat missions
Aircraft flown: T-38, A-37/B, A-10, F-4/D/E (ARN-101) and F-16C

MAJOR AWARDS AND DECORATIONS
Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit
Distinguished Flying Cross
Defense Meritorious Service Medal
Meritorious Service Medal with oak leaf cluster
Air Medal with three silver oak leaf clusters
Air Force Commendation Medal
Air Force Achievement Medal
Joint Meritorious Unit Award with three oak leaf clusters
Air Force Outstanding Unit Award with "V" device and silver and bronze oak leaf clusters
Air Force Organizational Excellence Award
Combat Readiness Medal with silver and bronze oak leaf clusters
National Defense Service Medal with two bronze stars
Armed Forces Expeditionary Medal
Vietnam Service Medal with three bronze stars
Southwest Asia Service Medal with bronze star
Global War on Terrorism Service Medal
Armed Forces Service Medal
Humanitarian Service Medal
Air Force Overseas Ribbon-Short
Air Force Longevity Service Award Ribbon with silver and three bronze oak leaf clusters
Armed Forces Reserve Medal with "M" device and Hourglass
Small Arms Expert Marksmanship Ribbon with bronze star
Air Force Training Ribbon
Republic of Vietnam Gallantry Cross with Palm and silver oak leaf cluster
Republic of Vietnam Campaign Medal
Kuwait Liberation Medal (Government of Kuwait)

OTHER ACHIEVEMENTS
2002 Presidential Meritorious Executive Rank Award

EFFECTIVE DATES OF PROMOTION
Second Lieutenant Aug. 23, 1967
First Lieutenant March 15, 1969
Captain Sept. 15, 1970
Major June 7, 1979

Lieutenant Colonel Sept. 30, 1984
Colonel July 1, 1988
Brigadier General Aug. 12, 1992
Major General June 30, 1999
Lieutenant General June 24, 2004

(Current as of August 2005)

Mr. Chairman, and distinguished members of the Committee, I appreciate the opportunity to appear before you today. I want to thank you for drawing attention to education benefits for the Selected Reserve (SelRes) as it is addresses vital recruiting issues and encourages retention. Last year the Armed Services Committee made a change for the Reserve Components (RC) to Title 10, Chapter 1606, allowing education benefits to be used for licensing or certification test fees in the amount of $2,000 or the fee charged for the test, whichever is less. Another change was made Title 10 USC, Chapter 1607, to clarify "...that the Secretary of Veterans Affairs prescribes the manner and form of election of benefits, and provides an exception to the immediate termination of assistance for members of the Selected Reserve who incur a break in service of not more than 90 days if the member continues to serve in the Ready Reserve."
The passage of those provisions was a result of problems identified with mobilized members and sends a clear message to our Citizen Airmen that Congress is concerned about their issues.

EDUCATION BENEFITS FOR THE TOTAL MILITARY FORCE

Our armed forces have had military education benefits for over 60 years. It originally was offered to assist returning World War II veterans with a means for transitioning back into civilian life. It was expanded to one that would help the services increase recruiting and retention efforts as well as the education level of service members. It first became a tool for the Reserve Components in 1984.

The 2001 National Survey of Veterans (http://www.va.gov/vetdata/ProgramStatics/index.htm) (page 7-9) listed five categories of education benefits and the most recent category, passed into law in 2006, is included.

- In 1944, the **Serviceman's Readjustment Act** (P.L. 78-346) provided World War II (WWII) veterans with up to 4 years of education or training assistance, including tuition, books, fees, supplies, and subsistence allowance. This program ended July 25, 1956.
- In 1952, the **Veterans' Readjustment Assistance Act** (PL 82-550), directed at Korean War veterans, reduced financial benefits and imposed new restrictions on veterans using the benefit. Veterans were permitted a maximum of 36 months of education/training and were expected to pay tuition costs out of subsistence allowances. This program ended on January 31, 1965.
- In 1966, the **Veterans' Readjustment Benefits Act** (P.L. 89–358)(38 U.S.C., Chapter 34) provided Vietnam and Vietnam-era veterans one month (and later 1½ months) of educational benefits for each month of service up to a maximum of 45 months. This program ended on December 31, 1989.
- In 1977, the **Post-Vietnam Era Veterans Educational Assistance Program** (VEAP) (P.L. 94-502) (38 U.S.C., Chapter 32) provided 2:1 matching funds to service members for their contributions to an education fund. The Veterans' Benefits Improvement Act of 1996 (P.L. 104-275) allowed VEAP members to convert to MGIB by October 8, 1997.
- In 1984, the **Veterans Educational Assistance Act** (P.L. 98-525)(38 U.S.C., Chapter 30/10 U.S.C., Subtitle E, Chapter 1606) popularly known as the Montgomery G.I. Bill (MGIB), provided educational assistance in exchange for completing 3 years of active duty or 2 years of active duty and 4 years in the reserve. The service member was also required to contribute to an educational fund. Full-time Guard and Reserve may qualify for the Active Duty benefit. The

Selected Reserve began receiving education benefits as a 3-year trial program that was subsequently made permanent in Public Law 100-48, "The New G.I. Bill Continuation Act".

- In 2004, the **Reserve Education Assistance Program** (REAP) (P.L. 108-375)(10 U.S.C., Chapter 1607) provided education benefits available to certain individuals who were activated on or after September 11, 2001.

The survey verified the importance of an education benefit for enlistment purposes.

> "Approximately 67 percent of veterans who had used VA educational and training benefits indicated that these benefits were either extremely or very important in helping them meet their educational or career goals (Table 7-13). When veterans' responses were examined across a period of service, the percentage of veterans emphasizing the importance of these benefits to achieving their goals steadily increased to a high of 80 percent among Gulf War veterans. This reflects enlistment incentives promulgated in recent years, which have encouraged people to volunteer by emphasizing the education benefits they can obtain through military service. (page 7-10)"

The Air Force Reserve was able to recruit up to 80 percent of individuals with prior service and even though this has dropped down to approximately 65 to 75 percent in the last few years, it still represents that a majority of the Reserve force may use their active duty education benefit. According to the FY2002 Annual Accountability Report Statistical Appendix (http://www.va.gov/vetdata/ProgramStatics/index.htm), 85,766 (19.9 percent) Reserve component members use Title 10, U.S.C., Chapter 1606 benefits. This supports

the assumption that non-prior service personnel are still attracted to enlist in the Reserve Components for the Montgomery G.I. Bill for Selected Reserve.

LEGISLATION

The committee hearing letter indicated concern over the growing difference between Title 38 and Title 10 education programs. The chart below shows the main differences.

Montgomery G.I. Bill Differences between Regular Component and Reserve Programs

BENEFIT	MGIB	MGIB-REAP	MGIB-SR
Full-Time Rates Per Month (depending on program)	$840.00 to $1034.00	$413.00 to $827.00	$252.00 to $297.00
Contributing Share	$1200.00	None	None
Time to Use Benefit	In general, members who separate or retire have up to 10 years	Must be used in a participating status with the Selected Reserve however, up to 14 years if discharged for a disability one may retain his/her eligibility	Must be used in a participating status with the Selected Reserve, however, up to 14 years if discharged for a disability one may retain his/her eligibility

Both the Regular Component and Montgomery G.I. Bill Selected Reserve (MGIB-SR) programs cover 36 months of fulltime education and prorate the benefit for less than fulltime attendance. It is possible by combining other programs to receive education benefits beyond 36 months.

The fulltime monthly rates for the newest Selected Reserve education benefits under Title 10, Chapter 1607 are:

- $413.60 for a reservist mobilized at least 90 days, but less than 1 year

- $620.40 for a reservist mobilized at least 1 year, but less than 2 years
- $827.20 for a reservist mobilized for at least 2 years

The Montgomery G.I. Bill originally established Reserve education benefits at 48 percent of the regular component benefit. Regular Component benefits have increased over time with the result that the Reserve benefit has fallen to approximately 27 percent.

RECRUITING AND RETENTION

Education benefits and programs play a significant role in attracting recruits, as well as helping retain current members. However, the successful attainment of recruiting and retention goals is the result of a mix of incentives, compensation, benefits, and a variety of quality of life initiatives. Thus, it is difficult to take one factor and determine its specific impact, especially in areas as dynamic as recruiting and retention. What we do know is that the broad range of education benefits to include the MGIB-SR and Kicker provide us an important tool set for our recruiting and retention efforts.

We have gathered information to help us better gauge the importance our members place on their education benefits. According to the 2004 Status of Forces Survey of Reserve Component Members only 14 percent of the respondents stated education benefits affected their continuation decision. Approximately half of the USAFR enlisted rated education benefits number nine out of seventeen factors with pay and allowances, military retirement system, and pride in country as the top three factors. Conversely, it was no surprise that education benefits rated in the lowest group for officers, as they come into the Reserve possessing a college degree. Out of all of the Reserve Components the most likely groups to rate education benefits high came from E1-E4s, and then females and minorities. Interestingly, individuals who were deployed were least

likely to rate education benefits high compared to those individuals who were non-prior service, employed part-time or students.

The most important change to education benefits that will affect meeting retention and readjustment goals is the establishment of the Reserve Education Assistance Program. This program recognizes our reservists who have been mobilized in support of contingency operations and also serves as a valuable tool to retain personnel in the Selected Reserve. This program is too new to ascertain the exact effect.

Some recommendations to increase the retention factor with education benefits for the Reserve Components would be to allow individuals who enlist for less than six years, the opportunity to extend their enlistment in the second year for a total of six years. For example, individuals who enlist for three years could agree to extend their contract for another three years to achieve a total of six years, thereby earning MGIB-SR benefits.

TOTAL FORCE GI BILL PROPOSAL

Thank you for the opportunity to present our views on the Total Force GI Bill concepts. The Veterans Affairs Advisory Committee identified several areas they felt were needed in the education program: MGIB needs to support recruitment and retention, readjustment to civilian life, proportionality of benefits for service rendered, and ease of administration. As it applies to the Air Force Reserve, the first three issues are being met and have been met for some time. The ease of administration has certainly taken giant steps forward with the Veterans' Administration converting to an on-line application. Their newly designed website has put far more emphasis on the Selected Reserve education benefits, and browsing for information is more intuitive. The recommendation to develop a tiered system has merit but insufficient information was provided on how it

would be administered. The recommendation for the Selected Reserve was to establish a Tier Two program for non-prior service with six years of service proportional to the Regular Component rate. However, the proportions were not provided. The final area for recommendation was in the period of use. The group recommended Reserve Component members would have 10 years from separation only if for disability or from last date of service if qualified for a reserve retirement at age 60. Currently the law allows 14 years from separation if for disability or from last date of service if qualified for a reserve retirement at age 60. As it is now, the Air Force Reserve contributes to the education accrual account but very few members are able to use the education benefit. We also have some reservations considering the Tier Three proposal. All members, at one point, would have been eligible for either Tier One or Tier Two benefits. Additionally, any Tier Three benefit not tied to SelRes participation would not serve the retention needs of the Reserve Components.

CLOSING

I would like to close by offering my sincere thanks to each member of this Committee for your continued support and interest in the education incentive available for Air Force Reservists. The time has come to look at how the Montgomery G. I. Bill can be used as a Total Force incentive. This is my first opportunity to testify to your committee and I know you are on the right path in establishing a stronger, more focused, force. It is a force no longer in Reserve, but integrated into every mission of the Air Force.

STATEMENT OF

LIEUTENANT GENERAL JOHN W. BERGMAN

COMMANDER

MARINE FORCES RESERVE

BEFORE THE

HOUSE VETERANS AFFAIRS COMMITTEE

ON

EDUCATION FOR THE TOTAL FORCE

9 MARCH 2006

Lieutenant General USMC Reserve

John W. Bergman

Commander, Marine Forces Reserve/Marine Forces North

Lieutenant General Bergman was commissioned a second lieutenant in the Marine Corps Reserve under the Platoon Leader School program after graduation from Gustavus Adolphus College in 1969. In addition to attaining an M.B.A. degree from the University of West Florida, his formal military education includes Naval Aviation Flight Training, Amphibious Warfare, Command & Staff, Landing Force Staff Planning (MEB & ACE), Reserve Component National Security, Naval War College Strategy & Policy, Syracuse University National Security Seminar, Combined Forces Air Component Command, LOGTECH, and CAPSTONE.

He flew CH-46 helicopters with HMM-261 at Marine Corps Air Station, New River N.C. and with HMM-164 in Okinawa/Republic of Vietnam. Assigned as a flight instructor, he flew the T-28 with VT-6, NAS Whiting Field FL. He left active duty in 1975 and flew UH-1 helicopters with the Rhode Island National Guard, Quonset Point R.I. Following a 1978 civilian employment transfer to Chicago Ill., he served in several 4th Marine Aircraft Wing units at NAS Glenview Ill. (HML-776, flying the UH-1; VMGR-234, flying the KC-130; and Mobilization Training Unit IL-1). He was selected to stand up the second KC-130 squadron in 4th MAW and, in 1988, became the first Commanding Officer, VMGR-452, Stewart ANGB, Newburgh N.Y. 1992-1994 he commanded Mobilization Station, Chicago Ill., largest of the 47 Marine Corps Mobilization Stations.

