TESTIMONY
Of

THE HONORABLE THOMAS F. HALL
ASSISTANT SECRETARY OF DEFENSE
RESERVE AFFAIRS

BEFORE THE
HOUSE COMMITTEE ON VETERANS
AFFAIRS

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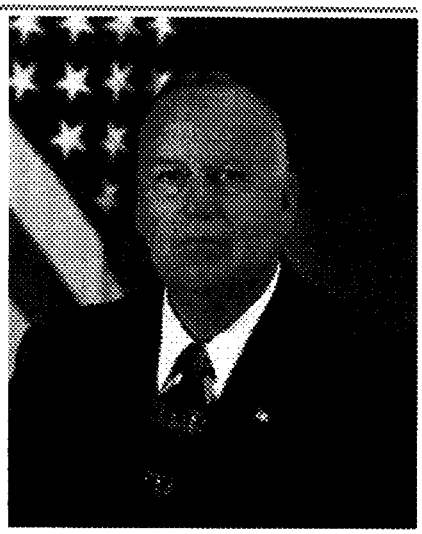
Honorable Thomas F. Hall

Assistant Secretary of Defense for Reserve Affairs



Secretary Thomas F. Hall, a native of Barnsdall, Oklahoma, was sworn in as the fourth Assistant Secretary of Defense for Reserve Affairs on October 9, 2002. A Presidential appointee confirmed by the Senate, he serves as the principal staff assistant to the Secretary of Defense on all matters involving the 1.2 million members of the Reserve components of the United States Armed Forces. He is responsible for overall supervision of Reserve component affairs of the Department of Defense.

Secretary Hall is a retired two-star Rear Admiral having served almost 34 years of continuous active duty in the United States Navy. He is a distinguished and decorated Naval Aviator, who served a combat tour in Vietnam. He has performed in numerous high level staff, command, and NATO positions during his career. He commanded Patrol Squadron EIGHT, Naval Air Station Bermuda, and the Iceland Defense Force. His final military assignment was as the Commander/Director/Chief of Naval Reserve. His military awards include the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit, Air Medal, and various other personal and unit decorations. He was awarded the Order of the Falcon, with Commander's Cross, by the President of Iceland in recognition of his accomplishments and service as Commander Iceland Defense Force. In 2000, he was given the International Partnership Award for his service to the United States and Iceland. He has been inducted into the Oklahoma Military Hall of Fame. In 2003, he was given the National Service Award for Leadership by the Federal Law Enforcement Foundation. In 2004, he was given the National Citizenship Award by the Military Chaplains Association of the United States. In 2005, he was given the Admiral Jackson award by the Reserve Officers Association.

Secretary Hall attended Oklahoma State University for one year before entering the United States Naval Academy in Annapolis, Maryland. In 1963, he graduated from the Academy with a bachelor's degree in Engineering and was named as one of the top 25 leaders in his class, having commanded both the top Battalion and Company. He was, also, awarded the Brigade Intramural Sports Trophy. In 1971, he received a master's degree in Public Personnel Management from George Washington University. He graduated with highest distinction from the Naval War College; with distinction, from the National War College; and from the National Security Course at Harvard University. He was selected as a Fellow and served on the Chief of Naval Operations Strategic Studies Group.

Secretary Hall has served on the Boards of Directors of numerous nonprofit organizations that are supporting the needs of our veterans and citizens in general. Prior to returning to government service, Secretary Hall served as the Executive Director of the Naval Reserve Association for six years. The Naval Reserve Association is a 501 (c) (3) nonprofit veterans' organization that represents over 23,000 Naval Reserve officers, members, and their families.

Secretary Hall is married to the former Barbara Norman of Jacksonville, Florida. They have one son, Thomas David Hall.

Mr. Chairman and members of the Committee, thank you for giving me the opportunity to come before you this morning discuss the Montgomery GI Bill for the Selected Reserve (MGIB-SR) and the Education Assistance Program for Reserve Component Members Supporting Contingency Operations and Certain Other Operations, which we and the Department of Veterans Affairs refer to as the Reserve Education Assistance Program (REAP).

The MGIB-SR was established to encourage membership in units of the Selected Reserve. It has proven to be a very attractive recruiting tool, and its effectiveness as a retention tool is certainly equally important to the Reserve components. In combination with Kicker payments, which allow us to target specific, critical wartime skill shortages with additional benefit payments of up to $350 per month, the MGIB-SR is a very well known program among Reserve component members and has worked well in helping the components maintain achieve their strength requirements. The fact that a member must continue to serve in the Reserves to maintain eligibility has greatly assisted the Reserve components as a whole in maintaining consistently high retention rates over the years and has increased the education level of our Reserve force. The continued support of Congress for the MGIB-SR has provided the Department with a very powerful incentive to join the National Guard or Reserve as a member of the Selected Reserve and to continue membership beyond the initial service obligation period. Between 1984 and

2005, over 1,490,000 Selected Reserve members gained eligibility for MGIB-SR entitlement, and over 585,000, or 39 percent, have applied for educational assistance.

