

STATEMENT FOR
THE RECORD

BY

JAMES BOMBARD

CHAIRMAN
DVA VETERANS ADVISORY COMMITTEE ON EDUCATION

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 22, 2006

EXECUTIVE SUMMARY

Introduction

The Department of Veterans Affairs Advisory Committee on Education's (VACOE) findings and recommendations on improving the Montgomery GI Bill through the VACOE's proposed Total Force concept.

Recommendations – Claims Processing/Program Flexibility

The Committee, upon review of the claims processing systems, believes an overhaul of the management philosophy that underlines the collection and manipulations of data should be accomplished. This overhaul may require legislative action which the Committee recommends the Department initiate.

It also is clear that funding for Information Technology for the Veterans Education Service within VBA is inadequate and it is equally clear that much needs to be done to make hardware and software improvements that will streamline VBA's ability to absorb and manage the data it requires. Updating the IT systems associated with the payment of educational assistance benefits should be a top priority.

It should also be noted that in the past the Committee made a number of recommendations designed to increase program flexibility, i.e. Accelerated payment without restriction, expansion of test reimbursement, removing or extending the delimiting date, equalizing the benefit for OJT and Apprentice in relation to IHL and NCD education training programs, and remove restrictions on wage progression for municipal employees Apprentice programs.

It is the Committee's belief that VBA Education Service, in conjunction with Congress, can create a flexible program and an effective efficient claims processing system by accomplishing the following:

- 1) Restructure the GI Bill; i.e., Total Force (see VACOE letter dated 7/8/05)
- 2) Adopt a new philosophical approach to claims processing which streamlines the process
- 3) Create a synergistic relationship with Congress in order to insure feasibility and support for any additional programs associated with the GI Bill
- 4) Improve information exchange between (DoD and DVA)
- 5) Invest in state-of-the-art IT systems (TEES)
- 6) Hire additional staff to do claims processing or at a minimum maintain budget direct FTEs

Total Force

The VACOE Committee recommended a fundamental change to the structure of the MGIB; and put forth a framework for a new GI Bill that reflects the realities of the Total Force policy.

It is the Committee's belief that this restructuring is necessary to incorporate program flexibility, ease of administration and equity of service rendered.

Both the Active Duty and Selected Reserve (SelRes) programs share the same name and are part of the same legislation, but they have different purposes. The Active Duty (AD) program revolves around recruitment and transition/readjustment to civilian status while the SelRes program is designed to promote recruitment and retention, with no regard for readjustment or transition.

The current GI Bill programs did not consider DoD's use of the SelRes for all operational missions. Under this policy the SelRes and some members of the Individual Ready Reserve (IRR) are considered integral members of the Total Force. Reserve members who are faced with extended activations require similar transition and readjustment benefits as those available to separating AD service men and women. Although the new reserve GI Bill educational benefits program authorized under Chapter 1607 of Title 10, U.S. Code attempts to address this issue, it remains primarily a retention tool, requiring continued reserve service.

For these reasons we recommend replacing the separate GI Bill programs for veterans and reservists with one program that consolidates all GI Bill programs under one umbrella (Title 38, United States Code). This would include enrolling all currently eligible personnel in Chapters 30, 1606 and 1607 in the new Total Force GI Bill. This approach will add value to the Montgomery GI Bill (MGIB) as a recruitment and retention tool for the Armed Forces, including National Guard

and Reserve; establish equity of benefits for returning Guard and Reserve members; support Congress' intent for the MGIB (see Attachment C); and potentially save taxpayer money through improved administration.

This concept would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve: a MGIB active duty three-year rate, a pro rata SelRes rate, and a SelRes activated rate which is equivalent to the active duty rate on a month-to-month basis after 90 days service.

Placing the Total Force GI Bill within Title 38 USC will **simplify the administration of GI educational benefit** for all members of the armed services both AF and RF, and ensure all future benefits are upgraded equitably. (See Attachment B)

By providing additional educational benefits in recognition of the additional and the extraordinary demands that are being placed on our reservists, we are responding to the demands of this historic time.

Summary

<u>Old</u>	<u>New</u>
Different Title	One title
Confusing	Straight Forward
Multiple Committees	Half the Committees
Costly redundancies	Savings through Efficiencies
Different Benefits for same Risks	Same benefit for same Risks
Delimiting date inequities	Fair delimiting dates
Modest retention incentive	Increased retention incentive
No SelRes readjustment benefit	SelRes Readjustment benefit
Differing Rules for Recruiters	Same Rules for all Recruiters
Inequitable Upgrades	Equitable Upgrades
Recipients confused	Simplified for Recipients
Staff Training Complexities	Staff Training Simplified

Conclusion

This proposal is equitable, equal benefits for equal service; simple, easily understood and administered, and provides a unique opportunity to create a better GI Bill for those who serve. Its eloquence is its equity and simplicity.

