

# STATEMENT FOR THE RECORD



*Submitted by*

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**HIGH GROUND VETERANS ADVOCACY**

for the

**House Veterans' Affairs Committee**

**Regarding**

Reforming the Administration of the Joint Services Transcript and Veterans' Affairs Education Benefits.

**JULY 17, 2017**

## **Statement of Scott Crawford High Ground Veterans Advocacy**

### **Chairman Roe, Ranking Member Walz, and other distinguished members of the Committee on Veterans' Affairs:**

Thank you for allowing me the opportunity to offer testimony regarding a policy that will save tax dollars, help veterans reach their educational goals, and prevent a substantial amount of waste administering Department of Veterans' Affairs (VA) educational benefits.

My policy proposal focuses on the Joint Services Transcript (JST). The JST is a record administered by the Department of Defense that lists training a service member received while in the military. The American Council on Education (ACE) evaluates this training and converts it into meaningful college credit hours that a veteran can apply towards a degree. Over recent years, various initiatives have improved both access to, and the value of, the JST. Despite this, however, data suggest that around half of all veterans do not take advantage of the JST by applying it toward the degree program for which they use their GI Bill.

Currently, the Department of Defense maintains an online database that provides easy access to a veteran's JST.<sup>1</sup> The VA administers educational benefits by requiring that eligible veterans complete an authorization form for the allocation of benefits at the beginning of each semester. I suggest that the VA use this authorization process to also gain authorization to request the JST on a veteran's behalf, and then subsequently send the JST to the same institution at which the veteran requested their benefits be applied.

After carefully evaluating the wasted benefits and tax dollars this inefficiency causes, it seems apparent that the following law is nothing short of good common sense.

### **LEGISLATIVE DRAFT SUGGESTION**

#### **S. \_\_\_\_\_ – Joint Services Transcript Efficiency Act**

This bill will direct the Department of Veterans' Affairs to automatically and without undue delay send the Joint Services Transcript to an eligible veteran's academic institution upon receiving the appropriate authorization to disperse that veteran's education benefit to said institution.

For the purposes of this bill:

- The Joint Services Transcript is the transcript authorized and described under 32 C.F.R. § 68.3 (2014).
- Veteran education benefit is any education benefit authorized under Title 38 U.S.C.

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<sup>1</sup> See JST System Online at <https://jst.doded.mil/>

## Discussion – Analyzing Financial Impact

The majority of studies on which I relied during my research were not designed to evaluate the impact of the JST. As such, the available data was often incomplete or required some degree of speculation with respect to the likely effects of this policy. Further, other variables and projected benefits of this policy depend upon data that is either non-existent or cannot not be known until the policy is implemented. Acknowledging these limitations, I will do my best in the following paragraphs to accurately analyze the potential impact of this policy and identify unknown data that could affect it.

First, it is important to understand the distinction between waste prevented and costs saved by this policy. Prevented waste strictly refers to using GI Bill benefits on education that would have been otherwise satisfied by the JST. Cost savings refers to actual dollars that would not have been paid out had the veteran applied the JST. To illustrate, see the following hypotheticals:

- *“Veteran A” successfully transfers one semester of credit hours to the college she attends using the JST. As a result, three and a half years later she graduates a semester earlier than she would have otherwise and still has remaining GI Bill benefits. She never uses the remaining benefit. Result – One semester of cost savings and prevented waste.*
- *“Veteran B” uses the JST to successfully transfer one semester of credit hours to his college, but decides not to pursue a degree after his first semester. Result – Zero cost savings, but one semester of wasted benefits still prevented.*
- *“Veteran C” is just like “Veteran A,” except this veteran exhausts the remaining GI Bill benefit for the first semester of an advanced degree program. Result – Zero cost saving, but one semester of wasted benefit still prevented.*

## Evaluation of Waste

Every year around 200,000 student veterans use the GI Bill for the first time.<sup>2</sup> Half of these veterans will never request that their JST be applied to the academic institution they attend.<sup>3</sup> This policy will therefore primarily apply to the 100,000 who never request the benefit.