During 1995 he served as a Special Staff Officer at Marine Corps Reserve Support Command, Overland Park Kan. In 1996 he became Chief of Staff/Deputy Commander, I Marine Expeditionary Force Augmentation Command Element, Camp Pendleton Calif. Late 1997, he transferred to 4th Marine Aircraft Wing Headquarters, New Orleans La. to serve as Assistant Chief of Staff/G-1. Promoted to Brigadier General, he became Deputy Commander, 4th Marine Aircraft Wing.

Transferred in June 1998 to Headquarters, Marine Forces Europe, Stuttgart Germany he served as Deputy Commander. Recalled to active duty from April to July 1999, he was dual-hatted as EUCOM, Deputy J-3A. He then commanded II Marine Expeditionary Force Augmentation Command Element, Camp Lejeune N.C. until assuming command of 4th Marine Aircraft Wing, New Orleans La. in August 2000. In September 2002 he assumed command of the 4th Force Service Support Group, New Orleans La. He, also, served as Chairman, Secretary of the Navy' Marine Corps Reserve Policy Board, 2001- 2003.

Returning to active duty in October 2003, he served as Director, Reserve Affairs, Quantico, VA. He assumed command of Marine Forces Reserve/Marine Forces North on 10 Jun 2005.

Lieutenant General Bergman's personal decorations include the Defense Meritorious Service Medal, Single Mission Air Medal with Combat "V" and Air Medal with numeral "1".

Chairman Buyer, Congressman Evans, and distinguished Members of the Subcommittee, it is my honor to speak with you today about the recently proposed legislative changes to Title 10, specifically Chapters 1606 and 1607. Respectfully, I would also like to take this opportunity to discuss possible issues relative to both chapters of Title 10 that would enhance support for the Continuum of Service concept.

This year marks the fifth year that our reserve component has augmented and reinforced our active component in support of the Global War on Terror. Thanks to strong Congressional support, the Marine Corps currently continues to recruit and retain the best young men and women that our Nation has to offer. The majority of young men and women who join our Reserve component are seeking intellectual and physical challenges that will lead to self-improvement. Reserve education benefits provide a strong incentive for individuals seeking higher education who may otherwise not be able to afford the opportunity. After committing to our Corps and completing initial training requirements our Marines continue to challenge themselves and to seek self-improvement. The Reserve education benefits offered under Title 10 provide the financial foundation from which Marines seek the intellectual challenges for self-improvement and the benefits in turn serve as substantial retention tools. The education benefits that Congress provides ultimately serve to train our Marines in fields and skills that enhance their ability to support the Corps' warfighting efforts and serve their local communities.

The value of the Reserve component Title 10 MGIB benefit (Chapter 1606) relative to the active duty Title 38 MGIB benefit (Chapter 30) has decreased since its initial implementation. The Department of Defense and the Department of Veterans

Affairs have formed a task force to review the "Total Force" proposals. It would be a bit premature for us to take a position pending the recommendations of that task force.

The recent enactment and implementation of Chapter 1607 education benefits has significantly enhanced the ability of our Marines to continue their pursuit of higher education after return from activation in support of the Global War on Terror. The current manner by which Chapter 1607 education benefits are earned is based upon the time a Reserve member is activated. The benefit, as currently structured, is equitable and serves as an excellent tool to retain battle trained and experienced Marines. This proposal will reduce the period of education benefits paid to many Marines post-activation from 36 months of guaranteed assistance to one year or less. Changing the current qualification standards of Chapter 1607 would also decrease the monetary benefit received by many Marines and in many cases, eliminate Chapter 1607's usefulness as a retention tool. Examples of the potential loss of Chapter 1607 benefits are listed in the enclosed table.

1607 vs. Tier III Benefit Comparison

Qualifying Criteria	**1607**(current)	**Tier III** (proposed)	**Loss of benefits**	**Loss in retention**
90 days	$413.60 x 36 mos = **$14889**	$1,034 x 3 mos = **$3,102**	**$11,787**	**33 mos**
1 yr	$620.40 x 36 mos = **$22,334**	$1,034 x 1 yr = **$12,408**	**$9,926**	**2 yrs**
2 yrs	$827.20 x 36 mos = **$29,779**	$1,034 x 2 yrs = **$24,816**	**$4,963**	**1 yr**

The Marine Corps Reserve continues to recruit and retain quality men and women willing to serve in our military and help our nation fight the Global War on Terror. These men and women do so while maintaining their commitments to their families, their

communities and their civilian careers. These varied commitments, coupled with the frequently changing circumstances associated with their responsibilities, often necessitates a temporary drop from the Selected Reserve to the Inactive Ready Reserve. As currently written, a military member who drops from the Selected Reserve to the Inactive Ready Reserve suffers a permanent loss of their Chapter 1607 benefits

The long-term success and sustainability of our Reserve Force is directly related to our ability to recruit and retain men and women of high quality and character. With the continued assistance and support from Congress in the area of education benefits we will continue to recruit and retain a quality Reserve Force that will both serve our nation in the Global War on Terror as well as benefit our local communities.

PASSBACK

UNCLASSIFIED

STATEMENT BY

MAJOR GENERAL RONALD G. YOUNG
DIRECTOR, MANPOWER AND PERSONNEL
NATIONAL GUARD BUREAU

BEFORE THE

HOUSE COMMITTEE ON VETERANS AFFAIRS

SECOND SESSION, 109TH CONGRESS

ON
EDUCATION BENEFITS FOR THE TOTAL MILITARY FORCE

MARCH 15, 2006

UNCLASSIFIED

STATEMENT BY
MAJOR GENERAL RONALD G. YOUNG
DIRECTOR, MANPOWER AND PERSONNEL
NATIONAL GUARD BUREAU

Thank you for the opportunity to speak to you today about the educational programs available to the National Guard. The National Guard is a balanced force which operates across the full spectrum of military engagement from close order combat to military support to civil authorities, and the Montgomery GI Bill remains a vital part of recruitment and retention of that force. The Montgomery GI Bill—Selected Reserve (Chapter 1606 of 10 U.S.C.) has been a cornerstone of National Guard recruitment and retention and has been greatly expanded by the addition of the Reserve Education Assistance Program (Chapter 1607 of 10 U.S.C.).

The Montgomery GI Bill has been instrumental in building and maintaining our Guard and Reserve forces.

Your committee is currently considering some proposed "Total Force Montgomery GI Bill" concepts which would increase the rate under the Montgomery GI Bill-Selected Reserve.

As the Montgomery GI Bill process currently works, Service members must make an irrevocable election choosing which program they want their military service to count towards. This should be an automatic process that is

seamless and transparent to the Service member. For example, the benefit level of Reserve Education Assistance Program rate is determined by the number of months a Service member serves in an active duty status. There is currently one rate for 90 days but less than one year, another rate for one year but less than two years, and a third rate for two years or more.

We at the National Guard Bureau believe that the Veterans' Advisory Committee on Education and the Partnership for Veterans Education have identified areas where the Montgomery GI Bill could be enhanced. It may not be necessary to move provisions from Title 10 to Title 38 as proposed. However, we feel it is imperative that if Chapters 1606 and 1607 of 10 U.S.C. are indeed moved to 38 U.S.C. that the provisions in 10 U.S.C. that are unique to the Guard and Reserve be carried forward and maintained. For example, the current Montgomery GI Bill—Selected Reserve (Chapter 1606 of 10 U.S.C.), Reserve Education Assistance Program (Chapter 1607 of 10 U.S.C.), and Reserve Component's "Kicker" benefits for GI Bill allow for reserve component members to receive tuition assistance benefits and GI Bill entitlements, simultaneously, over and above the cost of tuition, if the member is at least a half-time student in accordance with Chapter 1606 Subsection16131 (b) (1) (D)of 10 U.S.C. (A "kicker" is additional money DoD provides as an incentive to certain troops for service in certain fields.) The intent is for tuition assistance to pay for tuition and Montgomery GI Bill benefits to pay for lodging (living in dorm), subsistence (meal plans), books, travel costs, dependent day care, and other associated

"educational expenses". In contrast, because an Active Duty Service member receives more money, e.g. lodging and subsistence funding, they are not allowed to use both tuition assistance and Montgomery GI Bill benefits over and beyond the cost of the "tuition" or courses. They may only combine the two (tuition assistance and Chapter 30 of 38 U.S.C.) up to the cost of the courses.

Further, the current Montgomery GI Bill allows Guard and Reserve members to receive both an Active Kicker and Reserve Kicker simultaneously, if qualified. Also, Service members have the ability to gain up to 48 months of Montgomery GI Bill benefits in combining any of the three programs. This is the case when a former active component member joins the reserve component (or vice versa) and gains additional months of Montgomery GI Bill – Selected Reserve and/or Kicker benefits. All of these factors are important recruitment tools.

Currently, under 10 U.S.C., reserve components determine which Service members are eligible for reserve component education benefits. It is important that the Services retain this function since they have the best ability to identify those members who are eligible and those who should be suspended or terminated. Reserve components have a vested interest in ensuring their Service members are taken care of, as it affects morale and ultimately retention.

Finally, from a National Guard perspective, it is important that the Montgomery GI Bill and Kicker for reserve component members be maintained as a retention tool to keep members in the reserve component. Under the current Montgomery GI Bill program, (Chapter 1607 of 10 U.S.C.), any eligibility earned while in an active duty status must be used by a member after a release from active duty while still assigned to a Guard or Reserve unit. If the Service member decides to end their reserve service and separates from the Guard or Reserve they lose their entitlement. Under the proposed Total Force Montgomery GI Bill, however, members of the Guard and Reserve who earn eligibility while on an active duty status would be allowed to use that eligibility for 10 years after separation from the Guard or Reserve. This destroys our current incentive and would thus be detrimental to retention. Under current law, both active and reserve component members generally must serve two years or more before they can keep their benefits after being discharged (Chapter 30 of 38 U.S.C.) We do not support changing this.

I thank the Committee for their continued work on this important program and for their continued support of the National Guard.

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON VETERANS' AFFAIRS

STATEMENT OF

REAR ADMIRAL CRAIG MCDONALD, U. S. NAVY

COMMANDER, NAVY RESERVE FORCES COMMAND

BEFORE THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

ON

EDUCATION BENEFITS FOR THE TOTAL MILITARY FORCE

March 15, 2006

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON VETERANS' AFFAIRS

Rear Admiral Craig O. McDonald
Commander, Navy Reserve Forces Command

Rear Admiral Craig O. McDonald, a native of Miles City, Mont., graduated from the United States Naval Academy in June 1976. On October 21, 1977, after initial flight training at VT-10 and Advanced Airborne Tactical Data Systems training at RVAW-120, he was designated a Naval Flight Officer.

Released from active duty in June 1982, he moved to Suffern, N.Y., and was employed with New York Telephone. Rear Adm. McDonald was selected for the Full Time Support (FTS) program and was recalled to active duty in April 1983. Rear Adm. McDonald's significant tours include: VAW-123, "Screwtops", Division Officer and Department Head; RVAW-120, "Grey Hawks", NFO Instructor; VAW-1086, "Augger Doggers", flight crew; VAW-88, "CottonPickers", Officer-in-Charge; Commander, Naval Air Reserve Force, Air Operations and Assistant Chief of Staff for Operations and Fleet Support; VAW-78, "Fighting Escargots" Commanding Officer; NAS JRB Fort Worth, Commanding Officer; Chief of Naval Operations (N095), Executive Assistant to the Director of the Navy Reserve; and Deputy Director Navy Reserve.

He was selected for Flag rank on 1 August 2003 and served as Chief, Office of the Defense Representative Pakistan from July 2004 until October 2005. He assumed his present duties as Commander, Navy Reserve Forces Command on 12 August 2005.

Rear Adm. McDonald has 5,000 total hours and over 4,600 hours in the E-2C aircraft. He has had the privilege of working with the finest enlisted and officer personnel in the United States Navy throughout his career.

His decorations include the Defense Superior Service Medal (one award), Legion of Merit (three awards), Meritorious Service Medal (two awards), Navy and Marine Corps Commendation Medal (two awards), Navy and Marine Corps Achievement Medal (two awards), Meritorious Unit Commendation (four awards), Battle "E" ribbon (three awards), Navy Expeditionary Medal, National Defense Service Medal (two awards), Sea Service Ribbon (four awards) and the Armed Forces Reserve Medal (with silver hourglass).

I. Introduction

Chairman Buyer, Ranking Member Evans, distinguished members of the committee, thank you for the opportunity to speak about the Montgomery GI Bill for the Selected Reserve (MGIB-SR) and the Reserve Education Assistance Program (REAP).

These programs are an important part of Navy Reserve recruiting and retention and affect the Navy Reserve's ability to fight the Global War on Terror (GWOT).
The Navy Reserve is transforming to better support combat missions throughout the world. Navy Reservists are no longer solely a strategic force waiting for the call to mobilize in a Nation-state war. They are fighting the Global War on Terror (GWOT) as Seabees in Iraq, civil affairs administrators in Afghanistan, customs inspectors in Kuwait, logistical aircrew in the Horn of Africa, and as Individual Augmentees around the world.

