

Mr. Thomas J. McKee
Air Force Association
Testimony Prepared for the
House Subcommittee on Benefits
June 4, 2001

Mr. Chairman and members of the Subcommittee:

Thank you for the opportunity to submit testimony to the Subcommittee as you consider H.R. 1291, the 21st Century Montgomery GI Bill Enhancement Act. Enactment of this bill would increase the amount of educational benefits provided to veterans under the Montgomery G.I. Bill (MGIB).

I am the National Chairman of the Air Force Association (AFA), presently in its fifty-fifth year as a 145,000-member independent, nonprofit organization primarily concerned with advocating aerospace power through a well-manned, well-equipped and well-trained Air Force.

For years, the Montgomery G.I. Bill has served as an important recruiting tool for the armed services and as a crucial component of the transition assistance the military offers its veterans to enhance their return to civilian life. Funding for the MGIB, however, has not kept pace with increases in educational costs, which have risen sharply since the program began in 1985. With the enactment of the Veterans Benefits and Health Care Improvement Act of 2000, the GI Bill now provides service members with nine monthly \$650.00 stipends a year toward college tuition costs. A total benefit of \$23,400 over four years. The average cost of tuition alone at a four-year public commuter college, however, has grown to \$3,510 a year. When the cost of room and board, books, supplies, transportation and other traditional costs are factored in, this figure rises to \$9,229 a year. Or \$36,916 over four years. A monthly stipend of \$1,025 would have been necessary to cover such costs during academic year 2000-01.

H.R. 1291 would address the diminishing value of the MGIB stipend by increasing the monthly benefit to \$800 this year, \$950 in 2002, and \$1,100 in 2003. This provides a temporary solution to the stipend problem, but the MGIB benefit in 2004 would once again fall short of anticipated increases in higher education costs. A permanent solution is needed. AFA believes that the MGIB *must* be indexed to annually-updated costs for a commuter student attending a four-year public college, as compiled by The College Board (or some other appropriate entity).

In addition, AFA hopes that the Subcommittee will consider other needed reforms to the MGIB, such as:

- X *An open MGIB enrollment period for all active duty members.* Many military service members did not enroll in the MGIB or the earlier Veterans Educational Assistance Program because the value of the benefit did not match the investment required, or because they simply could not afford it at a time when their careers were just starting. An open window should be created to give all active duty service members not presently enrolled in the MGIB the opportunity to enroll.

- X *An extension of MGIB eligibility for participating Guard and Reserve members.* Currently, beginning on the date of basic eligibility, a member of the reserve component has ten years to receive educational assistance through the MGIB. At the end of that period, all benefits are lost regardless of how much has been used. During the first ten years of their career, these younger members are often just starting a family and trying to balance this responsibility with their civilian careers and reserve commitment. The initial intent of the bill to encourage and sustain membership in the Guard and Reserve, as well as expand recipients' knowledge and career options, would be greatly enhanced if members were allowed to use their benefits as long as they were satisfactory participants in the reserve component.

AFA believes that the MGIB benefit will pay for itself many times over by providing veterans

with realistic financial means to improve their education and career prospects. Our nation's experience with the WWII-era GI Bill, which helped to educate and train eight million veterans, proved this time and time againXthe AGreatest Generation=s contribution to our country=s unprecedented economic growth was too vast to be measured. H.R. 1291 is an important first step in restoring the MGIB program to its former position as a top-notch readjustment benefit and recruiting tool. We appreciate the efforts of Chairman Smith and the other members of the House Veterans= Affairs Committee to highlight this important issue and look forward to working with you during this legislative session to affect positive change.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Air Force Association does not currently receive, has not received during the current fiscal year or either of the two previous years any federal money for grants or contracts. All of the Association=s activities and services are accomplished completely free of any federal funding.