Veterans who do request the JST successfully transfer an average of 18 credit hours. We can therefore reasonably assume that the JST will supplement at least one semester of college for most veterans. The cost of one semester of college varies significantly, but the following are national averages: Two-Year Public College—\$1,750 (in-state), Four-Year Public University—\$5,000 (in-state), Private Non-Profit University—\$17,000, and Private For-Profit University—\$8,000.<sup>4</sup>

By projecting data from previous studies, we can roughly estimate how many veterans will attend each type of institution. Of the 100,000 veterans who never request a JST: 10,000 will attend a two-year public institution, 54,000 will attend a four-year public university, 13,000 will attend a private non-profit university, and 21,000 will attend a private for-profit university. Using this data, we can project a total cost of \$676,500,000 in tuition and fees spent on 100,000 veterans for one semester of college.

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<sup>2</sup> <http://benefits.va.gov/REPORTS/abr/ABR-Education-FY15-02032016.pdf>

<sup>3</sup> *Military Veterans’ Experiences Using the Post-9/11 GI Bill and Pursuing Postsecondary Education. A Study by the Rand Corporation – Pg. 32 PDF available at [http://www.rand.org/content/dam/rand/pubs/monographs/2011/RAND\\_MG1083.pdf](http://www.rand.org/content/dam/rand/pubs/monographs/2011/RAND_MG1083.pdf)*

<sup>4</sup> National Tuition Averages available at <https://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2016-17>

(This does not account for the Basic Housing Allowance (BAH) or the book stipend that the GI Bill also provides. These costs will be discussed in one of the following sections.)

**In sum:**

- 200,000 student veterans begin using GI Bill benefits every year.
- 100,000 of these veterans never request their JST
- On average, each veteran would have satisfied one semester of school had it been requested.
- Result – \$676,500,000 of wasted benefits are spent annually on tuition and fees alone.

Before evaluating the cost of BAH and the book stipend, it is necessary to distinguish between those veterans who finish a degree program and those who do not. When evaluating the cost of BAH and the book stipend, this policy will have no cost savings for veterans who do not complete their degree program (however, it would still prevent wasteful spending). The money spent on BAH and the book stipend would have been spent regardless with no lasting, material benefit. For this reason, we will only account for veterans who complete their degree programs when evaluating cost savings in relation to BAH and the book stipend. 50% of veterans complete or graduate the education programs they enter<sup>5</sup>. Accordingly, we can estimate that 50,000 of the 100,000 veterans annually who do not request their JST will complete their degree or program.

The national BAH average in the 2015-2016 fiscal year was just over \$1500 per month. This number will be used to evaluate cost. It should be noted that the actual average paid out to GI Bill beneficiaries is likely much higher, because veterans naturally attend schools in urbanized areas with a much higher BAH rate. To arrive at a more conservative estimate however we will assume this lower rate. For the purposes of this evaluation, one semester of school will equal four months (the average is closer to five months, but again, in the interest of reaching a conservative estimate). In sum, over \$6,000 per semester is spent on BAH for every veteran. When applied to the 50,000 veterans who complete their degree each year, this results in a sum in excess of \$300,000,000.

In addition, the book stipend is \$500 per semester. When applied to 50,000 veterans, this equates to another \$25,000,000. Totaling \$325,000,000 paid out annually only to those veterans who complete their degree program and never request the JST.

**In sum:** \$325,000,000 of benefits are needlessly spent of BAH and book stipend payments.

**Potential Cost Savings**

Considering only the 50% of veterans who finish their degree program, \$338,250,000 of benefits are spent on tuition and fees that could have otherwise been satisfied had the JST been applied. Another \$325,000,000 is needlessly spent on BAH and book stipends. If every veteran were like “Veteran A” from the hypothetical mentioned earlier, then this would result in a total cost saving of \$663,250,000 while still achieving the same educational goal. Of course, not every veteran will leave their remaining benefit unused. This unknown is the biggest variable with respect to the total cost savings potential of

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<sup>5</sup> *Military Veterans’ Experiences Using the Post-9/11 GI Bill and Pursuing Postsecondary Education.* A Study by the Rand Corporation – Pg. 32-33, PDF available at [http://www.rand.org/content/dam/rand/pubs/monographs/2011/RAND\\_MG1083.pdf](http://www.rand.org/content/dam/rand/pubs/monographs/2011/RAND_MG1083.pdf)

this policy. Next, I will address several other variables that could both positively and negatively impact savings.