Sailors are serving selflessly throughout the Total Force and Department of Defense in the nation's fight against terrorism. Sailors and their families sacrifice daily and have earned the country's respect and gratitude for their service. As part of the All Volunteer Force, they REserve again and again, freely giving their time and talents to the nation. These Sailors serve in a Navy that continues to be a leader in technology and innovation. Operating and maintaining this advanced military requires the best and brightest our nation has to offer. United States' industry also continues to be a world leader in technology. Thus, the Navy and industry are competing for the same recruits. Congress has been very aggressive in enacting legislation to aid the services in developing targeted

incentives to recruit and retain servicemembers. Advancements in the existing MGIB-SR, as well as the addition of REAP, have significantly improved educational benefits for reservists.

Enlisted recruiting for the Navy Reserve is a continuing challenge. Navy attributes the recruiting shortfalls to multiple causes: the GWOT has caused an increase in the number of recruits needed by the Army and Marine Corps; civilian unemployment rates remain low; and public opinion influencers (i.e. trusted family friends) are less likely to recommend the Navy as a career. Reserve Officer recruiting is also a challenge – Navy has failed to meet its Reserve Officer Recruiting Goal since 2002.

To compete in the employment marketplace the Navy Reserve must provide competitive pay and benefits. The MGIB-SR is an important part of the total pay and benefit package. The Navy Reserve Forces Command reports a large percentage of new recruits are eligible for MGIB-SR. These tables show the number of contracts that fund for MGIB-SR benefits annually:

Navy Reserve MGIB-SR Six-Year Contracts

Basic Benefits	FY2001	FY2002*	FY2003	FY2004	FY2005
Enlistments	5,599	4612	6,121	3,234	3,885
Reenlistments	924	761	759	534	641
Extensions	320	264	264	186	224
Total	6,843	5637	7,144	3,954	4,750

Navy Reserve MGIB-SR Kicker* Participants

Level	FY2001	FY2002	FY2003	FY2004	FY2005
$200 Kicker	37	87	0	0	57
$350 Kicker	134	135	166	110	0
Total	171	222	166	110	57

***Kicker is a targeted incentive for critical skill ratings.**

The MGIB-SR is well utilized. As both Secretary Hall and the Partnership for Veterans' Education noted in "Towards a Total Force Montgomery GI Bill," the Reserve Montgomery GI Bill has no readjustment mechanism. Unlike the significant increases in the MGIB-AC which occurred in both 2000 and 2001, the MGIB-SR has had no legislative adjustments.

A recent legislative addition to the MGIB-SR is REAP, which was established to incentivize servicemembers returning from activation to remain in the Selected Reserve. Challenges for this program have included: educating servicemembers about their entitlement to this benefit; issuing notices of eligibility upon deactivation; accurately tracking personnel participating in this program in order to assess actuarial costs; and

communicating this retroactive benefit established in the NDAA 2005 to personnel activated since September 11, 2001 for contingency operations.

NDAA 2006 further modified the REAP benefit by establishing a grace period of 90 days for the servicemember to re-affiliate with the selected reserve.
If the servicemember does not affiliate with the Selected Reserve within 90 days, or temporarily transitions to the IRR, the benefit and incentive to re-affiliate is completely lost.

To preserve the original intent of the MGIB REAP program as a retention instrument, REAP should retain the provision to affiliate and drill as a member of the Selected Reserve. Continuum of service must be emphasized in order to fully leverage the experience and knowledge gained by these servicemembers who have been activated. Removing the requirement to affiliate with the Selected Reserve would effectively change this part of the program from a retention incentive to an activation entitlement.

The Partnership for Veterans' Education has proposed bold changes to the existing administration of MGIB programs. The full impact of these proposed changes need to be studied in detail by the Department of Veterans Affairs, Department of Defenses and the individual services. It is important to completely understand these proposed changes and their effects upon recruitment, retention and budget. The Department of Veterans Affairs and Department of Defense have taken the lead on these important issues and formed a joint working group.

The Navy Reserve is committed to recruiting and retaining the best Sailors it can. The MGIB, in all its forms, is a powerful tool in accomplishing this mission. We are working closely with the other services, DoD, and the VA to develop initiatives that incentivize service as well as providing value to the taxpayer.

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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

REAR ADMIRAL SALLY BRICE-O'HARA

ON THE

EDUCATION BENEFITS FOR THE TOTAL MILITARY FORCE

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

U. S. HOUSE OF REPRESENTATIVES

MARCH 15, 2006

United States Coast Guard
Biography

Reserve and Training Directorate, U.S. Coast Guard Headquarters
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REAR ADMIRAL SALLY BRICE-O'HARA, USCG
Director of Reserve and Training

Rear Admiral Sally Brice-O'Hara was assigned as Director of Reserve and Training on 08 July 2005. She serves as director of the Coast Guard Reserve and is charged with developing policies to recruit, train, allocate, and support over 12,000 Coast Guard Ready Reservists. She serves as a member of the Reserve Forces Policy Board, which advises the Secretary of Defense on Reserve matters.

Rear Admiral Brice-O'Hara is additionally responsible for the planning and technical control of the Coast Guard Training Centers. She is a member of the Board of Trustees for the Coast Guard Academy and serves as the Chairman of the Commandant's Leadership Advisory Council.

Throughout her career, Rear Admiral Brice-O'Hara has enjoyed a wide variety of assignments. Previously she served as Commander of the Fifth Coast Guard District. She oversaw activities of more than 3,010 Coast Guard employees and 6,300 volunteers of the Coast Guard Auxiliary, 11 helicopters, 170 boats and 21 cutters. Annually, this team rescues more than 500 people and $41.6 million in property, services 7,100 navigational aids, conducts more than 14,000 law enforcement boardings, and investigates 340 oil or chemical spills. Maritime Homeland Security missions include thousands of waterside patrols and escorts of hundreds of ships carrying volatile or high value cargoes.

She served as the Director of Personnel Management, administering an extensive range of Service-wide human resource programs. At the time of selection to flag rank, she was Commanding Officer of Training Center Cape May, site of the Coast Guard's only recruit training program. Previous operational duties include command of Station Cape May, NJ, and Group Baltimore, MD, as well as a short stint as Deputy Commander of Activities Baltimore where she was also the Alternate Captain of the Port. Earlier positions of significance were Assistant Director of Admissions at the Coast Guard Academy in New London, CT, Planning Officer at Support Center Kodiak, AK, and Strategic Planner for the Commandant.

A native of Annapolis, MD, she graduated from Goucher College with a Bachelor of Arts Degree in Sociology in 1974. She received her Coast Guard commission from Officer Candidate School the following year. She holds a Master of Arts Degree in Public Administration from Harvard University, John F. Kennedy School of Government, a Master of Science Degree in National Security Strategy from the National War College, and an Honorary Doctorate of Humane Letters awarded by Goucher College in 2002.

Rear Admiral Brice-O'Hara's personal awards include two Legions of Merit, a Meritorious Service Medal, six Coast Guard Commendation Medals, a Coast Guard Achievement Medal, and the Commandant's Letter of Commendation. She and her husband Bob have two sons, Chip and Brice.

Good morning, Mr. Chairman and distinguished members of the Committee. It is a pleasure to appear before you today to discuss educational benefits for members of the Selected Reserve.

I wish to begin by thanking you for inviting me here today. The Coast Guard Reserve pioneered the full integration of Selected Reservists into Active Component units during the mid-1990s. We are always eager to explore means to achieve full parity and seamless transitions between the Active and Reserve Components.

As has been stated by the other Reserve Component Chiefs today, we believe educational benefits such as the Montgomery GI Bill, authorized by Chapter 30 of Title 38, and the Montgomery GI Bill Selected Reserve (MGIB-SR), authorized under Chapter 1606 of Title 10, are important components in recruiting and retaining Coast Guard Active Duty and Reserve personnel. We also believe the Tuition Assistance Program, authorized by Title 10, Section 2007, is another valuable tool for recruiting and retaining the talent we need for the 21st century.

During fiscal year 2005, 4,514 Coast Guard members – Active Duty, Reserve and veterans – benefited from the Montgomery GI Bill for Active Duty (Chapter 30) claims. During fiscal year 2005, approximately 155 Reservists benefited from MGIB-SR by participating in vocational, undergraduate and graduate programs, utilizing $707,853 towards tuition fees. Fiscal year 2005 utilization compared with $786,913 in fiscal year 2004 and $717,855 in fiscal year 2003.

At the end of January 2006, we began aggressively marketing the benefits available to mobilized Reservists under the Reserve Education Assistance Program, or (REAP), authorized under Chapter 1607 of Title 10. Currently approximately 3,600 Selected Reservists are authorized to take advantage of REAP benefits as a result of being mobilized in excess of 90 days. To date, we have received 30 queries about this program from our members, and we anticipate a dramatic increase in utilization as knowledge of this program continues to permeate to those eligible reservists. Although the policy and announcement of the program were not distributed until after the start of the 2006 spring academic term, we expect to see payments increase because service members are authorized to submit their claims at any time during the semester, just as with the Chapter 30 and MGIB-SR. This program is still in its early stages and we are confident that participation will increase through our ongoing communications efforts.

The Coast Guard's Tuition Assistance program, which provides a maximum of $4,500 per year to individual Active Duty and Selected Reserve members, also remains a popular program. In fiscal year 2005, Coast Guard Selected Reservists utilized $2.8 million in benefits, up from $2.3 million in fiscal year 2004 and $1.6 million in fiscal year 2003. Among our Active Duty force, Tuition Assistance utilization totaled $10.7 million in fiscal year 2005, $9.9 million in fiscal year 2004 and $7.2 million in fiscal year 2003.

The Coast Guard Recruiting Command, which is responsible for recruitment of all Active Duty and Reserve members (fiscal year 2006 goals: 1,390 Selected Reservists and 3,800 Active Duty), indicates that educational benefits are among the top reasons individuals join the Coast Guard and affiliate with the Coast Guard Reserve. For instance, the fact that Selected Reserve members are not required to pay into the MGIB-SR is a plus, according to the Recruiting Command. The non-taxable status of the payments, and the ability of members to combine MGIB-SR with Tuition Assistance, is also cited as an accessions draw.

We are maintaining our funded Selected Reserve end-strength of 8,100. We believe educational assistance programs help explain why Coast Guard Selected Reserve retention remains at historically high, pre-911 levels, currently 87.4 percent, despite very heavy utilization of our force for Maritime Homeland Security and National Defense missions. The Master Chief Petty Officer of the Coast Guard Reserve, who spends much of his time visiting units and their crews, is convinced that educational benefits are particularly useful in first-term retention of enlisted members.

Like the other reserve components, we are looking forward to seeing the results of the joint Department of Defense and Department of Veterans Affairs working group that is examining the possibility of a "Total Force" education benefit that would combine the best features of existing programs to better serve the men and women of the Coast Guard and the other military services. Clearly, our paramount concern is that there would be no reduction in the quality of service our members receive, particularly ease of access and timely receipt of benefits. Also, we would want to ensure that the data systems are in place at the Department of Veterans Affairs to accommodate any new program.

To conclude, as one of the seven Reserve Components, the Coast Guard Reserve values its longstanding partnership with the Department of Defense components in defending America at home and abroad, and is eager to maintain parity of benefits for the men and women who serve so well, which is why I am happy to join my colleagues before this committee. Thank you once again for the opportunity to testify before you today. I will be happy to answer any questions you may have.

STATEMENT OF
JOSEPH C. SHARPE, JR., DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

TO THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

ON

ENHANCEMENTS TO THE MONTGOMERY GI BILL

MARCH 15, 2006

TESTIMONY OF
JOSEPH C. SHARPE JR., DEPUTY DIRECTOR
ECONOMIC COMMISSION, THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

March 15, 2006

Mr. Chairman and Members of the Committee:

The American Legion appreciates the opportunity to share its views on the current Montgomery GI Bill and on the Total Force GI Bill being proposed by the Veterans Affairs Advisory Committee on Education and the Partnership for Veterans Education.

The Servicemen's Readjustment Act of 1944, the GI Bill of Rights, was crafted to meet the needs of a massive demobilization of service members in the post-World War II environment. Often considered one of the greatest pieces of social legislation ever enacted, the GI Bill continues to evolve with each new generation of wartime veterans because of the significant changes in the existing social and economic cultures. The American Legion believes each of these measures offers much needed improvements and provides more flexibility for its beneficiaries - America's former service members.

Enhancement of the Current Montgomery GI Bill

Unlike the original GI Bill, the Montgomery GI Bill normally requires an initial financial contribution from each beneficiary - honorable military service is simply not enough. For one year, those service members that choose to enroll in the Montgomery GI Bill agree to reduce their monthly base pay by $100 to contribute to the program. Upon separation, the Montgomery GI Bill's 10-year expiration clock begins ticking. After 10 years, the veteran is no longer entitled to use the benefit. If the veteran did not take advantage of the program, the service member looses not only the $1,200 contribution, but also the total amount of the benefit. The American Legion, by resolution, supports terminating the current military payroll deduction of $1,200 required for enrollment in MGIB, believing honorable military service is payment enough for this benefit. This resolution also supports providing waivers for extension of the 10-year limitation on use of the Montgomery GI Bill benefits.