To you we pass the torch.

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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 Veterans Advisory Committee on Education (VACOE) to provide comments on two interrelated issues. First, the Committee's findings and recommendations on improving the flexibility and administrative efficiency of current Title 38 U.S.C. and Title 10 U.S.C. education programs. Second, the VACOE findings and recommendations on restructuring the current GI Bill. I should mention at the outset that as Chairman of the Advisory Committee I have had the pleasure of working with the members and the staff of the Committee for many years to improve veteran programs.

Program Flexibility and Claims Processing

Mr. Mike Brinck, Staff Director of the Subcommittee on Economic Development of the HVAC, asked the Committee to examine ways to not only provide program flexibility, but also to improve efficiency of education claims processing without significant cost increases.

It is the Committee's view that program flexibility and claims processing are two distinct yet interrelated issues and they were examined in that context. It should also be noted that in the past the committee made a number of recommendations designed to increase program flexibility i.e. Accelerated payment without restriction, expansion of test reimbursement, removing or extending the delimiting date, equalizing the benefit for OJT/Apprentice programs in relation to IHL and NCD education/training programs, removing restrictions on wage progression for municipal employees. (These issues and others will be addressed in detail by others here today.) These recommended program changes are also part of the general recommendations regarding claims processing.

In keeping with Mr. Brinck's request the Committee visited the DVA Atlanta RPO to examine the current claims processes. After observing the system and talking to VA employees directly involved with the process, the Committee realized that making claims processing more efficient may require a fundamental change in the approach to the process.

Recommendations

While reviewing the VA education claims processing systems, the Committee noted practices and a supporting management philosophy that require an all too excessive monitoring and reporting of actions associated with the payment of VA education assistance benefits. The Committee understands the need to prevent waste, fraud and abuse, but this need has (over decades) generated excessively burdensome and non-cost effective requirements. Along with the complexities of a number of new GI Bill program opportunities, these requirements have resulted in a cumbersome data management system that does not provide timely responses to the needs of veterans and other GI Bill eligible persons. For example, is it really necessary for adjudicators to delay the payment of VA educational assistance benefits because school officials have not provided information on credit for prior learning? And is it really necessary for veterans to self certify themselves every month before their benefit check is released?

It also is clear that funding for Information Technology for the Veterans Education Service within VBA is inadequate and it is equally clear that much needs to be done to make hardware and software improvements that will streamline VBA's ability to absorb and manage the data it requires. The Committee witnessed varying systems in the Atlanta Office that were not integrated. This created unnecessary time consuming work for adjudicators and other VA claims processing personnel. Updating the IT systems associated with the payment of educational assistance benefits should be a top priority. **However, the Committee again reiterates its belief that an overhaul of the management philosophy that underlies the collection and manipulation of data should also be accomplished. This overhaul may require legislative action which the Committee recommends the Department of Veterans Affairs initiate.**

The Committee realizes that its' recommendations are both philosophical and general in nature. It also is cognizant of its limitations in making more specific recommendations. That may be better left to the Education Service professionals, clients and members of Congress. There may also be a need for a consultant to assist education service leadership in creating a processing system. If so, that consultant should be familiar with the overall problem and be able to provide pointed practical solutions not abstractions. It is the Committee's belief that VBA Education Service, in conjunction with Congress, can create a flexible program and an effective efficient claims processing system by accomplishing the following:

- 1) **Restructure the GI Bill; i.e., Total Force (see VACOE letter dated 7/8/05)**
- 2) **Adopt a new philosophical approach to claims processing which streamlines the process**
- 3) **Create a synergistic relationship with Congress in order to insure feasibility and support for any additional programs associated with the GI Bill**
- 4) **Improve information exchange between DoD and DVA**
- 5) **Invest in state-of-the-art IT systems (TEES)**
- 6) **Hire additional staff to do claims processing or at a minimum maintain budget direct FTEs**

Total Force

The Advisory Committee, after nearly two years of studying the Montgomery GI Bill (MGIB), recommended a fundamental change to the structure of the MGIB; and also put forth the framework for a new GI Bill that reflects the realities of the Total Force policy.

It is the Committee's belief that this restructuring is necessary to incorporate program flexibility, ease of administration and equity of service rendered.

Both the Active Duty and Selected Reserve (SelRes) programs share the same name and are part of the same legislation, but they have different purposes. The Active Duty (AD) program revolves around recruitment and transition/readjustment to civilian status while the SelRes program is designed to promote recruitment and retention, with no regard for readjustment or transition.