### **In Sum: Potential Cost Savings of \$663,250,000 Annually**

#### **Other variables and assumptions that will affect policy financial benefits.**

- As previously mentioned, the single most important variable that will dictate the cost savings potential of this policy will be the number of veterans who leave their remaining benefits unused. Despite this variable negatively affecting cost savings, it remains a net positive. Allowing veterans the opportunity to preserve some of their benefit to be applied toward an advanced degree is exactly the kind of change we need to truly “modernize” the GI Bill.
- We cannot know that every veteran will receive 18 credit hours from the JST transcript. This is only an average based on the relevant studies and data available. Some veterans may receive far fewer hours. Others may have already taken basic college courses prior to joining the military, thus rendering some credits from the JST useless. On the other hand, the study from which I pulled this data was conducted in 2011, and since then initiatives have been implemented to improve the JST. Changes to the JST are ongoing to allow more academic credit for different types of military training. It is possible that, in the time intervening this study’s completion, the average number of credit hours transferred from the JST may have increased. If this were the case, the financial benefits of this policy would prove even greater. It is my hope that as future evaluations are done to more accurately accredit military training, the benefits of this policy will correspondingly increase.
- Not all veterans attend education programs that would be affected by the type of credits on the JST. For example, many technical schools do not require any type of electives or basic educational courses (these were the types of courses in my personal experience that the JST fulfilled). These types of programs only account for a small percentage of veterans utilizing their education benefits. But, this would have a negative impact upon this policy’s financial benefit. I do not suspect any such impact would be significant, however, considering the small number of veterans engaged in these types of programs.
- Of those who do request the JST, many do not do so until later in their academic career. Those veterans would benefit from this policy as well, because had the JST been transferred at the onset of their education, their academic advisors could have prevented them from taking classes that had already been satisfied by military training. This variable will likely increase the financial benefits of this policy.
- Research suggests that students who successfully transfer prior learning credit to a two-year degree program are four times more likely to graduate, and students in a four-year degree program are twice as likely to graduate.<sup>6</sup> It is unclear how these increased graduation rates would apply to student veterans; however, this variable seems to indicate that more veterans would finish their

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<sup>6</sup> See PDF, Pg. 35

[http://cdn2.hubspot.net/hubfs/617695/premium\\_content\\_resources/pla/PDF/PLA\\_Fueling-the-Race.pdf](http://cdn2.hubspot.net/hubfs/617695/premium_content_resources/pla/PDF/PLA_Fueling-the-Race.pdf)

degree programs. If we speculate that this is true, then it is plausible more veterans will stay in school longer, use more of their benefits than they would have otherwise, thus costing the VA to pay out more money in education benefits. While this would negatively impact the financial benefit of this policy, more veterans completing their degrees is a positive thing. Moreover, it is almost certain that any additional cost arising from this variable would be offset many times over by the other financial benefits of this policy.<sup>7</sup>

- My evaluation of this policy's benefits only considered the Post 9-11 GI Bill. While this benefit by far accounts for the overwhelming majority of benefits paid out, the VA spends a significant amount of money on others as well. This policy would also benefit those programs. Accordingly, this policy would have more savings and waste prevention if applied to other VA educational benefits.

There are a few other variables I did not expand on, but I anticipate those to have a minimal affect. Further, there are undoubtedly issues I have failed to identify, and I encourage anyone involved to help identify any unknown variables.

### **In Conclusion**

It is impossible to know the exact measure of positive benefits this policy has in store. What is apparent, is that it is a good, common sense measure to prevent waste, save money, and help veterans use their education benefits more efficiently.

I would like to thank Chairman Isakson, Ranking Member Tester and other distinguished Members of the Committee on Veterans' Affairs.

Signed,



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Scott Crawford enlisted as an infantry rifleman in the United States Marine Corps in 2006. After being deployed twice to Iraq and once to Afghanistan with First Battalion Third Marines, Scott received an Honorable Discharge in 2010. Scott is currently a Juris Doctor candidate at UNT Dallas College of Law and is active in veteran advocacy and community reintegration.

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