Recently, our National Office was contacted by a veteran from Houston, Texas, who had enrolled in a MBA program at Tulane University in 2005. The veteran reported that he had filed a request with the Department of Veterans Affairs for an extension to his Montgomery GI Bill benefits that are set to expire in May of 2006. The young man left the service (Air Force) in 1996, and due to family tragedies (he is presently married with four children) and personal injuries was not able to use his GI Bill benefits within the ten-year period. Fortunately, the Department of Veterans Affairs is considering his request

for an extension. The American Legion applauds this effort and believes that VA should provide a waiver to any eligible veteran beyond the ten-year limit on a case-by case basis, especially in situations where a veteran has experienced family tragedies and debilitating illnesses.

The American Legion supports the following Education Bills currently being considered by Congress:

H.R.717, To Expand the Scope of Programs Eligible for Accelerated Payment under The Montgomery GI Bill

H.R. 717 would amend title 38, United States Code, to expand the scope of programs of education for which accelerated payments of educational assistance under the Montgomery GI Bill may be used. Accelerated payments would go to a qualified veteran enrolled in an approved program of education that leads to employment, such as truck driving. This expansion would give veterans more educational options and a better diversity of vocations.

Not every veteran is destined for college; therefore, the Montgomery GI Bill needs to be more accessible for those veterans with vocational aspirations other than college. The overall costs of these "short-term" vocational training and licensing programs far exceed the monthly stipend provided under the traditional "college-student-for-36-months" approach in the current Montgomery GI Bill.

Veterans should be afforded the opportunity to attend compressed high-front-end-cost programs that will lead to the vocation of their choice. Veterans who attend these programs should have the opportunity to use a portion of their earned benefits at an accelerated rate, but may not be permitted to exhaust all of their earned benefits. Expanded options will also increase utilization of the Montgomery GI Bill that now stands at a little over 50 percent.

In addition, a higher percentage of today's service members are married (with children in the majority of cases) when they are discharged. Meeting the financial obligations to sustain and maintain a household is paramount, and often serves as a major obstacle to their timely use of the Montgomery GI Bill. Every effort must be made to empower these, and every veteran with options to make the best vocational choice to help them achieve the American dream.

The American Legion supports the provisions of H.R. 717 because the current unemployment rate for verterans ages 18 to 24 is 15%, compared to the private sector rate of 8%. Increasing the educational benefit available through the MGIB will provide a better incentive for veterans to complete a program with immediate employment results, without the concern of going into short-term debt. In addition, The American Legion

strongly supports the expansion of the program to include other short-term programs of value that could lead to the immediate employment of veterans.

H.R. 745, The Veterans Self-Employment Act of 2005

H.R. 745 would direct the Secretary of Veterans Affairs to conduct a pilot project on the use of educational assistance to defray training costs associated with the purchase of certain franchise enterprises.

The American Legion believes every veteran should have an opportunity to become an entrepreneur. With the management and leadership skills gained while on active-duty, veterans are excellent candidates for leading their own businesses.

There is risk in any business, but a franchise often presents a business package that has been tested and found successful in the marketplace, a trademark that is well known, and training for a business novice. A franchise provides an established track record, faster start up, more purchasing power as a group, name recognition, brand awareness, and business support. A franchise also makes it easier for a person to go into business by mitigating the risk, due to support from the parent company.

According to Franchise World Magazine:

- A franchise has a 92 percent success rate after 5 years compared to 23 percent for an independent business;
- The is only one franchise bankruptcy for every 40 independent bankruptcies;
- Although only 3 percent of business in North America are franchises, 40 percent of retail and services is conducted by those franchises; and
- Franchises conduct over $600 billion in sales in North America.

In 1979, the Federal Trade Commission (FTC) adopted a set of rules all American companies must follow when selling a franchise. There must be a disclosure document provided to the buyer that closely follows the demanding disclosure format of the Uniform Franchise Offering Circular. This safeguard provides the buyer with relevant business information that assists the buyer in making a prudent decision.

The training for each type of franchise varies, and there is a cost associated with this training. It is a key component to the success of a franchise buyer. Again, this is another adjustment to the stereotypical use of the Montgomery GI Bill. Veterans are trained to "improvise, adapt, and overcome" as military leaders. To achieve this new approach of empowerment, this Committee must be prepared to take a calculated risk that could make a world of difference to deserving veterans.

The American Legion views small business as the backbone of the American economy. It is the driving force behind America's past economic growth and will continue to be a major factor in the coming years. Currently by some estimates four million small businesses in the United States are owned and operated by veterans. Therefore, The

American Legion supports the provisions of H.R. 745, which would assist in the payment of training costs for veterans who consult with the Small Business Administration (SBA).

H.R. 1207 The Department of Veterans Affairs Work-Study Act of 2005

H.R. 1207 would amend title 38, United States Code, to provide additional work-study opportunities for eligible veterans, and for other purposes, including the provision of placement services at an educational institution, counseling and job assistance, and support for the Senior Reserve Officers' Training Corps (ROTC) program.

Mr. Chairman, this program is already extremely successful, but The American Legion believes expanding the work-study opportunities into these additional areas offers additional benefits to both participating veterans as well as the agencies. This amendment would ease veteran's transition from military to civilian life. A majority of veterans suffered salary reductions in departing the military; therefore, the work-study programs are a welcomed income supplement.

Assisting the Senior ROTC program seems logical and natural. This would present an excellent opportunity for the ROTC departments to capitalize on the "hands on" expertise of veterans. Veterans bring unique job skills or experiences lacking in a school department, can help ease the training burden, and contribute to the overall training of future military leaders. These veterans can serve as good role models to the ROTC cadets and provide insights into the military based on their real world experiences. Also, this positive experience may very well influence participants that are former enlisted service members to consider re-entering the armed forces as an officer.

Working with the placement services would expose veterans to "job finding" skills prior to beginning his or her own job search. Listening and learning from job placement professionals may also influence former service members to consider post-graduation employment with the Department of Labor's Veterans' Employment and Training Service (VETS) as veterans employment specialists.

The American Legion supports the provisions of all three bills that were presented to the Subcommittee on Economic Opportunity on May 25, 2005. We understand that the bills H.R.1207 and H.R. 745 have both been referred to the Subcommittee on Military Personnel, and H.R. 717 is still in the Subcommittee on Economic Opportunity awaiting a hearing for a mark-up. The American Legion urges the immediate passage of all three bills by Congress.

Other provisions to enhance any overhaul of the current MGIB

The American Legion advocates that the following provisions must become part of any successful overhaul of the current MGIB:

- **The dollar amount of the entitlement should be indexed to the average cost of a college education including tuition, fees, textbooks, and other supplies for a commuter student at an accredited university, college, or trade school for which they qualify.**

The American Legion supports indexing the monthly MGIB payment to the average costs of college education or trade school tuition. The MGIB would then be adjusted on an annual basis to include tuition, and other associated costs, and includes a separate monthly stipend. With these provisions, veterans would be provided educational benefits on par with the first recipients of the original GI Bill.

- **A monthly tax-free subsistence allowance indexed for inflation must be part of the educational assistance package.**

Veterans must receive a monthly income stipend in addition to tuition assistance.

- **If a veteran enrolled in the MGIB acquired educational loans prior to enlisting in the armed forces, MGIB benefits may be used to repay existing educational loans.**

The American Legion strongly supports this measure.

Education and the Total Force GI Bill

Historically, The American Legion has encouraged the development of essential benefits to help attract and retain service members into the Armed Services, as well as to assist them in making the best possible transition back to the civilian community. These historic pieces of legislation, authored by the leadership of The American Legion, enabled veterans to purchase their first homes, attend college, and start private businesses. The emergence of the American middle class, the suburbs, civil rights, and finally a worldwide economic boom can be attributed to this important legislation. The majority of individuals who join the National Guard or Reserves enter the Armed Forces straight out of high school, and many are full or part time students.

With the number of activations since 9/11, these same reservists who are attending colleges and universities around the country are discovering that their actual graduation date may be extended well past their initial anticipated graduation date.

One local reservist who recently completed a 14-month tour in Iraq left school after 9/11 because he was told his unit would soon be deploying. He was placed in language training. This same reservist recently graduated from the University of Maryland after eight years, and has accumulated $50,000 dollars in debt. The other half of this travesty is that it took 15 months for him to receive his first GI Bill payment; nevertheless, his immediate plans are to leave the service when his contract ends in 2007.

Background of the Reserve Force

In the twenty years since the Montgomery GI Bill went into effect on June 30, 1985, the nation's security has changed radically from a fixed cold war to a dynamic "Global War on Terror." In 1991 the Active Duty Force (AF) of the Military stood at 2.1 million; today it stands at 1.4 million. Between 1915 and 1990 the Reserve Force (RF) was involuntarily mobilized only nine times.

There is now a continuum of service that individuals have, beginning with those who serve in the reserve only, extending through those in the reserve who are called to active duty for a considerable period of time, and ending with those who enlist in the active Armed Forces and serve for a considerable period of time. Since 9/11 more than 480,000 members of the 860,000-member Selected Reserve (SelRes) have been activated.

Today approximately 40% of troops in Iraq are Guardsmen or Reservists. Despite this, the Montgomery GI Bill (MGIB) and the Montgomery GI Bill--Selected Reserve (MGIB-SR) still reflect benefits awarded twenty years ago. The members of the Selected Reserve rarely served on active duty at that time. The idea that any projection of U.S. power would require the activation of at least some reservists was never considered in creating these programs.

Currently, the GI Bill pays the average reservist $297.00 a month for 36 months compared to his active duty counterpart who is paid $1,004.00. With the rising cost of tuition many reservists are forced to apply for government and commercial loans, along with other sources to supplement their GI Bill benefits.

Because most reservists have both careers and families in towns and cities across the country, these activated citizen soldiers face additional burdens as financial and career obligations mount, while their families, employers, and communities frequently face significant sacrifices and hardships as well. This has led to inequitable situations. First, Selected Reserve members and members of the Individual Ready Reserve (IRR) may be called to active duty for considerable periods, but less than two years. When they return to civilian life, what is available to help them readjust? They either have the same $297 per month benefit as those members of the Selected Reserve who never serve on active duty, or they may have nothing at all if their active duty is at the end of their six-year commitment to the Selected Reserve.

Conclusion

As the distinctions between the active and reserve forces continue to diminish, the difference between the active and reserve forces of the GI Bill should dissipate accordingly. Benefits should remain commensurate with sacrifice and service. The American Legion agrees with the concept of the Total Force Montgomery GI Bill which is design to update the GI Bill by incorporating the new security realities of this current open-ended Global War on Terror, and addressing the recruiting and retention issues,

which arise from it, to include the expanded role that the reserve forces play in this modern era. The current members of the reserve and active duty forces are being asked to perform in a manner literally unprecedented since WWII.

The American Legion supports, and has a proud history of advocating for, increased educational benefits to members of our Armed Forces.

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006-2847 ★
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March 15, 2006

Honorable Steve Buyer, Chairman
Committee on Veterans' Affairs
335 Cannon House Office Building
Washington, DC 20515

Dear Chairman Buyer:

The American Legion has not received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the subject of the March 15th hearing, concerning Enhancements to the Montgomery GI Bill.

Sincerely,

Joseph Sharpe, Jr., Deputy Director
National Economic Commission

JOSEPH C. SHARPE JR.
DEPUTY DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

Joseph C. Sharpe Jr. began serving as Deputy Director of the Economics Division in January 2002. Prior to serving as Deputy Director, he served as a Health Care Field Representative and Assistant Director of the Veterans Affairs and Rehabilitation Commission.

He is a graduate of The Johns Hopkins School of Advance International Studies in Washington, DC, where he earned a M.A. in International Relations and Economics. He also has two Graduate Certificates in International Business and Trade and Health Care Management from Georgetown University. Joseph also earned his B.A. in Sociology from the University of Maryland, College Park, MD. He is currently enrolled in a part time MBA program with Johns Hopkins University.

In 1982, he entered the United States Army. After completing initial training at Ft. Sill, OK, and Ft. Sam Houston, TX, he served as a Drug and Alcohol Counselor with the 2nd Infantry Division in South Korea. He also served as a Mental Health Counselor in Ft. Benning, GA, worked as a Behavioral Science Research Specialist at the Walter Reed Institute of Research, Heidelberg, Germany, and was appointed as the Non Commissioned Officer in Charge of Inpatient Social Work and Psychiatry Service, Walter Reed Army Medical Center, in Washington, DC. In addition to his active duty service, Joseph is currently serving with the 354th Civil Affairs Brigade, U.S. Army Reserve, Riverdale, MD, as the Non Commissioned Officer in Charge of the Brigades Economics and Commerce Team.

During his military service with the Army Reserve Sergeant First Class Sharpe was deployed twice overseas, in Operation Joint Forge, Bosnia-Herzegovina, and recently for the Global War on Terrorism, in which he received the Bronze Star Medal for work completed in the restoration and improvement of public and private financial institutions and banking services in Iraq.

