STATEMENT OF
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ECONOMIC COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
H.R. 2910, H.R. 1211, H.R. 2247, H.R. 2385, H.R. 1102, H.R. 1214, AND H.R. 2702

JANUARY 17, 2008

Madam Chairwoman and Members of the Subcommittee:

The American Legion appreciates the opportunity to present our recommendations and observations of the current state of veterans' education-related programs, proposed legislation, and laws. Recent legislative activities in relation to the Fiscal Year 2008 National Defense Authorization Act (NDAA) that contain significant changes to the Montgomery GI Bill (MGIB) place this hearing at an opportune time. With the final disposition of the NDAA unclear, The American Legion will comment on proposed legislation in reference to the current established statutes.

The American Legion has provided this Committee during the First Session of the 110th Congress numerous recommendations and observations of veterans' education benefits. As we move forward, The American Legion looks forward to the continuation of the progress made over the last year and we continue to stand by our previous statements and advocacy efforts.

TOP PRIORITIES OF MODIFICATION AND ENHANCEMENT OF VETERANS' EDUCATION BENEFITS

Portability of Benefits

The American Legion supports eliminating the ten-year delimiting period for veterans to use MGIB educational benefits and to allow all Reserve Component members to use their MGIB benefits for up to ten years after separation or completion of a service contract.

Raise the Rates

The American Legion recommends that 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 commuter students at an accredited university, college or trade school for which they qualify. Additionally, the educational cost index should be reviewed and adjusted annually.

Equity of Benefits for Time Served on Active Duty

The American Legion supports a MGIB-SR participant reimbursement rate adjusted for time spent on Federal activation, State activation, and normal service for a period not to exceed 36 months.

Termination of $1200 Contribution

The American Legion supports the termination of the current military payroll contribution ($1200) required for enrollment in MGIB. Additionally, The American Legion supports that enrollment in the MGIB shall be automatic upon enlistment. However, benefits will not be awarded unless eligibility criteria have been met.

Transferability of Benefits

The American Legion supports the transfer of MGIB benefits from veterans to their immediate family members should a veteran elect to do so.

Accelerated Payments

The American Legion supports granting veterans an option to request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for MGIB financial payments.

ADMINISTRATION OF VETERANS' EDUCATION BENEFITS

Recodification

The American Legion recommends that Congress move the Montgomery GI Bill-Reserve Education Assistance Program (REAP, Chapter 1607) and the Montgomery GI Bill-Selected Reserve (MGIB-SR, Chapter 1606) from Title 10, United States Code (USC), to Title 38, USC. Additionally, we recommend providing the Department of Veterans Affairs (VA) with administrative authority for the MGIB, REAP and MGIB-SR benefits. Finally, The American Legion recommends that the MGIB, REAP and MGIB-SR funding become annual mandatory appropriations. Recodification of MGIB benefits from Title 10 to Title 38 would place the administration of programs under VA and oversight under the Committees on Veterans' Affairs.

Traditionally seen as a recruitment tool, the MGIB is a readjustment tool that more closely falls in line with the purview of VA. The VA Education Service has a proven track record of improving delivery and facilitation of services, as well as a dedication to veterans. Furthermore, The Committees on Veterans' Affairs are better equipped in that they have established oversight protocol of veterans and VA programs. It is our hope that transferring oversight from the Committees on Armed Services to the Committees on Veterans' Affairs will expedite legislation seeking to improve educational benefits for veterans. Since 1999, the Committees on Armed Services and the Department of Defense officials have failed to adjust the rates of Reserve

Components' education benefits. As a result, the current MGIB-SR benefit for full time students is $317 a month, or just 29 percent of MGIB-AD.

SELECTED LEGISLATION CONTAINING ENTITLEMENT OF BENEFITS FOR AGGREGATE TIME SERVED

H.R. 1211, "The Resuming Education After Defense Service Act of 2007" and H.R. 2702, "The Post-9/11 Veterans Educational Assistance Act of 2007"

Eligibility Concerns

While these two bills are steps in the right direction by providing benefits for time served, The American Legion is concerned that it fails to recognize those veterans that complete their tours honorably, but do not serve an aggregate of two years, and do not meet the other requirements of eligibility. These veterans have served their country honorably yet are excluded from earned benefits.

