

**Statement of Admiral Harry D. Train (USN, Ret.)  
and  
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for the U.S. Commission on National Security/21<sup>st</sup> Century, before the  
Subcommittee on Benefits of the House Committee on Veterans' Affairs  
May 24, 2001**

Mr. Chairman, thank you for inviting us to testify on behalf of the U.S. Commission on National Security/21<sup>st</sup> Century before this Subcommittee on Benefits of the House Committee on Veterans' Affairs. As you know, the Commission takes very seriously the broader problem with which this hearing is concerned today; namely, effective policy instruments to facilitate the recruitment and retention of high-quality military personnel. Indeed, the Commission's final report concludes: "As it enters the 21<sup>st</sup> century, the United States finds itself on the brink of a *crisis of competence in government*. The maintenance of American power in the world depends on the quality of U.S. government personnel, civil *and military*, at all levels. We must take immediate action in the personnel area to ensure that the United States can meet future challenges."

It is the Commission's view that fixing personnel problems is an essential *precondition* for fixing virtually everything else that needs repair in the U.S. national security apparatus. The relevant section of the Commission's final Phase III report, "The Human Requirements for National Security," addresses five aspects of the human capital crisis: 1) the need for a national campaign to raise the status of service to the nation; 2) the need to reform the Presidential appointments process; 3) the need to remedy deficiencies in the Foreign Service; 4) the need to maintain the capabilities of the Civil Service; and 5) the pressing need to improve recruitment and retention of the best quality personnel in the Armed Forces.

As to this last matter, the Commission believes that the military's capabilities, professionalism, and unique culture are pillars of America's national strength and leadership in the world. However, without a renewed call to military service and systemic personnel reforms at all levels to recruit and retain quality people, the leadership and professionalism necessary for an effective military will be placed in jeopardy. We must never forget that, as useful as weapons systems and high-tech communications are to future warfare, they pale when compared to the significance of the quality people responsible for all aspects of their employment.

Several of the Commission's key recommendations are focused on military personnel reform. In addition, several other of the Commission's recommendations directly benefit the recruitment and retention of quality government personnel (civilian and military). Of the major recommendations, number 44 deals specifically with the Montgomery GI Bill—the topic before this subcommittee today. We will focus on that recommendation here. However, for the record, the Commission views its recommendations for military personnel reform, taken together, as a comprehensive solution. Therefore, Commission recommendations to revamp and significantly enhance the National Security Education Act (NSEA) to aid recruitment of quality personnel is relevant to this discussion, as is our strong recommendation to decentralize DOPMA and associated systems in order to permit the services new and improved career management paths. In addition, it should be noted that the Commission calls specifically for such measures as targeted pay increases for Senior NCOs (which are long overdue) and the funding of service tests for short-term enlistment options to target the ever growing college-bound youth population (see

attached slide on college attainment in 2025). With the Chairman's permission, however, we will leave for now these latter recommendations and address only the subject at hand.

**T**he Commission believes that Congress should significantly enhance the Montgomery GI Bill. Institutional rewards represented in the current GI Bill are inadequate to recruit and retain the highest quality military personnel.

The current version of the GI Bill is an education program where individuals first perform military service to receive educational benefits. While in the military, service members must authorize deductions from their salaries, to which the government then adds its contribution. To receive benefits while in the service, service men and women must remain on active duty for the length of their enlistment. To receive benefits after service, one must receive an honorable discharge.

The GI Bill is inadequate as an institutional recruitment incentive or reward for service for four reasons.

First, the current GI Bill is not designed to meet the needs of the present and future members of the Armed Services because individuals are far more likely than ever before to seek degrees at four-year colleges. Current benefits cannot cover tuition requirements for those in service; indeed, they do not equal median tuition costs even at two-year institutions.

Second, service members must pay into the system before receiving a single monetary benefit. This discourages widespread participation in the program.

Third, most service members never use their full GI Bill benefits after having paid into the system because of systematic shortcomings. One such obstacle is that students receiving GI Bill benefits are penalized by some projections of GI Bill income from qualifying for other Federal aid programs for higher education. Since the GI Bill is inadequate to cover actual tuition cost, this penalty in many cases provides a disincentive to use it.

Finally, American citizens now access other government-funded aid programs for education (over \$50 billion annually) that have no service requirement at all. We have created in essence a second GI Bill, but without the GI. These other programs, though they bear merit, prevent the GI Bill from fulfilling its vast potential as a recruiting and retention reward for military service.