Originally from Chicago, Illinois, he and his family currently reside in Bristow, Virginia.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep. Brown-Waite
Witness: Secretary Hall
Question #1

TRANSITION OF MILITARY PERSONNEL TO THE CIVILIAN WORKFORCE

Question: Several weeks ago, I met a woman in my district who had served in the military for a number of years. Today, she works in the private sector for a group that specializes in demolitions. We discussed some of the infrastructure the military has in place to assist departing Service members when they look for employment in the workforce. She informed me that many members of the military do not take advantage of these assets. Could you elaborate on this situation?

Answer: The Department of Defense (DoD) provides pre-separation counseling to separating Service members and facilitates the conduct of the Transition Assistance Program (TAP) workshops in coordination with the Department of Labor (DoL) and the Department of Veterans Affairs (DVA). TAP is available to these Service members up to 180 days following separation. Separating Service members are also encouraged during pre-separation counseling and during the workshops to register with and visit their local DoL Career One-Stop Center for follow-on employment assistance.

Programs, assistance, support, information briefings, and workshops are all available to assist them achieve their goals and career aspirations. These programs provide the skills and tools that empower them to take charge of their lives so they can have a smooth and successful transition back into civilian life.

The DoD, DoL and the DVA are responsible for implementing the four components of the TAP as indicated below:

1. Pre-separation Counseling – DoD (mandatory attendance)
2. DoL Employment Assistance Workshop – DoL (voluntary attendance)
3. DVA Benefits Briefings – DVA (voluntary attendance)
4. Disabled Transition Assistance Program – DVA (voluntary assistance)

More than simply a forum for advising members of benefits and entitlements, these workshops provide separating Service members with the basic skills and tools for success in the job search process. The workshops also provide information on labor market conditions, address individual skills and competency assessments, and licensing and certification requirements for certain career fields. The workshops introduce separating Service members to the many aspects of a job search and provide them with the basic tools they need to continue to be successful.

The DoD transition programs are strong because the counselors are deeply committed to helping separating Service members learn the basics of how to get a job. Hosting job fairs and other

DoL employment events provides separating Service members the opportunity to see how prepared they really are to get that job interview – a chance to test the waters early on.

While attendance at pre-separation counseling is mandatory, attendance at TAP workshops is voluntary. Each Service member is responsible for taking charge of his or her transition and for exploring as many options as possible so he or she can make informed decisions. Often, members are anxious to depart the military and return to home and family, forgoing some of the voluntary briefings and presentations available to them. Other members already have a job waiting for them in the civilian sector and feel that the assistance programs are not necessary for them. The Department continuously seeks ways to improve its transition assistance outreach and to expand its effectiveness.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep. Brown-Waite
Witness: Secretary Hall
Question #2

TRANSITION OF MILITARY PERSONNEL TO THE CIVILIAN WORKFORCE

Question: It is my understanding that many employers in the civilian workforce have difficulty recognizing the skills that individuals accrue during military service. The civilian workforce has organizations that certify occupations ranging from accountants to truck drivers. Do you think that a system that provides certifications of different military occupational skills would be viable?

Answer: The Department of Defense, through the Defense Manpower Data Center, provides military members with an automated system that converts skills and training acquired from military service into standard Department of Labor occupation codes to help members create resumes and job applications. The Verification of Military Experience and Training (VMET) system draws information from the Service member's automated personnel record file to assist in determining where their skills may best fit into the civilian labor market. The VMET system creates a standard form that can be shown to a potential employer, agency, or educational institution. The VMET system also draws information from the American Council on Education (ACE) who provides VMET with narrative data information for occupations and courses that have been evaluated by ACE. These descriptions can be used in job search documents and in applying for admission to colleges and technical schools. This system has been accessible through the Worldwide Web since January 2001, and has proved to be a very popular and viable

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Chairman Buyer
Witness: Secretary Hall
Question #1

MODERNIZING THE GI BILL

Question: Please describe how the Department of Defense (DoD) funds 1606 and 1607 education programs and how the funds change from discretionary to mandatory when they are transferred to the Department of Veterans Affairs.

Answer: The basic Montgomery GI Bill – Selected Reserve benefit under chapter 1606 of title 10, United States Code (U.S.C.), and the Reserve Education Assistance Program under chapter 1607 of title 10 U.S.C. are entitlements, they are "must pay" spending items for the Department. Each of the Reserve components provides the DoD Office of the Actuary with current and projected eligibility and participation rates, and, based on those participation rates, the actuaries tell the components annually how much money they must put into the Education Benefits Trust Fund. In other words, the Department sets aside the dollars as members become eligible rather than waiting to commit the funds when eligible members file for benefits.

These benefits are "scored" by the Office of Management and Budget as mandatory because they only "score" outlays. The funds do not change from discretionary to mandatory when transferred from the DoD to the DVA. The funds are discretionary during the entire process of transfer from the appropriation to the military personnel accounts, deposit into the Trust Fund, and transfer from the Trust Fund to the DVA. They are considered mandatory when they outlay and the member receives the benefit.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Chairman Buyer
Witness: Secretary Hall
Question #2

SELECTED RESERVE

Question: How many members of the Selected Reserve have been activated and how many have served in combat zones?

Answer: Of the 1,227,423 members who have served in the Selected Reserve between September 11, 2001 and February 28, 2006, 482,911 have been activated, either voluntarily or involuntarily, and 361,476 of those activated members have been deployed into the United States Central Command Theater of Operations.

QUESTION FOR THE RECORD
HOUSE VETERANS' AFFAIRS COMMITTEE
MODERNIZATION OF THE GI BILL
MARCH 15, 2006
COMMITTEE NUMBER QFR 1

QUESTIONS FOR THE RECORD BY CHAIRMAN STEVE BUYER

Question: Chairman Buyer – How would you rank your recruiting and retention tools?

Answer: General Bradley – For Non-Prior Service recruiting purposes, education is first because it allows us to reach every recruit and provides benefits to the military with increased education levels. Next would be bonuses because they allow the recruiters to target critical and necessary occupational areas. For prior service recruiting, our most valuable tools are bonuses. According to the Status of Forces Survey of Reserve Component Members, March 21, 2006, the most important tools available for retention are pay and allowances first and then military retirement. This agrees with my personal observations, which have included numerous discussions with Reservists and their families.

QUESTION FOR THE RECORD
HOUSE VETERANS' AFFAIRS COMMITTEE
MODERNIZATION OF THE GI BILL
MARCH 15, 2006
COMMITTEE NUMBER QFR 2

QUESTIONS FOR THE RECORD BY CHAIRMAN STEVE BUYER

Question: Chairman Buyer – According to Secretary Hall's testimony, only 39 percent of those signing up for the Selected Reserve education benefit have used it. Would you comment on that low number?

Answer: General Bradley – There are several reasons why that percentage is low in particular as it would apply to the Air Force Reserve. The AFR has accessed 80 percent or more of prior service that come with active duty education benefits that pay far more than the Selected Reserve program, so many of our personnel are not interested in MGIB-SR.

There are three primary reasons for the low usage percentage for those that do not have a standing benefit. First, the MGIB-SR rate per month has declined over time compared to both the active duty rate and to its purchasing power. Second, the high level of mobilizations, deployments, and overall personnel tempo has greatly reduced/eliminated the time available for personnel to use the benefit. Finally, Selected Reserve members only have 14 years to use their benefit, and this is at a time when they are holding down two jobs, getting married, starting families, and establishing civilian careers.

QUESTION FOR THE RECORD
HOUSE VETERANS' AFFAIRS COMMITTEE
MODERNIZATION OF THE GI BILL
MARCH 15, 2006
COMMITTEE NUMBER QFR 3

QUESTIONS FOR THE RECORD BY CHAIRMAN STEVE BUYER

Question: Chairman Buyer – Would you increase the benefits under 1606 and 1607 including post-discharge education benefits if you had the authority?

Answer: General Bradley – I would definitely look at improvements with 1606 that would assist the Department of Defense in meeting strategic goals. Improvements would include restoring the value of the benefit to its previous level, i.e. 48% of the active duty benefit, and extending the usage time to a longer period of time than the current 14 years. The 1607 education benefit is so new at this time that there is no empirical data available to determine if any changes to the entitlement are necessary. However, as it only applies to involuntary mobilization changing the qualification to include voluntary duty would assist the Air Force Reserve in meeting operational requirements. The services are seeing more and more requirements being filled by volunteers as mobilization authorities expire.

QUESTION FOR THE RECORD
HOUSE VETERANS' AFFAIRS COMMITTEE
MODERNIZATION OF THE GI BILL
MARCH 15, 2006
COMMITTEE NUMBER QFR 4

QUESTIONS FOR THE RECORD BY CHAIRMAN STEVE BUYER

Question: Chairman Buyer – Do you believe that someone would remain in the Selected Reserves for today's $297 benefit when faced with possible multiple deployments to a combat zone? Would an increase in the 1606 rate improve retention?

Answer: General Bradley – Decisions to remain in the Reserve Components are based on many factors. The education benefit as a retention tool only applies during a fourteen-year period before the individual loses that entitlement. Considering the increased cost of education today, any improvements with the education benefit would positively affect recruiting and retention.

QUESTION FOR THE RECORD
HOUSE VETERANS' AFFAIRS COMMITTEE
MODERNIZATION OF THE GI BILL
MARCH 15, 2006
COMMITTEE NUMBER QFR 5

QUESTIONS FOR THE RECORD BY CHAIRMAN STEVE BUYER

Question: Chairman Buyer – Many states provide significant education benefits for members of the National Guard. However, members of the Reserves do not qualify for those benefits even though they may reside and drill in a state. Do you see this as an inequity? How would you remedy that inequity? Low number?

Answer: General Bradley – The Guard certainly has an advantage by offering additional education benefits to their recruits. Congress has allowed us to remedy this difference by funding a "kicker" program enabling our recruiters to provide additional education assistance for targeted critical specialties.

QUESTION FOR THE RECORD
HOUSE VETERANS' AFFAIRS COMMITTEE
MODERNIZATION OF THE GI BILL
MARCH 15, 2006
COMMITTEE NUMBER QFR 1

QUESTIONS FOR THE RECORD BY CONGRESSWOMAN GINNY BROWN-WAITE

My questions relate to the transition of military personnel to the civilian workforce.

Question: Ms. Brown-Waite – Several weeks ago, I met a woman in my district who had served in the military for a number of years. Today, she works in the private sector for a group that specializes in demolitions. We discussed some of the infrastructure the military has in place to assist departing service members when they look for employment in the workforce. She informed me that many members of the military do not take advantage of these assets. Could you elaborate on this situation?

Answer: General Bradley – The example, as described, is directed towards active duty and not the Reserve Components. Most Reserve members are already part of the civilian workforce and return to the same job when they leave duty status.

QUESTION FOR THE RECORD
HOUSE VETERANS' AFFAIRS COMMITTEE
MODERNIZATION OF THE GI BILL
MARCH 15, 2006
COMMITTEE NUMBER QFR 2

QUESTIONS FOR THE RECORD BY CONGRESSWOMAN GINNY BROWN-WAITE

My questions relate to the transition of military personnel to the civilian workforce.

Question: Ms. Brown-Waite – It is my understanding that many employers in the civilian workforce have difficulty recognizing the skills that individuals accrue during military service. The civilian workforce has organizations that certify occupations ranging from accountants to truck drivers. Do you think that a system that provides certifications of different military occupational skill sets would be viable?

Answer: General Bradley – According to the DodVets.com website, "There are over 700 different types of occupations within the Department of Defense." A "Skills Translator" tool is available at http://www.military.com/Careers/Content?file=skills_leader.htm&area=Content that can help translate military occupations to civilian occupations.

An occupation translator is also available on the federal website of Hire Vets First as provided by the U. S. Department of Labor, http://www.hirevetsfirst.gov/militaryskills.asp.

The member can also obtain a copy of Verification of Military Experience and Training (VMET) document (DD From 2586) with information on education and training data on the individual's military skills. Information about this document can be found on the following website: https://www.dmdc.osd.mil/vmet/owa/vmet_web_display.login.

Hearing Date: 15 March 2006
Subject: Modernizing the GI Bill
Committee: HVAC
Member: Representative Ginny Brown-Waite
Witness: MG Ronald Young
Question # 1

TRANSITION ASSSISTANCE UTILIZATION

Question. Several weeks ago, I met a woman in my district who had served in the military for a number of years Today she works in the private sector for a group that specializes in demolitions. We discussed some of the infrastructure the military has in place to assist departing service members when they look for employment in the workforce. She informed me that many member s of the military do not take advantage of these assets. Could you elaborate on this situation?