The eligibility requirement as proposed by bills H.R. 1211 and H.R. 2702 requires a servicemember to serve an aggregate of at least two years of honorable active-duty service in the armed forces after September 11, 2001. However, The American Legion supports a MGIB-SR participant reimbursement rate adjusted for time spent on Federal activation, State activation, and normal service for a period not to exceed 36 months.

The operational force of our nation's military has transformed dramatically since 1985, the year that the MGIB was established. Now, the Reserve Components are a large part of the operational force and are called to active-duty for a significant portion of their Reserve career as compared to prior years when the Reserve Components were rarely used. As of today, over 450,000 members of the Reserve Components have been deployed in support of Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). A majority of these Reservists served honorably on active-duty for at least 90 days, thereby earning them REAP benefits (Chapter 1607, Title 10, USC) in addition to their MGIB-Selected Reserve Benefits (Chapter 1606, Title 10, USC). Therefore, deducing that out of the 850,750 members of the Reserve Components who have departed the military since 2002, we conservatively estimate that at least over 400,000 veterans have lost earned education benefits. Or, at least 50 percent of the force has lost earned education benefits that could have been used to increase their earning potential. Noting that our figures are of National Guard and Reserve members that were deployed in support of OIF/OEF, there are additional Reservists that were called to active-duty to CONUS (Continental United States) or deployed to other regions of the world. Hence, our conservative estimate of 400,000 veterans losing earned benefits is, more likely than not, much greater. If these two pieces of legislation are passed in their current form, approximately 100,000 newly eligible veterans would qualify, but 400,000 veterans of the same era would not. As the Global War on Terrorism continues, an ever-increasing number of veterans will fall into these two categories.

Staff Sergeant Jimmy Marrello is a Reservist from Illinois. He has made the Dean's list while he was in school and was a finalist for the Non-Commissioned Officer (NCO) of the Year Competition. Unfortunately, none of his Federal activations were 2 consecutive years and thus, he is ineligible to enroll in the MGIB-AD. SSG Marrello will only receive a maximum of $23,781 of REAP benefits, but he will not be able to use them after completion of his service contract. If he served 2 consecutive years, he would be able to enroll in the MGIB-AD benefit and receive $31,701 and have the ability to use those benefits after leaving service. Amazingly, when he completes his upcoming tour in the Horn of Africa he will have completed 48 months of active-duty service starting in 2003, but never in a 2-year sequential period.

SSG Marrello states:

> *"I have only been able to complete about a fourth of the required classes for my nursing degree due to constant call-ups. I have been to Iraq for 14 months, the Defense Language Institute for 18 months, Primary Leadership Development Course, Basic Non-Commissioned Officers Courses, Non-Commission Officer of the Year Competition, Unit Prevention Leader Course, Range Safety Course, Foreign Language Refresher Course and other supportive assignments in support of operations.*
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> *At this very moment I am in Fort Bragg, North Carolina preparing to deploy to the Horn of Africa for 16 months. By the time I return I will be 32 years old, my son will be 9 years old, and I hope to resume my nursing degree in the Fall of 2009.*
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> *Every time that I have to leave it sets me back financially in that I have to find new housing, fix my vehicle, regain my possessions from storage and other matters. I end up spending a lot of money that I wish I could invest or spend for school. When I came back from Iraq in 2004, my possessions were in one state, my immediate family in another, and my child and his mother in yet another state. With no place really to go, I lived in a hotel room for 3 months trying to figure things out."*

We note that the current DOD Reserve Component Force Management Policy released by the Office of the Secretary of Defense on January 11, 2007 states: "DOD will construct the maximum mobilization timeframe to one-year and the policy objective for involuntary mobilization of Guard/Reserve units is a one-year mobilized to five-year demobilized ratio." If these policies hold true, many members of the Reserve Components would not be eligible to receive benefits under H.R. 1211 and H.R. 2702, yet they have honorably served their country on active-duty in the Armed Forces.

The American Legion supports Reservists utilizing their educational benefits even after release from the Selected Reserve.

Therefore, equity of benefits would remedy this situation. The American Legion recommends benefits for time spent on Federal activation at the full time rate proposed in the legislation for those veterans that have served less than two years, but also allow them to use their benefits after completion of a service contract. If a servicemember does serve an aggregate of two years, due

to multiple deployments, extensions, or enlistment in the Active-Duty Force, then they would be in receipt of the full duration of benefits as proposed in H.R. 1211 and H.R. 2702.

