

**STATEMENT BY
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BEFORE THE SUBCOMMITTEE ON EDUCATION BENEFITS
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES**

Good morning Mr. Chairman and members of the Subcommittee. 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 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. We will soon be celebrating the 60th Anniversary of the GI Bill, described by noted economist, Peter Drucker, as perhaps “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.

That original 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. The list of notable Americans who received their higher education through this program reads like a “Who’s-Who” of prominent businessmen, scholars, and politicians.

Today’s MGIB 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 volunteers. 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, you asked me to comment on a draft bill that would expand MGIB eligibility to current Service members who entered the armed forces between 1976 and 1985, after the termination of the Viet Nam era GI Bill and before the introduction of the MGIB. The education benefit for military service during that period was the Veterans Education Assistance Program (VEAP), a program with benefit levels significantly less than those of today’s MGIB.

Since the basic MGIB benefit, along with the remainder of veterans’ programs and benefits, falls under the Department of Veterans’ Affairs for overall policy and funding, the fiscal impact of this proposal would fall mainly on that Department. Before I comment on that bill, I want to share with you the current state of military recruiting and retention.

RECRUITING AND RETENTION

The Montgomery GI Bill continues to be an extremely popular recruiting incentive. Over 96 percent of all new active duty accessions enroll in this program which provides over \$35,000 in benefits to a recruit in return for just a \$1,200 reduction from current pay. An additional option allows an active duty service member to contribute another \$600 in return for \$5,400 of potential benefits over a 36-month period. Three of the four services also offer a “College Fund” (also known as a “MGIB Kicker”) as an enhancement to the basic MGIB benefit which is used to channel new recruits into critical or hard-to-fill occupations.

Young men and women continue to list “money for college” as one of the major reasons they enlist. The number of high school graduates who pursue post-secondary education continues to be very high. These high school graduates find college financial assistance available from many sources. However, while few of those sources match the level of benefits offered by the MGIB, these other sources of college funding do not require young men and women to delay their education for several years or risk their lives with duty in hostile conditions. The value of the MGIB benefit is one factor that

contributes to our current recruiting success. I want to thank this committee for the well-timed increases in the MGIB benefit over the past three years. As a result of these increases, today's basic MGIB covers about 90 percent of the costs of a public four-year school.

Active duty recruiting has stabilized at about 185,000 new accessions each year DoD-Wide. All Services met or exceeded recruiting goals in Fiscal Year 2003 and are on track to do so again this year. Recruit quality, an important aspect of our manning strategy, is near an all-time high. High-quality recruits are a cost-effective investment and absolutely essential to the readiness of the Military Services. Research has shown that about 80 percent of high school graduates will complete their initial three-year obligation, while only half of the non-graduates will make it. High school diploma graduates also have fewer disciplinary problems. In addition, higher aptitude recruits learn faster and perform better on the job than their lower aptitude peers. Lower numbers of high school diploma graduates will require more accessions to replace higher attrition, consequently driving up recruiting costs. We believe that resources allocated to recruiting must be sufficient to keep military recruits above 90 percent high school diploma graduates and 60 percent above average in aptitude. We refer to these as recruit quality "benchmarks". The past four years have been among the best in recruiting history with recruit quality remaining significantly above these benchmarks.

In sum, the quality of enlisted accessions remains high. Incentive programs, such as the Montgomery GI Bill, remain essential to our success in attracting bright and well educated people, and allowing them to grow--both personally and professionally--through the educational attainment that the MGIB permits. As military members transition into civilian endeavors, this in-turn benefits the civilian labor pool – and the Nation

The strength of the All-Volunteer Force comes not only from the high quality of the recruits we access, but from the depth of experience that results from high retention rates. Numerical recruiting missions are, of course, strongly influenced by retention trends. A downturn in retention, for example, places additional pressure on recruiting. Retention results for 2003 were strong and the positive trends continue in 2004. The Services also are on course to make end-year retention goals.

PROPOSED BILL -- VETERANS EDUCATION OPPORTUNITY ACT OF 2004

This draft bill would provide an open season to allow current Service members who entered active duty during the VEAP era, and who have continuously served since that date, until at least April 1, 2004, an opportunity to enroll in the MGIB. Although legislation in 1996 and 2000 offered MGIB eligibility to Service members who participated in VEAP, this draft proposal would open such eligibility to all remaining qualified VEAP-era Service members, regardless of whether or not they had participated in that program.

Since adoption of this proposal would affect the workload and resources of the Department of Veterans' Affairs, DoD defers to that agency for comment.

CONCLUSION

Today, the military stands ready, willing, and able to defend our nation, as well as its values and principles. Our young Servicemembers, all volunteers, are deployed all over the globe, many in harm's way. The MGIB education benefit has been a major contributor to recruiting achievements over the past 19 years. MGIB enrollment rates are high, at 96 percent of new recruits, and reflect the interest and effectiveness of the program as a recruiting tool. Additionally, the MGIB has been an invaluable asset to thousands of veterans, providing them with funding to enhance their education and thereby increase their employability and income-earning opportunities, while assisting their transition to civilian life. The Department of Defense is an "education" employer. We hire educated young people, invest in their education as they serve, and we encourage them to invest further in themselves when they leave. The MGIB is a program that helps to make all of that possible.

Few things, if any, are more important to the Secretary and to the Services than recruiting. We recognize our duty to man the All-Volunteer Force with high-quality, motivated, and well-trained young men and women. The MGIB remains a key to our success. As we move forward in the 21st Century, we must seize the opportunity to build on the remarkable legacy given to us by the visionaries who crafted each preceding version of the GI Bill. I thank this Subcommittee for its unflagging support of the men and women who serve, or who have served, in providing for the national defense.

Mr. Chairman, this concludes my statement. I thank you and the members of this Subcommittee for your outstanding and continuing support for the men and women of the Department of Defense and our nation's Veterans.