Answer. GAO report # 05-544, Enhanced Services Could Improve Transition Assistance for National Guard and Reserves, found that very few members of the National Guard or Reserves are able to attend the current Transition Assistance (TAP) Workshops. These employment assistance workshops are conducted by Department of Labor instructors. The low participation rate is due, in part, to the fact that the workshops are normally scheduled for 2 to 21/2 days and the National Guard or Reserve member can not complete the workshop while processing through a demobilization site. Upon return to their home unit, the ability to participate may be affected by the considerable distance to a TAP Workshop site. There is an Interagency Working Group, [redacted], working to address the TAP challenges met by the National Guard and reserve personnel. To assist with this issue, the National Guard is working on building state coalitions that will support returning service members to a state. The coalitions are being coordinated through the State Joint Forces Headquarters and include representation from the Department of Veterans Affairs and the Department of Labor. As part of this initiative, the National Guard Bureau has placed an individual at each of the 54 Joint Forces Headquarters to assist Service members in understanding and accessing their benefits.

Hearing Date: 15 March 2006
Subject: Modernizing the GI Bill
Committee: HVAC
Member: Representative Ginny Brown-Waite
Witness: MG Ronald Young
Question # 2

CERTIFICATION OF MILITARY OCCUPATIONAL SKILLS

Question. It is my understanding that many employers in the civilian workforce have difficulty recognizing the skills that individuals accrue during military service. The civilian workforce has organizations that certify occupations ranging from accountants to truck drivers. Do you think that a system that provides certifications of different military occupational skill sets would be viable?

Answer. Yes, such a system would enhance an employment assistance program. Currently, the Army has a program, "COOL" Credentialing Opportunities On-Line, which aids Army, Army Reserve, and Army National Guard Soldiers in gaining civilian credentials and certifications based upon their military education and training. In addition, a federally funded program, Helmets to Hardhats, offers a credentialing and certification process for our Service men and women who desire to work in the Building and Construction Trades Career Fields. Our service men and women are afforded the opportunity to have direct entry into the apprenticeship program of these career fields, based upon their military education, training and experience.

Hearing Date: 15 March 2006
Subject: Modernizing the GI Bill
Committee: HVAC
Member: Chairman Buyer
Witness: MG Ronald Young
Question # 1

RANKING OF RECRUITING AND RETENTION TOOLS

Question. How would you rank your recruiting and retention tools?

Answer. Both Army and Air National Guard place bonuses and education benefits among their top recruiting tools, followed by pay and other benefits.

Hearing Date: 15 March 2006
Subject: Modernizing the GI Bill
Committee: HVAC
Member: Chairman Buyer
Witness: MG Ronald Young
Question # 2

UTILIZATION RATE

Question. According to Secretary Hall's testimony, only 39 percent of those signing up for the Selected Reserve education benefit have used it. Would you comment on that low number?

Answer. Reservists do not sign up for the Selected Reserve GI Bill benefit (Chapter 1606) like their Active Duty counterparts do with Active Duty GI Bill (Chapter 30). Instead, all Reservists that meet three basic criteria are automatically enrolled in the entitlement. Without conducting a survey of Guard members, it would be difficult to determine exactly why individuals do not use their educational benefits.

Hearing Date: 15 March 2006
Subject: Modernizing the GI Bill
Committee: HVAC
Member: Chairman Buyer
Witness: MG Ronald Young
Question # 3

CHANGES TO SECTION 1606 AND 1607

Question. Would you increase the benefits under 1606 and 1607 include post-discharge education benefits if you had the authority?

Answer. The National Guard would like to see an increase to the Chapter 1606 benefit to help compensate for increases in school tuition rates. However, the Reserve Components have a vested interest in keeping these programs as a retention tool so we would not extend this benefit to include post-discharge educational benefits.

Hearing Date: 15 March 2006
Subject: Modernizing the GI Bill
Committee: HVAC
Member: Chairman Buyer
Witness: MG Ronald Young
Question # 4

RETENTION EFFECT

Question. Do you believe that someone would remain in the Selected Reserves for today's $297 benefit when faced with possible multiple deployments to a combat zone? Would an increase in the 1606 rate improve retention?

Answer. There are many reasons why individuals serve in the National Guard and the educational benefit is just one of the reasons. A rate higher than the current $297 would likely improve retention whether or not mobilizations continue since educational benefits are one of the top reasons people join the Army and Air National Guard; both Non-Prior service and Prior service.

Hearing Date: 15 March 2006
Subject: Modernizing the GI Bill
Committee: HVAC
Member: Chairman Buyer
Witness: MG Ronald Young
Question # 5

RECRUITMENT EFFECT

Question. In written testimony, you state that continuation of the benefits would harm reenlistment. Do you consider the continuation of education an incentive to enlist?

Answer. As we have previously stated, it is imperative that the existing requirement for continued service be preserved so that we can maintain the positive retention effect of the educational benefit.

Committee on Veteran's Affairs Full Committee Hearing
Hearing Date: March 15, 2006
Subject of Hearing: Modernization of the GI Bill
Member: Representative Ginny Brown-Waite
Witness: LTG James R. Helmly
Question # 1

Transition of military personnel to the civilian workforce

Question # 1: Several weeks ago, I met a woman in my district who had served in the military for a number of years. Today, she works in the private sector for a group that specializes in demolitions. We discussed some of the infrastructure the military has in place to assist departing service members when they look for employment in the workforce. She informed me that many members of the military do not take advantage of these assets. Could you elaborate?

Answer: The Army Reserve has undoubtedly not publicized or utilized existing services to their advantage. The Army has a program in place that assists Soldiers leaving the military to plan ahead for employment in the workforce. The Army's program is known as the Army Career Alumni Program (ACAP). This program was developed to assist members of the Army, Army civilian employees, and their families to succeed in their transition from federal service, and how to succeed in the civilian workforce.

Committee on Veteran's Affairs Full Committee Hearing
Hearing Date: March 15, 2006
Subject of Hearing: Modernization of the GI Bill
Member: Representative Ginny Brown-Waite
Witness: LTG James R. Helmly
Question # 2

Question # 2. It is my understanding that many employers in the civilian workforce have difficulty recognizing the skills that individuals accrue during military service. The civilian workforce has organizations that certify occupations ranging from accountants to truck drivers. Do you think that a system that provides certifications to different military occupational skill sets would be viable?

Answer: The military has several services in place to meet this concern. The Education Specialists at our regional readiness command headquarters advise Commanders and certainly could perform community outreach to provide information available through military programs that can assist in this endeavor. The American Council on Education (ACE) is dedicated to the belief that equal educational opportunity and a strong higher education system are essential cornerstones of a democratic society. The Military Evaluations Program of ACE makes it possible for service members to receive college credit for service school courses and most enlisted occupations. The credit recommendations for evaluation of service school courses and occupations are published in the Guide to the Evaluation of Educational Experiences in the Armed Services commonly referred to as the ACE Guide. The ACE website is: www.acenet.edu.

Another program we have internal to the military is our Credentialing Opportunities On-Line (COOL). This service explains how Army Soldiers can meet civilian certification and license requirements related to their Military Occupational Specialties (MOSs). COOL allows Soldiers and employers to get background information about civilian licensure and certification; identify licenses and certifications relevant to Army MOSs; learn how to fill gaps between Army training and experience and civilian credentialing requirements; and, learn about resources available to Soldiers that can help them gain civilian job credentials. Credentialing requirements information currently includes enlisted MOSs only. Plans are being developed to add Warrant officer MOSs. Current plans do not include MOSs for officers; however, officers can obtain general information on credentialing from two U.S. Department of Labor Web sites:

- America's Career Information Network (ACINet) – Licensed Occupations (http://www.acinet.org/acinet/licensedoccupations/lois_state.asp?by=occ&id=14&nodeid=16)
- America's CareerOneStop – Workforce Credentials Information Center (http://www.careeronestop.org/CREDENTIALING/CredentialingHome.asp)

COOL is a resource for Soldiers who want to know what civilian credentials relate to their MOS and how to obtain them; education, career and transition counselors providing guidance on education, professional growth, and career requirements and opportunities; Army Recruiters who

want to show potential recruits the opportunities for professional growth and civilian career preparation available through Army service; and, employers and credentialing boards interested in how military training and experience prepares Soldiers for civilian credentials and jobs.

One more program the Army has is the Army/ACE Registry Transcript System (AARTS). An AARTS transcript contains a record of all of the soldier's military educational experiences, including those for which there are evaluated college credit recommendations. This document helps college registrars award college credit for learning experiences gained while in the military, provides a supplement to a soldier's résumé and provides employers with a good understanding of the scope of responsibilities and skills acquired while serving in the military. Acceptance of ACE credit recommendations varies depending on an institution's policies, procedures, and degree requirements. AARTS administrators will also fulfill unit batch requests for all eligible soldiers in ARNG units. Supply your Unit Identification Code (UIC) when making your request. For additional information and to order a transcript, visit the AARTS web site at: http://aarts.army.mil/.

One last service available through our Education Specialists is entitled Verification of Military Experience and Training (VMET). The VMET document is an "all-services" integrated form which displays demographic, training, and experience information that is retrieved from various automated sources. It lists a Soldier's military experience and training which may have application to employment in the private sector. This document can be used as a tool to prepare resumes and job applications, in concert with evaluation reports, training certificates, awards, transcripts, and other pertinent documents. It is not an official transcript for purposes of granting college credit, but it can be used to support having met training and/or course requirements to qualify for civilian occupations, certificates, licenses, or programs of study. Credit recommendations from the American Council of Education (ACE) for occupations and/or courses are listed when they are available. Academic institutions determine which credits are applicable to a program of study. The VMET website can be found at https://www.dmdc.osd.mil/vmet.

If our Soldiers are not taking advantage of these services or notifying employers of these tools, we have to work harder to get the word out.

Committee on Veteran's Affairs Full Committee Hearing
Hearing Date: March 15, 2006-07-12
Subject of Hearing: Modernization of the GI Bill
Member: Representative Steve Buyer
Witness: LTG James R. Helmly

Question # 3

Question # 1. How would you rank your recruiting and retention tools?

Answer: Our current recruiting and retention tools have improved significantly over the past 2 years and continue to be critical to maintaining a ready, all volunteer Army Reserve (AR). The 3-year, $7.5K and 6-year, $15K reenlistment bonuses authorized by NDAA05 have had a significant impact on the AR ability to reenlist Soldiers. These retention tools must continue to be funded and offered to eligible AR Soldiers if there is an expectation of the AR meeting its reenlistment goals.
The AR continues to pursue initiatives to enhance our recruiting and retention (RR) capabilities. The AR developed the "Call to Duty" Campaign Plan which facilitates quality referrals to Army recruiters from Army Reserve Soldiers. The referral program is linked to the Army's $1K Pilot Referral Bonus to reward Soldiers who provide referrals who enlist into the Army. To attract future AR officers, the Army is offering a $10K Officer Accession Bonus. Examples of retention initiatives include the Commanding Officers Retention Toolkit (COR), which is an automated resource of incentives and options to assist commanders to inform their officers about opportunities to continue their service in the Army Reserve. The CORT is a by-product of the Office Personnel Management System initiative yet has enormous potential to support the Army's overall RR activities. The AR is offering mobilization deferments up to 24 months for separating AC Soldiers who were deployed and elect to serve in the SELRES. Other changes include expanding the reenlistment window from 90 days to 12 months.
The Army is considering proposing raising the Reenlistment Bonus max amounts from $15K to $30K for a six-year commitment and from $7.5K to $15K for three year commitment, Allow non-MOSQ Soldiers to receive reenlistment bonus (must possess MOS on SRIP), AR End of Service Bonus up to $15 for 1st term completion, increase the Officer Accession and Officer Affiliation to $20K, and a Enlisted Affiliation Bonus for Non-MOSQ Soldiers. With the approval of these new initiatives, we will have significantly improved RR tools than in the past. These changes are necessitated by the challenges we face in recruiting and retention, magnified by the current war effort. We will continue to focus on improving such tools, to maintain our operational capabilities for the long term.

Committee on Veteran's Affairs Full Committee Hearing
Hearing Date: March 15, 2006
Subject of Hearing: Modernization of the GI Bill
Member: Representative Steve Buyer
Witness: LTG James R. Helmly

Question # 4

Question # 2. According to Secretary Hall's testimony, only 39 percent of those signing up for the Selected Reserve education benefit have used it. Would you comment on that low number?

Answer: It's not really a low number. When the MGIB-SR program started in July, 1985, a large portion of our Army Reserve Soldier population already possessed baccalaureate degrees. It wasn't until P.L. 103-160 (Oct 5, 1994) passed that MGIB-SR benefits would pay for post-baccalaureate degree work. Later, other non-traditional and vocational programs were covered. I think more importantly, statistics reported to Congress show that 55% of current MGIB-SR participants are pursuing an undergraduate degree and 87% of those participants are attending full-time or three-quarters time. Additionally, historical data (taken from 1985 to the present) reflects 84% of all MGIB-SR participants have been in the pay grades of E1 (Private) to E6 (Staff Sergeant) which is exactly where we feel the emphasis on educational benefits should be targeted.

Committee on Veteran's Affairs Full Committee Hearing
Hearing Date: March 15, 2006
Subject of Hearing: Modernization of the GI Bill
Member: Representative Steve Buyer
Witness: LTG James R. Helmly

Question # 5

Question # 3. Would you increase the benefits under 1606 and 1607 including post-discharge education benefits if you had the authority?