The Commission recommends that the GI Bill should be enhanced on several levels to achieve its potential as a strong recruitment tool and institutional reward for service. GI Bill entitlements should equal median educational costs of all four-year U.S. colleges, and be indexed to keep pace each year with rising costs. This would have the added social utility of seeding veterans among the youth at elite colleges. The Bill should accelerate full-term payment to recipients and extend benefit eligibility from ten to twenty years. It should also support enhanced and expanded technical training alternatives as veterans make the transition to civilian service.

Moreover, the structure of the GI Bill should constitute an institutional benefit that reflects the covenant between the military and the public. It should *not* require payments or cost sharing from service members. But it *should* allow for the transfer of benefits to qualified dependents of those service members who serve more than 15 years of duty. It should also carry a sliding scale providing automatic full benefits for Reserve and National Guard personnel called to active duty in support of U.S. contingency operations.

Funding for GI Bill institutional entitlements is not sufficient and should be separated within the defense budget to allow the Defense Department more budget flexibility. Enhancements to it should include strengthening recently passed and pending legislation that supports enhanced benefits—including transition, medical, and homeownership benefits—for qualified veterans.

The latter is particularly important. Individuals who are older upon entering service than used to be the case, or who gain significant technical expertise while in service, may not wish to pursue further education upon their leaving service. They may need, however, resources to become homeowners, a personal aspiration with a considerable social benefit to communities and to the nation as a whole. While there are other programs that are mindful of this function, there is good reason for the GI Bill to broaden its benefit options to include this elective.

Taken as a whole, such changes will help to bring the best people into the Armed Services and persuade quality personnel to serve longer in order to secure greater rewards for their service. In this light, the Commission recognizes H.R. 1291 before this subcommittee as a step in the right direction. We would be remiss, however, if we reported it sufficient to recruit and retain the quality military force and leadership so crucial to our national security.

As we have noted, the Commission's other recommendations in addressing military personnel reform provide a broader purview. Enhancing the GI Bill is important, but it is not enough to solve the problems we face. The Commission believes that *systemic* reform is needed in complementary forms of quality military recruitment, career management, compensation, and retirement systems. Absent such reform, the military will continue to lose its most talented personnel, and the Services will be left with a cadre unable to handle the technological and leadership tasks necessary for a superior 21<sup>st</sup> century force.

We know that such issues go beyond the responsibilities of this subcommittee and even of the Veterans' Affairs Committee as a whole, but we would be remiss if we did not address these broader problems here today. Indeed, we would suggest that the compartmentalization of Congressional organization and oversight is part of the reason why the problems we face have proven so difficult to solve.

Some of the current data bearing on recruitment and retention issues are startling and deserve our attention—and this is not to speak of the more acute difficulties we are likely to experience in the future. The Navy is now nine hundred pilots short of necessary levels, while the Air Force reports the largest peacetime pilot shortage in its history: 1,200 pilots short of operational requirements. The Air Force pilot loss rate is projected to double by 2002. Over the past ten years, the Army has experienced a 58 percent increase in the percentage of Captains voluntarily leaving the military before promotion to Major. High-quality junior officers are also leaving military service earlier. For example, in 1987, only *38 percent* of the Army's West Point graduates of the class of 1977 had left military service before ten years of active duty—this was by far the *best* retention rate among all Army commissioning sources. However, by 1999, *68 percent* of West Point graduates of the class of 1989 had left the military before ten years of active duty—giving the Academy the worst retention rate of all Army commissioning sources. High-quality Lieutenant Colonels/Colonels and their Navy equivalents (O-5s and O-6s who have had Department/ Battalion/ Squadron/Ship-level commands in their careers) are leaving early, as well. The Navy reports that both post-department officers and post-squadron Commanders are separating at a rate *three times higher* than a decade ago.

The effect of these trends on our future military are not just “cause for concern,” as the stock phrase goes. They are downright terrifying.

Beyond the significant expansion of scholarships, debt relief programs, and significant career management reforms that we call for in other domains—and beyond the substantial enhancements to the Montgomery GI Bill that we have just discussed—we need deeper solutions for what are in fact structural problems.

The essence of the problem is this: The personnel system was set up over a half century ago at a time when large numbers of young men were needed for relatively short periods of time. We now have a military that requires fewer recruits overall, but that needs more experienced technical specialists to stay on for longer periods. Fifty years ago there were only so many officer slots for soldiers who had grown beyond their physical peak. Today, the military needs a much wider array of technical specialists, and it does not matter if their hair is thinning or if their peak physical strength has passed. But the rigidities of the current personnel system work in the opposite direction, leaving the military without the flexibility to engage non-traditional age groups to address current and future human resource needs.