H.R. 1211

The American Legion supports the aggregate requirement and the removal of any ending date of qualification. H.R. 1211 would permit a member of the Selected Reserve who (among other qualifications), served an aggregate of two years on active-duty during the period beginning on September 11, 2001, and ending on December 31, 2008 to one month of educational assistance for each month served on active-duty. Furthermore, H.R. 1211 does require the basic pay of qualifying members to be reduced by $100 for each of first the 12 months of such active-duty service. The American Legion supports the termination of the current military payroll contribution ($1200) required for enrollment in MGIB. The American Legion supports extending eligibility for H.R. 1211 past 2008.

H.R. 2702

Grasping the essence of the original GI Bill in 1944, H.R. 2702 seeks to provide this nation's veterans with an educational benefit package similar to that earned by veterans in the late 1940s, 1950s and 1960s. Following World War II, wartime veterans saturated colleges and then used their advanced degrees to gain employment in all sectors of our country.

H.R. 2702 will pay up to the maximum amount of tuition regularly charged for in-state students for full-time pursuit of programs of education. Succinctly, it is tied to the 'public institution of higher education in the State in which the individual is pursuing such program of education that has the highest rate of regularly-charged tuition for programs of education among all public institutions of higher education in such State.' Simply put, a veteran can afford to go to the highest priced public institution at the in-state rate. Furthermore, it will pay for an amount equal to the room and board of the individual plus a monthly stipend in the amount of $1,000.

Therefore, The American Legion fully supports the intent of H.R. 2702 to provide additional educational benefits for full time active-duty servicemembers and those individuals who are ordered to active-duty as members of Reserve Components of the armed forces. We do reiterate our recommendation to amend this proposed legislation to allow for use of benefits after service and entitlement of benefits based on time spent on Federal activation, State activation, and normal service.

ADDITIONAL PROPOSED LEGISLATION

H.R. 2910, "The Veterans Education Tuition Support Act of 2007"

This proposed legislation identifies the current plight that returning college bound servicemembers have been unjustly enduring from some institutions of higher learning and accordingly, The American Legion supports this bill. H.R. 2910 recognizes the complete transformation of the Reserve Components into an operational force. Activations and

intermittent duty such as training or duty in support of operations are now an obligation of service.

The American Legion supports the proposed amendment to the Servicemembers Civil Relief Act that will prohibit unfair penalties on members who are called to active-duty service while enrolled in institutions of higher education. A refund of tuition and fees pre-paid by a servicemember to a university for classes not taken due to performance of military obligations is long overdue. The American Legion is concerned that activations during the middle of a course is extremely disruptive and while this legislation aims to correct injustices financially, in most cases the veteran must restart the course and has lost valuable time due to deployment.

This legislation also aims to allow a servicemember the opportunity to reenroll with the same educational and academic status that they had when activated. In a sense, it will be as if the servicemember never left college and therefore will not be penalized. Finally, the bill assists veterans in repayment of student loans. Again, The American Legion supports H.R. 2910.

H.R. 2247, "Montgomery GI Bill for Life Act of 2007"

In enacted, the "Montgomery GI Bill for Life Act of 2007" would repeal all time limits to use the MGIB. H.R. 2247 is a step in the right direction and The American Legion supports the repeal of the 14-year limit for MGIB-SR and applauds efforts to assist disabled members and allow them to use their education benefits. In addition to the positive measures that the bill encompasses, The American Legion notes that the bill neglects to repeal the delimiting date for REAP beneficiaries, those Reservists who were called to active-duty for a minimum of 90 days.

H.R. 2385, "The 21st Century GI Bill of Rights Act of 2007"

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This legislation also makes strides toward improvement, but falls short of what is truly needed to modify and enhance veterans' education benefits. The American Legion agrees with the proposed payments of the veterans' subsistence, tuition, fees and other educational costs and delivery of benefits in a lump sum manner. However, we object to the limitation that this program would be unavailable to those veterans seeking a graduate level degree.

The American Legion objects to the "deployed overseas" requirement for eligibility of this program. The American Legion supports making the proposed changes available to all eligible veterans regardless of overseas service.