The current GI Bill programs did not consider DoD's use of the SelRes for all operational missions. Under this policy the SelRes and some members of the Individual Ready Reserve (IRR) are considered integral members of the Total Force. Reserve members who are faced with extended activations require similar transition and readjustment benefits as those available to separating AD service men and women. Although the new reserve GI Bill educational benefits program authorized under Chapter 1607 of Title 10, U.S. Code attempts to address this issue, it remains primarily a retention tool, requiring continued reserve service.

For these reasons we recommend replacing the separate GI Bill programs for veterans and reservists with one program that consolidates all GI Bill programs under one umbrella (Title 38, United States Code). This would include enrolling all currently eligible personnel in Chapters 30, 1606 and 1607 in the new Total Force GI Bill. This approach will add value to the Montgomery GI Bill (MGIB) as a recruitment and retention tool for the Armed Forces, including National Guard and Reserve; establish equity of benefits for returning Guard and Reserve members; support Congress' intent for the MGIB (see Attachment C); and potentially save taxpayer money through improved administration.

Background

In the twenty years since the Montgomery GI Bill went into effect on June 30, 1985 the nation's security environment 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.

Since 9/11 more than 480,000 members of the 860,000 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 the situation that existed in 1984. Then the members of the Selected Reserve rarely served on active duty. 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.

Because most reservists have both careers and families which are embedded in towns and cities across the country, these activated citizen-soldiers -- mayors, police chiefs, firefighters, and small business owners -- 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 have nothing at all if their active duty is at the end of their six-year commitment to the Selected Reserves.**

Proposed Total Force GI Bill

In the face of these dramatic changes in the nature of Reserve Force (RF) usage, and recognizing that the Active and Reserve Forces have become inextricably integrated as a Total Force, the Committee is proposing an updated GI Bill which accepts the new security realities of the open-ended Global War on Terror, the recruiting and retention issues which arise from it, and the expanded role that the RF plays in this modern era. The current members of the RF are being asked to perform in a manner literally unprecedented since WWII.

As the distinctions between the active and reserve force continue to diminish the difference in treatment between the active and reserve forces in the GI Bill should decline accordingly. Benefits need to remain commensurate with sacrifice/service.

From 1985 through 1990, a period of relative quiescence for the RF, Reservists, under Chapter 1606 of Title 10 USC, were receiving 47% of the educational benefit of active force Montgomery GI Bill participants. That 47% rate remained in effect until roughly the turn of this century when the MGIB was significantly enhanced for the Active Force.

Since 1990 the percentage of educational benefit for reservists has declined from 47% to 29 % of the active force educational benefit, and this decline took place during a period when the involuntary mobilization of reservists had begun to accelerate significantly.

The new Total Force GI Bill seeks to move all GI Bill benefits to one title, Title 38 USC, and to recognize the added educational benefit which should accrue from additional active service.

This concept would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve: a MGIB active duty three-year rate, a pro rata SelRes rate, and a SelRes activated rate which is equivalent to the active duty rate on a month-to-month basis after 90 days service.

See Attachment A for additional detail concerning the proposed Bill.

Chapters 35 and 31 remain as before.

Benefits of New GI Bill

We anticipate a number of positive effects from this new GI Bill:

- * The additional educational benefit for active duty service provides a necessary one-to-one equity for arduous time served by individuals in uniform whether AFor RF.
- * Under the current Chapter 1606, reservists have 14 years from the beginning date of eligibility to use their benefits in service. As a result many reservists reach the delimiting date while they are still serving in the Selected Reserve. A provision in the proposal would extend the time frame during which reservists could utilize the education benefit.
- * A provision allowing reservists ten (10) years from the last active/activated duty to utilize their educational benefit adds a transition and readjustment element to the traditional recruiting and retention elements of the Reserve Component of the GI Bill. This is precisely what is now needed since the extended arduous duty of the reservist requires transition and readjustment very similar to active forces.
- * Placing the Total Force GI Bill within Title 38 USC will **simplify the administration of GI educational benefit** for all members of the armed services both AF and RF, and ensure all future benefits are upgraded equitably. (See Attachment B)
- * The GI Bill also has traditionally been viewed as a grateful nation's way of showing its appreciation for the sacrifices of service, separation, and combat. The new GI Bill reflects the new realities which have transformed this nation's security environment since the second week of September '01.

Conclusion

No amount of skill compensates for a lack of manpower. In order to continue to deter actual and potential adversaries now and in the future, we must continue to attract the finest among the willing and capable. It is imperative that the armed forces continue

to attract and retain high quality men and women to assure the nation's collective security.