We therefore recommend *significant* modifications to military personnel legislation governing officer and enlisted career management, retirement, and compensation—giving Service Secretaries more authority and flexibility to adapt and manage their overall human resource requirements. This should include flexible compensation and retirement plans, exemption from “up-or-out” mandates, and reform of personnel systems to facilitate fluid movement of personnel. If we do not decentralize and modernize the governing personnel legislation, no military reform or transformation is possible.

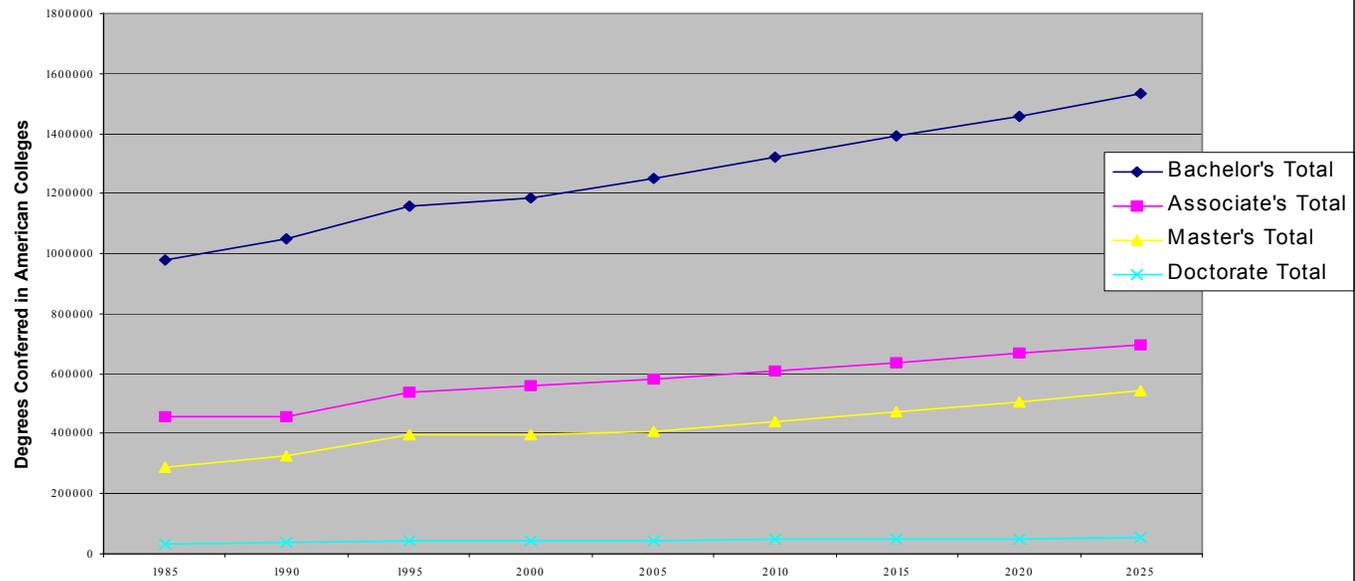
We also call for an Executive-Legislative working group to monitor, evaluate, and share information about the testing and implementation of these recommendations. With bipartisan cooperation, our military will remain one of this nation’s most treasured institutions and our safeguard in the dynamic world ahead.

**M**r. Chairman, let us only add in conclusion that we are aware that many of our recommendations will cost money—certainly including those pertaining to the Montgomery GI Bill. On the other hand, many of our recommendations in other areas will save money. We have not taken an accountant’s attitude to our task; we have not tried to “balance the books.” Where our recommendations save money, we consider it a second-order benefit. Where they cost money, we consider it an *investment* in a *first-order* national priority.

The enhancements to the GI Bill, as recommended by the Commission, would make a strong contribution to recruiting and retaining the best personnel in the Armed Forces, and to strengthening the covenant between the military and American society as a whole. Systemic reform of the military personnel system to bring it into harmony with 21<sup>st</sup> century conditions is, if anything, even more critical to ensuring the military competence that remains the best guarantee of American security.

The Commission has undertaken to specify in greater detail than appears in its final Phase III Report the fiscal implications and possible implementation schedules for the recommendations we have made. They are being published in staff addenda. We are ready to share these details with you and your staffs upon request.

## U.S. College Degree Conferment Projected Trends



Source: U.S. Department of Education, National Center for Education Statistics, *Year*  
*Degrees and Other Formal Awards Conferred Survey*; Integrated  
Postsecondary Education Data System (IPEDS), *Completions* survey; and  
*Earned Degrees Conferred Model*. Projections from 2010 through 2025  
assume variables remain constant.