

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

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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 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.