Answer: Yes. Chapter 1606 benefits have continued to decline in recent years in proportion to the MGIB-Active Duty Chapter 30 rate.

Committee on Veteran's Affairs Full Committee Hearing
Hearing Date: March 15, 2006
Subject of Hearing: Modernization of the GI Bill
Member: Representative Steve Buyer
Witness: LTG James R. Helmly

Question # 6

Question # 4. Do you believe that someone would remain in the Selected Reserves for today's $297 benefit when faced with the possible multiple deployments to a combat zone? Would an increase in the 1606 rate improve retention?

Answer: Survey results show that 86% of our young men and women join the military in order to receive educational benefits. Upon completion of their initial 8-year service obligation, I would hope that our young men and women opt to reenlist not only to continue their educational pursuits, but to continue serving their Nation as a highly trained and skilled Soldier. Our historically high retention rates for our second and third term or "career" minded Soldiers indicate that Soldiers stay in the Army Reserve not only for the pay and benefits, but also for increased responsibility and leadership opportunities, additional military specialty training, and the desire to face the challenges as set forth by serving in the military. As previously stated, an increase in the Chapter 1606 rate would certainly enhance our retention posture and any increase in the 1606 rate is, therefore, welcomed.

Committee on Veteran's Affairs Full Committee Hearing
Hearing Date: March 15, 2006
Subject of Hearing: Modernization of the GI Bill
Member: Representative Steve Buyer
Witness: LTG James R. Helmly

Question # 7

Question # 5. Many states provide significant education benefits for members of the National Guard. However, members of the Reserves do not qualify for those benefits even though they may reside and drill in a state. Do you see this as an inequity? How would you remedy that inequity?

Answer: There has always been a perception of inequity when comparing National Guard State educational benefits to those offered by the Army Reserve, which is a Federal force. National Guard Soldiers receive state funds and federal funds for education benefits whereas Army Reserve Soldiers only receive federal funds. Army and Air National Guard Soldiers are unique, in that, they have a dual mission to support both State Adjutant General and Gubernatorial missions such as fires, floods, civil disturbances, natural disasters, as well as being a Reserve of their respective Federal military components (Army & Air Force). They are in fact State employees in their respective States; thus, they qualify for some benefits that other State employees gain. These State-funded education benefits or incentives are many times not funded, or are limited due to federal benefits (thus no net gain), or are inferior to federal benefits. The funding for these benefits are driven by State legislatures, and thus, frequently are not fully funded. Also, several States do not have State-funded programs and for those that do vary from minor financial assistance to full waivers for attendance on State-supported colleges. So by comparison, this does place Army Reserve Soldiers in an inequitable position. Continued funding for GI Bill and tuition assistance is welcomed by Army Reserve Soldiers.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Brown-Waite
Witness: LtGen Bergman
Question #: 1

Question: Several weeks ago, I met a woman in my district who had served in the military for a number of years. Today, she works in the private sector for a group that specializes in demolitions. We discussed some of the infrastructure the military has in place to assist departing service members when they look for employment in the workforce. She informed me that many members of the military do not take advantage of these assets. Could you elaborate on this situation?

Answer: The Marine-For-Life (M4L) Program proudly assists honorably discharged and disabled Marines as they transition from the Corps to the community and it provides support to injured Marines and Sailors during and after their recovery from injury. Active and Reserve component Marines and Sailors can register 180 days prior to and 90 days after service separation for assistance from the more than 100 Hometown Links in 80 cities across the United States.

Marines and Sailors can register at www.M4L.usmc.mil to utilize the many Marine-For-Life resources, such as: 1) Hometown Link, 2) Mentor network, 3) Resume posting, 4) Employer job postings, 5) VA benefits information and, 6) Postings of local networking functions. Marine-For-Life provides Marines and Sailors with a network of veterans, employers, and other resources designed to ease service transition.

Employers benefit by attracting high quality candidates through free unlimited job postings and unlimited resume searches with the ability to earmark positions for disabled Marines. Job postings stay active up to 90 days and feedback is provided to employers regarding job posting views by potential veteran employees. Employers can register at www.M4L.usmc.mil.

As of 22 March 2006, the program enjoys participation by 6,141 registered employers and 1,596 registered mentors. Both the employers and mentors provide a highly effective network resource for the more than 8,890 Marines who logged onto the Marine-For-Life web site during February 2006. More than 330 Marines with disability ratings greater than 10% are currently using the program either in a self-help or personalized service manner.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Brown-Waite
Witness: LtGen Bergman
Question #: 2

Question: It is my understanding that many employers in the civilian workforce have difficulty recognizing the skills that individuals accrue during military service. The civilian workforce has organizations that certify occupations ranging from accountants to truck drivers. Do you think that a system that provides certifications of different military occupational skill sets would be viable?

Answer: Certification of the descriptions/characteristics that will resonate with the business community would best be identified by the business community or a government agency with a core competency of business such as the Department of Labor. The Marine For Life Program offers an online skill translation service. The tool is rudimentary but serves as a terrific departure point for transitioning Marines.

DMDC (http://www.dmdc.osd.mil) provides (among other things) a service called VMET (Verification of Military Experience and Training) which pulls individual military occupational and assignment data and compiles it into a resume type document.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Buyer
Witness: LtGen Bergman
Question #: 1

Question: How would you rank your recruiting and retention tools?

Answer: Clarified Response - Marine Corps Reserve Recruiting tools are excellent and have directly supported the quality retention results experienced by the SMCR since 9/11. The Marine Corps classifies the recruit population into Prior Service (PS) and Non-Prior Service (NPS). For the NPS population the Selected Reserve Incentive Program (SRIP) is utilized. SRIP incentives include: 1) $10,000 Enlistment Bonuses, which are targeted toward High Demand/Low Density (HD/LD) skilled Marine Occupational Specialties and, 2) MGIB-SR Education Kicker, which provides educational assistance payments up to $350 per month for education expenses for up to 36 months of full-time educational pursuit, in addition to current MGIB basic benefits. An NPS applicant must enlist for a period of six years to be eligible for the Kicker and an applicant may receive both the bonus and kicker incentives if they are eligible.

Tools used for the Prior Service population include: 1) Re-enlistment bonuses, 2) Affiliation bonuses, 3) Promotion incentive and, 4) MGIB Education Kicker.

Reenlistment bonuses are monetarily tiered and monies are awarded based upon the number of years a Marine reenlists in the SMCR. Reenlistment bonus awards range from $15,000 lump-sum payment for a six-year reenlistment in a (HD/LD) specialty to a $2,000 lump-sum payment for a three-year reenlistment in a less specialized occupational specialty.

Affiliation bonuses are targeted towards PS Marines leaving active duty who agree to serve their remaining military service obligation (at least 3 years) in the Selected Reserve and provides between $1,800 and $2,400. The Officer $10,000 affiliation bonus is targeted toward company grade officers (01-03) who fill a vacant billet in their MOS in the SMCR. The bonus rate is higher due to the critical shortage of SMCR company grade officers.

The Promotion incentive is targeted toward high-quality in the rank of E-3 to E-4 transitioning from active duty or those SMCR Marines who are no longer obligated. If a Marine obligates him/herself to two-years of additional service in the SMCR they will be promoted to the next higher rank (E-4 or E-5).

The MGIB-SR kicker provides educational assistance payments of $350 a month, for up to 36 months of full-time educational pursuit, in addition to current MGIB basic benefits. A Marine must obligate to serve six years in a designated MOS to be eligible for the MGIB-SR kicker.

SMCR to defer deployments for 24 months if they meet certain criteria (related to recent combat deployments).

The Marine Corps Reserve's metric of success regarding retention is measured as a cap on attrition. In any Fiscal Year, the Marine Corps Reserve goal is no more than 30% attrition of the Selected Reserve Force. This goal has been attained for the last five years and is on track to continue this year.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Buyer
Witness: LtGen Bergman
Question #: 2

Question: According to Secretary Hall's testimony, only 39 percent of those signing up for the Selected Reserve education benefit have used it. Would you comment on that low number?

Answer: The Marine Corps Reserve is unable to identify any negative factors that would detract from use of the Selected Reserve education benefit. We have not conducted any surveys with the field to indicate a propensity to either use or not use Selected Reserve education benefits. However, we have examined the 2004 DoD report to Congress titled Reserve Personnel Compensation Program Review that projected by aligning the Selected Reserve education benefit to 48% of the active duty benefit would increase program participation by 28% within one year. This projection may be a beneficial solution to increasing participation in the Selected Reserve education benefit program across the force.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Buyer
Witness: LtGen Bergman
Question #: 3

Question: Would you increase the benefits under 1606 and 1607 including post-discharge education benefits if you had the authority?

Answer: The Chapter 1606 benefit has not kept pace with the rising cost of education - an issue addressed by this committee when it significantly increased the chapter 30 benefits in 2000 and 2001. The 2000 and 2001 increases created a significant gap between Chapter 30 benefit levels and the Chapter 1606 benefit level, which had historically been about 48% of the Chapter 30 rates. Linking the two Chapter benefit levels would ensure that the strength and attractiveness of the basic Chapter 1606 is maintained as a strong recruiting and retention incentive into the future.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Buyer
Witness: LtGen Bergman
Question #: 4

Question: Do you believe that someone would remain in the Selected Reserves for today's $297 benefit when faced with possible multiple deployments to a combat zone? Would an increase in the 1606 rate improve retention?

Answer: The factors that influence an individual's retention are highly personal. Studies have shown that family and employer influencers have more impact on retention than any other reason. Education benefits are certainly a draw to individuals considering an enlistment into the Selected Reserve and any increase will certainly provide an increased enlistment incentive as well as improve overall retention in the future.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Buyer
Witness: LtGen Bergman
Question #: 5

Question: Many states provide significant education benefits for members of the National Guard. However, members of the Reserves do not qualify for those benefits even though they may reside and drill in a state. Do you see this as an inequity? How would you remedy that inequity?

Answer: Clarified Response - National Guardsmen are bound to State related missions in addition to their Federal responsibilities while participants in the Marine Corps Reserve are obligated to Federal service only. In that regard, States may choose to provide State specific benefits to maintain a healthy package of incentives to enter or continue State service.

We find that providing education benefits for National Guard members is admirable and we commend those states that provide these benefits for fulfilling state-related missions. We do not feel that providing federal benefits for those National Guard members who complete federal missions in addition to the state benefits received for completing state-related missions creates inequity.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Buyer
Witness: LtGen Bergman
Question #: 6

Question: Is it correct that the way the Marines transfer personnel between commands requires a Marine to spend a day in the Individual Ready Reserve and that effectively eliminates eligibility for 1606/1607 benefits? And if this is true, is that a problem unique to the Marine Reserve?

Answer: The Marine Corps Reserve does not require individuals transferring between reserve commands to spend a day in the IRR. However, service members are often temporarily unable to affiliate with the Selected Reserve due to civilian job transitions, geographic relocations, tour lengths, and promotion-based Table of Organization mismatches. Under current statute, if a member temporarily separates from the Selected Reserve for greater than 90 days, he or she will permanently lose entitlement to Chapter 1607 benefits. Removing the time limitation on temporary breaks in Selected Reserve service would ensure the strength and attractiveness of the Chapter 1607 benefit are maintained in the future. The Chapter 1606 benefit is an entitlement provided to all initial entry Selected Reserve Marines. A Reserve Marine can transition from the Selected Reserve to the Individual Ready Reserve without a loss of benefit; however, Chapter 1606 requires a Marine to be affiliated with the Selected Reserve to access benefits, making the benefit a strong recruiting and retention tool for the Selected Reserve.

Overall, use of this authorization would facilitate the Services' recruitment of prior service Selected Reserve members. Additionally, this proposal would allow service members who are temporarily unable to affiliate with the Selected Reserve -- due to civilian job transitions and geographic relocations, tour length restrictions, or promotion-based Table of Organization mismatches -- the opportunity to locate another drilling billet without a permanent loss of 1607 benefits.

Hearing Date: March 15, 2006
Committee: House Veterans Affairs Committee
Member: Rep Buyer
Witness: LtGen Bergman
Question #: 7

Question: Only the Marine Corps has mandated the attendance in the Transition Assistance Program because it helps make the departing Marine leave with a good feeling about the Corps and a potential unofficial recruiter. Would the same logic apply to post-discharge education benefits for the Reserve Corps?

Answer: Our mandatory Transition Assistance Program is less about imparting a good feeling on transitioning Marines and more of an issue of fundamental leadership - taking care of our own: ensuring transitioning Marines have the knowledge necessary to make informed decisions. Post-service education benefits, to some extent, are already addressed in the briefs - recommend whatever is desired for inclusion by Congress be made known to the services.

CNRFC - RADM McDonald
HVAC, 15 Mar 06
MGIB Modernization
Q3.

Transition of military personnel to the civilian workforce.

Question. Would you increase the benefits under 1606 and 1607 including post-discharge education benefits if you had the authority?