The famed risk-reward ratio follows the same natural calculus as the supply and demand curve. No one in this country can honestly say that the risks for our reservists have not increased of late. This proposed Total Force GI Bill seeks to address at least part of the reward scheme for those reservists who are being asked to risk the most.

During a period when a significant portion of those who sign up for duty, whether in the active force or in the reserve force, say that they do so, specifically, for the educational benefits, it is important to boost recruitment as much as possible by means of this proven approach.

By allowing Reserve Force (RF) retirees to utilize the benefit for ten (10) years following retirement, we are both boosting retention as well as rewarding the rigors of activation and mobilization.

Because the reserve component has come to more closely resemble the active component, it is time that the educational benefits for the reserve component come to more closely resemble those of the active component. That, in short, is what our proposal, the Total Force GI Bill, seeks to do.

If implemented, we envision wins for the individual Selected Reservist, a win for the Armed Services, and a win for our national security.

Summary of Differences

Current MGIB

Different Title
Confusing
Multiple Committees
Costly redundancies
Different Benefits for same Risks
Delimiting date inequities
Modest retention incentive
No SelRes readjustment benefit
Differing Rules for Recruiters
Inequitable Upgrades
Recipients confused
Staff Training Complexities

Total Force GI Bill

One title
Straight Forward
Half the Committees
Savings through Efficiencies
Same benefit for same Risks
Fair delimiting dates
Increased retention incentive
SelRes Readjustment benefit
Same Rules for all Recruiters
Equitable Upgrades
Simplified for Recipients
Staff Training Simplified

This Total Force proposal provides a unique opportunity to create a comprehensive GI Bill that is both fair and simple. Its eloquence is its equity and simplicity.

The question always raised by Congress when considering the GI Bill is can we afford it. Well, I don't think we can't afford not to.

Closing

In closing, Mr. Chairman, I would like to thank you again for the opportunity to comment on the Total Force Montgomery GI Bill proposal, ways to make VA's education benefits more flexible, and ways to improve the administration of the benefit. As Chairman of the Veterans Advisory Committee on Education, I wish to convey the Committee's appreciation of your efforts to improve the MGIB.

Attachment A

A Total Force GI Bill

This Bill would provide MGIB reimbursement rate levels based on an individual's service in the Armed Forces, including the National Guard and Reserve.

1. The first tier -- similar to the current Montgomery GI Bill -- Active Duty (MGIB-AD) 3-year rate -- would be provided to all who enlist for active duty. Service entrants would receive 36 months of benefits at the AD Rate.
2. The second tier or level would be for all who enlist or re-enlist in the SelRes for 6 years, and this would entitle them to 36 months of benefits at a pro-rata amount of the active duty rate, (the suggested rate is 35% of the MGIB-AD rate).
3. The third tier would be for members of the SelRes/IRR who are activated for at least 90 days. They would receive one month of benefit for each month of activation, up to a total of 36 months, at the active duty rate. The intent is to provide the same level of benefit as the active duty rate for the same level of service.
 - 3a. These months of full benefits would replace, month-for-month, any SelRes entitlements at the second tier.
 - 3b. The maximum benefit a member of the SelRes could receive under this program would be the equivalent of 36 months at the active duty rate.

An individual would have up to 10 years to use the active duty or activated-service benefit from their last date of active/activated duty or reserve service, whichever is later. A Selected Reservist could use remaining second tier MGIB benefits as long as he/she were satisfactorily participating in the SelRes, and for up to 10 years following separation from the reserves, in the case of separation for disability or qualification for a reserve retirement at age 60.

Additional Provisions:

All provisions (e.g. additional contributions), and programs (e.g. accelerated payment, approved test reimbursement, etc.) eligible for payment under the current MGIB-AD would be available under all three levels.

DoD Incentives:

Under this plan DoD would continue to be able to provide Recruitment and Retention incentives such as loan repayment, kickers-college fund, and enlistment bonuses.

