

STATEMENT FOR
THE RECORD BY
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SOUTH DAKOTA STATE APPROVING AGENCY
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
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Introduction

Chairman Boozman, Ranking Member Herseth and members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of the South Dakota State Approving Agency to provide comments on the missed opportunity by many of those eligible for VA educational benefits as it relates to training on the job. Another issue of concern is the regionalization of claims processing, customer and education liaison service.

Remarks

Recommendation One: VA educational benefits are not just for classrooms, some individuals learn better from practical hands on training. Training on the job assists employers in hiring and retaining skilled workers which will provide our country with a highly educated and productive work force. Training programs are either approved as (OJT) Other-On-The Job, which is defined as:

- Does not qualify as apprenticeship.
- Under the supervision of a skilled worker.
- Learned in a practical, hands-on way.
- Minimum of six months and a maximum of two years in training time
- Accompanying related instruction if needed.

Or apprenticeship, which is:

- Clearly identified and commonly recognized throughout an industry.
- Learned in a practical way through a structured, systematic program of supervised on-the-job training.
- Minimum of 2000 hours of on-the-job training to learn the necessary manual, mechanical, or technical skills.
- Requires a recommended 144 hours per year of related instruction to supplement the on-the-job training.

From my experience and discussions with my collages nationally it is our sense that VA educational training programs have not been utilized to their fullest potential. The below charts illustrates the lost opportunities from the first sixty years.

Service Period	Total Eligible	Did Not Use Educational Benefits	% Not Using Benefits
WWII	15,440,000	7,642,800	49.5
Korea	5,509,000	3,118,000	57
Post-Korea	3,051,000	1,654,903	54
Vietnam	10,252,000	3,470,212	34
Montgomery GI Bill	1,650,825	578,862	35
Totals	35,902,825	16,464,777	Average 45.8%

If 10% of the individuals that did not use any benefits would have used their benefits in a two year (On-The-Job/Apprenticeship training program), the following amounts are what they would have received in educational benefits.

Service Period	Did Not Use Educational Benefits	Benefit Loss Projection (10% of Total)	Benefit Loss By Service Period
WWII	7,642,800	764,280	\$1,176,560,000
Korea	3,118,000	311,800	\$ 519,147,000
Post-Korea	1,654,903	165,490	\$ 309,632,351
Vietnam	3,470,212	347,021	\$1,071,601,466
Montgomery GI Bill	578,862	57,886	\$ 861,899,385
Totals	16,464,777	1,646,477	\$3,938,840,202

Data Footnote: *Veterans Educational Assistance Program (Chapter 32), Survivor’s and Dependent’s Educational Assistance Program (Chapter 35), Montgomery GI Bill-Selected Reserve (Chapter 1606) and Reserve Educational Assistance Program (Chapter 1607) were not included in the above analysis, data was not available.*

The following is being offered as my recommendations.

- (1) The Department of Defense and the Department of Veterans Affairs will need to do a better job of promoting and educating those that are eligible for VA educational benefits about this excellent training opportunity.
- (2) The Department of Labor should make direct referrals to the respective State Approving Agency when placing those that are eligible for VA educational benefits.
 - The Bureau of Apprenticeship and Training could revise their apprenticeship registration form to ask the question “Are you eligible for VA educational benefits”. This would identify all that are eligible to include the dependents, survivors and guard/reservist.
 - The local DOL Veteran Representatives, when placing veterans in various job objectives, should make referrals to the local State Approving Agency. Our state has developed a referral form which has proven to be an excellent tool in promotion of this training option.

Over the last decade State Approving Agencies across the nation have been actively promoting training on the job. Through these efforts there has been dramatic increase in the number of approved and active training establishments (39% from 1997 to 2003), and from 1997 to 2005 a 53.8% increase in the number of program approval actions completed at these job training establishments. The key is cooperation between agencies and a renewed commitment to those who have worn the uniform in service to our country. If the above recommendations are implemented those eligible for VA educational benefits will be afforded the opportunities that have not been seen in previous service periods.

Recommendation Two: Continue the rate of educational assistance benefits currently in place for veterans enrolled in Apprenticeship and other On-the-Job Training programs. The law was changed, effective October 1, 2005, to increase the rate of benefits received by veterans and other eligible persons who are enrolled in apprenticeship and OJT programs. The rate is now 85% of the full time institutional rate for the first six months, 65% for the second six months of training and then 45% for the third and any succeeding period of time. This increase is for a limited period of time – it expires on September 30 of 2007. It is too early to know for sure, but early indications are that the increases have had a positive effect on the ability of veterans to use this way of gaining knowledge and skills for the occupations or professions of their choice. As stated in recommendation one there will be continual growth in the use of job training programs.

Recommendation Three: Over the past decade the Veterans Administration has moved toward a regional approach to serving those eligible for benefits and their service partners. In theory it would seem this approach would make better use of limited resources and if properly managed would provide outstanding results. This system has not delivered as intended and those eligible individuals are suffering. The Veterans Administration has looked toward technology to solve all issues and in reality their service plan should include additional staff with a greater emphasis on training.

- A good first step would be a comprehensive review of claims processing system to identify problem areas. After these areas have been identified provide the necessary resources that will resolve the problem.
- Secondly the toll free number and online inquiries are just not working. There are dropped calls, erroneous information provided, delays in responding to online inquiries, good customer service is an absolute necessity for any benefit system to be successful.
- Thirdly, in the past each state has had a local VA contact or (ELR) Education Liaison Representative. Upon the retirement of our ELR in 1999 this position was transferred to Kansas and over the past seven years we have had five different (ELR's). This has created challenges for our agency, since direct access is an important aspect of this relationship. Another concern would be; has the Veterans Administration planned for the future, will there be trained

professions to fill future vacancies? Our current liaison, Mr. John Streedbeck is a valuable asset and partner whose professionalism is greatly appreciated.

I would be remiss if I did not extend special thanks to Carl Thunnel, Randy Johnson and Barry Walser, these individuals have provided outstanding service to our state. The Veterans Administration is truly fortunate to have these individuals at the Regional Processing Center in St Louis. The current system needs additional resources to ensure those eligible for VA educational benefits are provided quality, timely customer service.

Closing

In closing, Mr. Chairman, I would like to thank you again for the opportunity to comment on the issues relating to training on the job and the regionalization of VA educational services. I very much appreciate your efforts to make improvements to the educational assistance programs for those who defend the freedoms that we all so thoroughly enjoy. From a grateful nation, they deserve no less. I would be happy to respond to any questions that you might have.