Thirty percent of Reserve component members who are currently eligible for the MGIB-SR benefits have applied for the benefit. This represents a two percentage point increase in the past two years. In Fiscal Year 2005, almost $195,000,000 in benefits were paid to 87,161 Selected Reserve members who were participating in the MGIB-SR program that year.

The program continues to fulfill its intended purposes. Four of the six Department of Defense Reserve components are meeting or exceeding their recruiting goals for 2006 in a very challenging recruiting environment, and attrition in all of the Reserve components is within acceptable limits and is very consistent with historic levels.

Improvements over the years have made the MGIB-SR even more attractive and useful. Thanks to Congressional action expanding the permissible use of benefits, over 12,000 Selected Reserve members now use MGIB-SR benefits in pursuit of masters and doctoral degrees. In the National Defense Authorization Act for Fiscal Year 2006, Congress provided authority to use MGIB-SR benefits up to $2,000 for licensing and certification tests. This program enhancement provides a strong encouragement for our Selected Reserve members to obtain certification in civilian skills that are of great value

to the military, and it assists our military members in obtaining civilian certification in skills learned and developed in the military to enhance their civilian employment opportunities.

We have not identified any significant shortcomings in the structure and utility of the MGIB-SR. In future studies, we wish to assess whether this benefit should be better linked to chapter 30 MGIB. Although we have met our total recruiting and retention needs for most years since the MGIB-SR was enacted, we believe we will continue to face challenges in our recruiting efforts in the foreseeable future.

In the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Congress, at the President's request provided the REAP program, which recognizes the significant active service participation of Reserve component members in the Global War on Terror. This authority supports the Department's efforts to focus new benefits and entitlements on those who are bearing the burden of mobilization. We sincerely appreciate Congress's support for the technical changes we requested last year to improve the program. At this time, we have not identified any further changes we need to make to this program.

The REAP program has been implemented and is working quite well. Under a memorandum of understanding between the Departments of Defense, Veterans Affairs and Homeland Security, payments under the program began in early December 2005. As

of February 24, 2006, the Department of Veterans Affairs has received 13,929 benefit claims, and paid 959 claims, for a total disbursement of over $1.54 million. Ongoing changes to electronic data systems will greatly improve the application process and accelerate the benefit delivery procedures.

Certainly almost any program can be improved, and we are interested, as this Committee is, in ensuring that the MGIB, and all voluntary education assistance programs, are robust and adequate to ensure that the Department of Defense and the United States Coast Guard can meet their human resource needs in the future. A joint Department of Defense and Department of Veterans Affairs working group is currently examining the possibility of a Total Force education benefit that would draw from the best attributes of the two MGIB programs and the REAP. We are actively participating in that forum, and we appreciate discussions that examine overall program performance and identify opportunities for improvement in education assistance programs that meet the needs of veterans and Reserve component members. As we work collaboratively and deliberately with the goal of program improvement, we need to stress that the veteran and reserve programs were designed for and serve different purposes. Both reserve benefits – the MGIB-SR program and the REAP – were designed as retention tools, to keep members serving in the Guard or Reserve; a benefit for continued service just like bonuses. The veteran benefit, although it can be used by someone still serving, was designed to assist members in transitioning to civilian life following service. As we examine the potential for a Total Force GI bill, we want to be certain that such a program

would encourage continued reserve membership as effectively as the current programs. Anything that could be viewed as changing the basic premise of the MGIB-SR and the REAP should be considered very carefully.

The MGIB-SR continues to be one of the most popular and effective Reserve component programs. Whether used alone, or in combination with other voluntary educational programs, the MGIB-SR is an important element in providing educational benefits to the men and women of the Reserve components and in meeting our manpower requirements. We recognize the importance that continuing education plays in the lives of our Guard and Reserve members.

I am pleased to report that 787 Reserve component members have achieved eligibility to enroll in the active duty MGIB as a result of being mobilized in support of the Global War on Terror and completing 24 continuous months of service, and they have made the $1,200 contribution required for the basic benefit. In addition, 593 Reserve component members who already held eligibility for active duty MGIB benefits have opted to increase their benefit by making an additional contribution. Combined with any MGIB-SR entitlement they may have, this active duty MGIB benefit may give these members a total of 48 academic months of education benefits.

However, with nearly 485,000 Guard and Reserve members mobilized since 9/11, a very small percentage of the force has met the 24 continuous month requirement to qualify for the active duty MGIB benefit.

Again, we believe that the Montgomery GI Bills under both chapter 1606 of title 10, United States Code, and chapter 30 of title 38, United States Code, continue to serve us well. Combined with the REAP under chapter 1607, they encourage service and permit us to recognize the increased contribution of our Reserve component members to worldwide military operations. We look forward to working with this committee and the Armed Services Committees of the House and the Senate to ensure that these programs remain robust. I would again like to thank the Committee for all you have done for our servicemembers. The Department of Defense appreciates this opportunity to discuss these important matters with you.