Attachment B

Total Force GI Bill Program

The following improvements would accrue to GI Bill program administration by adopting the new Total Force GI Bill:

- The MGIB and the MGIB-SR do not pay for the same training although there is no logical reason why they shouldn't. This is the result of having funding of MGIB—SR the responsibility of DoD, while the funding of basic MGIB is VA's responsibility. Thus, bills affecting MGIB—SR are referred to the Senate and House Armed Services Committees (SASC and HASC) while bills affecting MGIB are referred to the House and Senate Veterans Affairs Committees (HVAC and SVAC).
- These problems could be addressed by replacing the separate GI Bill programs (Chapters 30, 1606 and 1607) with one consolidated program under Title 38, US Code. This new bill would have a continuum of benefits that matched the continuum of possible service.
 - It would provide monthly benefits for activated Selected Reservists and reservists from the Individual Ready Reserve with no prior service qualifying for MGIB that is proportionate to their actual active duty.
 - It would put funding for the benefits for those in the Selected Reserve with VA.
 - It would make the types of training uniform for all in the Armed Forces who would be eligible for this GI Bill.
- One set of rules covering one GI Bill would allow for better understanding of the program by recruiters, beneficiaries, stakeholders and program managers.
- Training new claims examiners and processing claims would be easier and more efficient as there would be one set of rules.
- Systems costs would be lower for the new program as the other systems would no longer be required.
- Since there would be one program and one set of rules, there would not be inconsistent and inequitable structuring of benefit levels.
- VA would be responsible for all basic benefit payments, and would be reimbursed by the agency concerned for any additional payments made through "kickers". Currently, the selected reserve basic payment is reimbursed to VA and managed either by DoD or DHS. The benefit is that no "basic" award would have to be managed outside of and reimbursed to VA, but the agency concerned would maintain the flexibility to channel critical specialties provided under the current programs.

Attachment C

Sec. 3001. Purposes

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United State Code

TITLE 38 - VETERANS' BENEFITS

PART III - READJUSTMENT AND RELATED BENEFITS

CHAPTER 30 - ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM

SUBCHAPTER I - PURPOSES: DEFINITIONS

U.S. Code as of: 01/26/1998

Sec. 3001. Purposes

The purposes of this chapter are -

- (1) to provide a new educational assistance program to assist in the readjustment of members of the Armed Forces to civilian life after their separation from military service;
- (2) to extend the benefits of a higher education to qualifying men and women who might not otherwise be able to afford such an education;
- (3) to provide for vocational readjustment and to restore lost educational opportunities to those service men and women who served on active duty after June 30, 1985;
- (4) 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 (including the National Guard) to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces;
- (5) to give special emphasis to providing educational assistance benefits to aid in the retention of personnel in the Armed Forces; and
- (6) to enhance our Nation's competitiveness through the development of a more highly educated and productive work force.

James R. Bombard
20 Jefferson Landing Circle
Port Jefferson, NY 11777
(631) 473-7839

QUALIFICATIONS SUMMARY:

- * Executive with state government, industry, congressional staff, military, and academic experience.
- * Two term President of a National Association of State Approving Agencies requiring extensive interaction with federal agencies and congressional staff.
- * Head of state-wide agency.
- * Chairman of Veterans Affairs Advisory Committee on Education (VACOE)

WORK EXPERIENCE:

**President, National Association of State Approving Agencies (NASAA)
(July 1999 – July 2001)**

- * Set policy and managed National Association of State Approving Agencies. The professional association that represents each states' veteran education approval entity.

Chief, Bureau of Veterans Education (October 1998 – present)

- * Head a state agency which approves universities, colleges, professional, business, technical and vocational schools, as well as flight schools, BOCES, police academies, and apprentice and on-the-job training programs.

Supervisor, Bureau of Veterans Education (1991 – October 1998)

Associate, Bureau of Veterans Education (1981 – 1991)

**Grant Administrator, Research Foundation, City University of New York
(1975 – 1981)**

- * Administered grants, managed staff and budget, and generated programs.

Account Executive, ALCOA, Kansas City, MO (1972 – 1975)

- * Managed accounts totaling \$10,000,000.00 per year in revenue. Acted as company's sole liaison to state houses in Nebraska, Kansas, and Missouri.

NOTABLE ACHIEVEMENTS:

- * Special Assistant to Congressman Robert J. Mrazek (Appropriations Committee).
- * Member of congressional delegation led by U.S. Rep., Tom Ridge, to Vietnam regarding release of Amerasian children.

- * Testified as expert witness before congressional committee.
- * Featured on the History Channel, "Vietnam Revisited – a Controversy."
- * Contributed chapter in best selling book on Vietnam titled, Everything We Had.

EDUCATION:

- * MPA School of International Public Affairs, Columbia University
- * MA Educational Administration, Northeastern University
- * BS Education, Northeastern University.

MILITARY:

- * Assistant Professor of Military Science, University of San Francisco.
- * US Army Captain, Paratroop Unit Commander.
- * Awarded Silver Star, Purple Hart, Combat Infantry Badge
- * Various other decorations

PERSONAL:

- * Extensive foreign travel to Europe and the Far East.
- * Married father of four children.