Answer. Yes. The education benefit provided by the Montgomery GI Bill for Selected Reserve (MBIG-SR) has been an effective recruiting and retention tool for the Reserve Component. The 1606 benefit has been indexed against inflation, but the cost of education has risen faster than the inflation. MGIB-AC (Chapter 30) has been increased twice to account for the disparity in indexing. To maintain the MGIB-SR as a viable benefit, an indexing method should be developed to preserve the value of the benefit and keep pace with the rising cost of education and inflation.

The MGIB-1607 benefit was implemented to recognize Selected Reservists who have been mobilized for contingency operations since September 11, 2001. The benefit is calculated using a percentage of the MGIB-AC (Chapter 30) benefit, based on the period served on active duty. The benefit is also limited by a cap wherein a Selected Reservist may only use their cumulative MGIB-AC and MGIB-RC benefits for a total of 48 months. It is a great benefit, but personally I would prefer to see some relief on criteria requirements for using the MGIB-1607 benefit.

Rep. Brown-Waite
CNRFC - RADM McDonald
HVAC, 15 Mar 06
MGIB Modernization
Q1.

Transition of military personnel to the civilian workforce.

Several weeks ago, I met a woman in my district who had served in the military for a number of years. Today, she works in the private sector for a group that specializes in demolitions. We discussed some of the infrastructure the military has in place to assist departing service members when they look for reemployment in the workforce. She informed me that many members of the military do not take advantage of these assets.

Question. Could you elaborate on this situation?

Answer. The NDAA FY-91 established the Transition Assistance Program (TAP) for all military services. TAP provides separating and retiring servicemen and women information on job searches, career decision-making, current occupational and labor market conditions, and resume and cover letter preparation and interviewing techniques. Participants also are provided with an evaluation of their employability relative to the job market and receive information on the most current veterans' benefits.

The Department of Labor - Veterans and Employment Training Service (DOL-VETS) Division provides oversight for the TAP program and coordinates with the Department of Defense, Department of Transportation, State Employment Services and DOL contractors.

TAP classes are held both INCONUS and OCONUS (in Germany, Belgium, Italy,. Japan, Korea & Guam, Naples, Sigonella, La Madelena, and Rota). Depending on the branch of service, members can attend classes from two days to a week in length. Over 1,200 TAP classes are offered worldwide each year. TAP is not mandatory, but highly encouraged, for separating members.

Each service has a DOD-sponsored agency that will assist separating members in translating military jobs skills into civilian skills. Although each location differs in what they offer, they typically provide skill &

interest surveys, extensive resume writing classes, and job search capabilities via the Internet.

Rep. Brown-Waite
CNRFC - RADM McDonald
HVAC, 15 Mar 06
MGIB Modernization
Q2.

Transition of military personnel to the civilian workforce.

It is my understanding that many employers in the civilian workforce have difficulty recognizing the skills that individuals accrue during military service. The civilian workforce has organizations that certify occupations ranging from accountants to truck drivers.

Question. Do you think that a system that provides certifications of different military occupational skill sets would be viable?

Answer. Yes, a system providing certifications would be beneficial. The Navy is developing a system that categorizes occupations and experience levels into apprentice, journeymen, and masters level designations. Navy is working to align military occupational skills and competencies with civilian occupations wherever possible. This will benefit both the military and civilian employers — it will allow the military to target recruiting for certain skill-sets and provide civilian employers with a standardized set of skill-sets which they can use when making hiring decisions.

Rep. Buyer
CNRFC - RADM McDonald
HVAC, 15 Mar 06
MGIB Modernization
Q1.

Transition of military personnel to the civilian workforce.

Question. How would you rank your recruiting and retention tools?

Answer. The recruiting and retention tools currently available to the Navy Reserve are very useful and helpful as we compete for new Sailors and retain the Veterans. In NDAA-06 Congress provided DoD with numerous improvements to these tools. For example, the Navy is offering lump sum payments for bonuses up to $20K for members who enlist for 6 years. Although the recruiting and retention tools have improved with Congress's help, the Navy Reserve is constantly working to further refine benefits to attract and retain qualified service members.

Rep. Buyer
CNRFC - RADM McDonald
HVAC, 15 Mar 06
MGIB Modernization
Q2.

Transition of military personnel to the civilian workforce.

According to Secretary Hall's testimony, only 39 percent of those signing up for the Selected Reserve education benefits have used it.

Question. Would you comment on that low number?

Answer. The education benefits are an important factor for potential recruits and more junior service members in the Navy Reserve. Education benefits rank higher among this group than they do for more senior Sailors. Even so, many potential beneficiaries probably intend to use the MGIB-SR when they join the program but later events in life preclude them from using their benefits.

Rep. Buyer
CNRFC - RADM McDonald
HVAC, 15 Mar 06
MGIB Modernization
Q4.

Transition of military personnel to the civilian workforce.

Question. Do you believe that someone would remain in the Selected Reserve for today's $297 benefit when faced with possible multiple deployments to a combat zone?

Answer. The MGIB-SR is not the only factor that influences Selected Reservists to remain in the military and subject themselves to the possibility of deployments to combat zones. A competitive pay and benefits system also helps to compensate Selected Reservists for their sacrifice of time and other sources of income.

Question. Would an increase in the 1606 rate improve retention?

Answer. An increase in benefits or a fair and equitable benefit package has a positive effect on retention. An increase in the MGIB-SR should be particularly helpful in retaining more junior service members.

Rep. Buyer
CNRFC - RADM McDonald
HVAC, 15 Mar 06
MGIB Modernization
Q5.

Transition of military personnel to the civilian workforce.

Many states provide significant education benefits for members of the National Guard. However, members of the Reserves do not qualify for those benefits even though they may reside and drill in a state.

Question. Do you see this as an inequity? How would you remedy that inequity?

Answer. This is not an inequity and has never been identified by our personnel as one. States offer education benefits above those found in the MGIB-SR because they have direct control over state college systems and the National Guard units are important state assets. While the Reserve components do not have the same opportunity for state educational benefits, they do have added benefits while under federal orders. The added benefits include retirement contributions, medical coverage, MGIB and Basic Allowance for Housing.

15 March: Educational Benefit
Before the House Committee on Veterans' Affairs

Questions for the Record from Rep. Ginny Brown-Waite

Question:
Several weeks ago, I met a woman in my district who had served in the military for a number of years. Today, she works in the private sector for a group that specializes in demolitions. We discussed some of the infrastructure the military has in place to assist departing service members when they look for employment in the workforce. She informed me that many members of the military do not take advantage of these assets. Could you elaborate on this situation?

Response:
The National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337), required that all Coast Guard members separating from the military, whether through retirement, end of enlistment, medical board, or involuntary separation must receive pre-separation counseling on specified benefits and services. The purpose of this counseling is to ensure that all separating members have the opportunity to learn about transition benefits and services available to assist them and their spouse. Pre-separation counseling provided to Coast Guard members is documented via Department of Defense (DD) Form 2648, Pre-separation Counseling Checklist.

The steps listed on the DD 2648 require the Servicing Personnel Office (SPO) to offer the separating service member information about transition benefits and services. The second item on the checklist is Employment Assistance, with nine sub-items, including Federal and state employment opportunities with Internet reference sources. The service member may request or decline additional information; the choice is up to them. Depending on the choices made, the Coast Guard member is referred to an appropriate subject matter specialist, such as the Transition and Relocation Program Manager (TRM). Although a completed DD 2648 is required for each separating member, the member is not required to seek out more information. We don't have specific data to describe the reasons why members don't seek additional information, but we do make every effort to ensure that they know what resources are available to aid them in making informed decisions.

The implementing Coast Guard regulations are found in Commandant Instruction (COMDTINST) 1900.2A, Transition Assistance Program, section 5A., which states, "A command representative will meet with all members separating, retiring, or entering the Disability Evaluation System (Initial Medical Board Initiation), officers and enlisted, approximately 180 days before separation and no later than 15 days after official notification of separation."..."Pre-separation counseling must occur at least 90 days prior to separation."

The Coast Guard procedures for separating members are also defined in the Personnel Manual, COMDTINST M1000.6A. SPO personnel use the "Checklist for Separation" located in Chapter 12, section 3-B-18. The first item on the checklist is to refer the member to the nearest TRM for counseling. The servicing personnel officer/yeoman is responsible for completing the DD 2648 with the member, not the TRM.

Question:
It is my understanding that many employers in the civilian workforce have difficulty recognizing skills that individuals accrue during military service. The civilian workforce has organizations that certify occupations ranging from accountants to truck drivers. Do you think that a system that provides certifications of different military occupational skill sets would be viable?

Response:

The Coast Guard participates in a program that enables the recognition of skills and experiences for service members. The United Services Military Apprenticeship Program (USMAP), a federally registered apprenticeship program, documents a service member's training and experience while on active duty. Through participation in this voluntary program, a member can fulfill all requirements for certification in an occupation directly related to their military specialty. Successful completion results in the issuance of a Certificate of Completion of Apprenticeship from the U.S. Department of Labor.

The American Council on Education (ACE) also provides a collaborative link between the U. S. Coast Guard and higher education through its publication, the Guide to the Evaluation of Educational Experiences in the Armed Services, used by registrars, admissions officers, academic advisors, and career counselors. The guide provides guidance to colleges and universities in the award of credit for learning acquired through the successful completion of formal military courses and occupational training.

Questions for the Record from Rep. Steve Buyer

Question:
How would you rank your recruiting and retention tools?

Response:
We consider our retention tools, such as tuition assistance and educational benefits, to be very successful in ensuring we attain optimum retention rates. The CG Reserve retention rate is currently 87.4% compared to the seven-year average of 85.5%. Our recruiting tools, such as enlistment and affiliation bonuses, continue to enable us to meet our annual end-strength requirements. Different tools are more or less effective depending upon each individual recruit or reservist, making a straight rank-ordering of tools difficult to achieve. Generally speaking, however, our most effective recruiting and retention tools are targeted advertising/marketing, bonuses, and MGIB/other educational benefits.

Question:
According to Secretary Hall's testimony, only 39 percent of those signing up for the Selected Reserve education benefit have used it. Would you comment on that low number?

Response:
Coast Guard reservists are currently eligible to participate in the Tuition Assistance (TA) program, which provides members with reimbursement of up to 100% of tuition costs for qualifying programs (up to $4,500 per year). Although benefits under the TA program can be combined with those received under the Montgomery GI Bill – Selected Reserve (MGIB-SR) program, in some cases the TA benefits may be sufficient to meet the member's education assistance requirements. Data provided by the Coast Guard Recruiting Command in Fiscal Year 2005 indicated that nearly 17% of all new Reserve enlisted accessions already held Associate or higher degrees, and 32% had prior college experience. This is nearly double the rate of the Coast Guard's active duty component and may provide some insight into the MGIB-SR participation rate.

Question:
Would you increase the benefits under 1606 and 1607 including post-discharge educational benefits if you had the authority?

Response:
The Coast Guard believes that the existing Tuition Assistance (TA), Reserve Education Assistance Program (REAP), and Montgomery GI Bill – Selected Reserve (MGIB-SR) programs provide sufficient incentive, from a benefits perspective, to meet Reserve recruiting and retention requirements.

Question:
Do you believe that someone would remain in the Selective Reserves for today's $297 benefit when faced with possible multiple deployments to a combat zone? Would an increase ion the 1606 rate improve retention?

Response:
At the current 1606 benefit level, the Coast Guard's Reserve retention rate is 87.4%, compared to the seven-year rate of 85.5%. At this high retention rate, we can not project that an increase in 1606 benefits would have a resultant increase in retention. The 1606 program is a valued benefit among the education opportunities afforded to Coast Guard reservists, but it is not currently the driving factor for enlistments and reenlistments.

Question:
Many states provide significant education benefits for members of the National Guard. However, members of the Reserves do not qualify for those benefits even though they may reside and drill in a state. Do you see this as an inequity? How would you remedy that inequity?

Response:
The Coast Guard Reserve currently allows eligible reservists to participate in the Tuition Assistance (TA) program at a rate comparable to our Active Component members. The TA program provides reimbursement up to 100% of tuition costs for qualifying programs up to $4,500 per year for all Coast Guard personnel. In some cases, benefits under the TA program may be combined with benefits received under either the Montgomery GI Bill – Selected Reserve (MGIB-SR) or Reserve Education Assistance Program (REAP) programs. The Coast Guard feels that the existing educational benefits that are offered to reservists are sufficient to meet their needs.

Question:
What are the major challenges to recruiting and retention in the Coast Guard Reserve and what are the Coast Guard's current and near-term projected numbers for the Reserve Education Assistance Program?

Response:
In the post 9/11 environment, our unflinching focus on people has benefited the Service at every level. Our major challenge is to continue to recruit and retain CG reservists with the right skills, knowledge and competencies needed to effectively contribute to mission execution. Through focused recruiting, application of bonus tools, individual growth and development, and life-long learning opportunities, effective tools are in place to recruit and retain the best people. The Reserve Education Assistance Program (REAP) is another tool in our tool box. According to the Department of Veterans Affairs REAP report of March 2006, there are six CG Reserve members participating in REAP and our near-term projections for the remainder of FY06 is 36 participants. We are actively advertising REAP among Coast Guard reservists to increase usage of this new program.

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