H.R. 1102, "Total Force Educational Assistance Enhancement and Integration Act of 2007" (The Total Force GI Bill)

The American Legion supports the Total Force Educational Assistance Enhancement and Integration Act of 2007. This bill solves many problems, most significantly the inequities of benefits of the members of the Reserve Components as compared to their full time, active-duty counterparts. Servicemember.s called to active service perform duties at an equal rate to their

full time counterparts and should be treated as such. The American Legion is pleased to see the portability provision in this legislation. This will allow Reservists to earn credits for education while mobilized, just as active-duty troops do, and use them after they leave military service.

The Total Force MGIB plan calls on Congress to combine statutory authority for both MGIB-AD and MGIB-SR programs under the VA (Chapter 30 of Title 38, USC). This would mean moving MGIB-SR and REAP programs from the DOD (Chapters 1606 and 1607 of Title 10, USC) and shifting oversight responsibility to VA.

The plan also calls for simplifying MGIB benefit levels and features into three tiers. Tier One would be MGIB-AD. Benefits for full time students are currently $1101 a month for 36 months of college or qualified vocational training. Tier Two would be MGIB-SR for drilling members who enlist for six years. Tier Three would be MGIB benefits for activated Reservists, but with changes to the Reserve Education Assistance Program (REAP) that Congress enacted in 2004.

Under Total Force MGIB, activated Reservists would be in receipt of REAP benefits at a rate (40, 60 and 80 percent of the active duty payment rate) corresponding to their length of mobilization up to 36 months. Members would have up to 10 years to use active duty or activated Reserve benefits (Tiers One and Three) from the last date of separation from the Ready Reserve. A Reservist could also use any remaining MGIB-SR benefits (Tier Two), but only while in drill status or for up to 10 years after separation if the separation is for disability or qualification for retirement. The American Legion supports that REAP benefits remain available for up to ten years following separation from the Selected Reserve.

H.R. 1214, "The Veterans' Survivors Education Enhancement Act"

The American Legion supports the transfer of Montgomery GI Bill benefits from a veteran to their immediate family members, should a veteran elect to do so. In the case of survivors and dependents of a deceased veteran, it would be beneficial to immediate family members, if remaining earned veterans' educational entitlements can be transferred.

H.R. 4889, "The Guard and Reserves Are Fighting Too Act of 2008"

The American Legion agrees with the proposed legislation, H.R. 4889, the "Guard and Reserves Are Fighting Too Act of 2008", and fully supports the intent of the bill that would move the Reserve Educational Assistance Program (REAP) from Chapter 1607, Title 10, USC to a new chapter under Title 38, USC. Recodification of REAP benefits would place the administration under the VA and the oversight authority under the Committees on Veterans' Affairs.

However, The American Legion has concerns regarding the technical language in connection to the anticipated passage of the FY 2008 National Defense Authorization Act (NDAA). If H.R. 4889 were enacted in its current form after the passage of the FY 2008 NDAA, the positive veterans' education provisions contained in the FY 08 NDAA would be removed by this legislation.

The American Legion recommends making technical corrections to H.R. 4889 to contain the new veterans' education provisions enacted under Title 10, USC by the NDAA. The language would then fully match the legislative intent to transfer all REAP benefits to Title 38, USC.

The most notable positive provision in the NDAA in regards to veterans' education is the portability of benefits of REAP beneficiaries. The NDAA would enact legislation in Title 10, USC to allow Reservists to use their Chapter 1607 educational benefits for 10 years after separation from the Reserves and permit Reservists to reclaim previously earned Chapter 1607, Title 10, USC benefits and use them for 10 years following any subsequent separation if they rejoin the Reserve Components. Additionally, it also authorizes an accelerated payment program, allows Reservists with three cumulative years of active-duty service to qualify for education benefits at 80 percent of the active-duty rate, and creates a buy-up program for servicemembers eligible for Chapter 1607, Title 10, USC benefits.

CONCLUSION

Historically, The American Legion has encouraged the development of essential benefits to help attract and retain servicemembers into the Armed Services, as well as to assist them in making the smoothest possible transition back to the civilian community. The Servicemen's Readjustment Act of 1944, the "GI Bill of Rights" is an historic piece of legislation, authored by Harry W. Colmery, Past National Commander of The American Legion, that enabled millions of veterans to purchase their first homes, attend college, obtain vocational training, and start private businesses.

The legislation discussed today aims to better serve veterans and ultimately assist them in attaining financial stability. The American Legion commends the Subcommittee for addressing these important issues. We appreciate the opportunity to present this statement for the record and to continue our proud history of advocating for increased educational benefits to members of the armed forces.