



# Educational Assistance Programs Administered by the U.S. Department of Veterans Affairs

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## Summary

The U.S. Department of Veterans Affairs (VA), previously named the Veterans Administration, has been providing veterans educational assistance benefits since 1944. Although the programs are administered by the VA, the Department of Defense (DOD) pays for certain benefits and provides additional benefits to certain persons with critical skills or lengthy service. The benefits have been intended, at various times, to compensate for compulsory service, encourage voluntary service, avoid unemployment, provide equitable benefits to all who served, and promote military retention. In general, the benefits provide grant aid to eligible individuals enrolled in approved educational and training programs.

The newest program, the Post-9/11 GI Bill, has the largest number of individuals receiving benefits. The Post-9/11 GI Bill provides benefits to veterans and servicemembers who serve on active duty after September 10, 2001. The program is designed to provide individuals who served on active duty for 36 months and who are pursuing undergraduate studies at public colleges and universities with the full cost of attendance: tuition and fees, housing, books and supplies, tutorial and relocation assistance, and fees for testing and certification, as needed. The Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377), enacted on January 4, 2011, makes several amendments to eligibility and benefits under the Post-9/11 GI Bill. The Restoring GI Bill Fairness Act of 2011 (P.L. 112-26), enacted on August 3, 2011, temporarily reverses a P.L. 111-377 amendment to the tuition and fees benefit for some individuals.

Before the Post-9/11 GI Bill was effective, the most popular program was the Montgomery GI Bill-Active Duty (MGIB-AD). The MGIB-AD provides a monthly allowance primarily to veterans and servicemembers who enter active duty after June 30, 1985.

The Montgomery GI Bill-Selected Reserve (MGIB-SR) provides a lower monthly allowance than the MGIB-AD to reservists who enlist, re-enlist, or extend an enlistment after June 30, 1985. The Reserves Educational Assistance Program (REAP) provides a monthly allowance that is higher than the MGIB-SR but lower than the MGIB-AD to reservists with active duty service.

The program with the fewest individuals receiving benefits is the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP). VEAP provides a monthly allowance to veterans who first entered active duty service between December 31, 1976, and July 1, 1985.

Finally, the dependents of individuals with military service may be eligible for educational assistance. The Survivors' and Dependents' Educational Assistance (DEA) program provides benefits to the spouse and children of servicemembers who, as a result of service, are seriously disabled, die, or are detained. The Army allows certain servicemembers to transfer their MGIB-AD benefits to their dependents. Servicemembers who stay in the military for several years are able to transfer their Post-9/11 GI Bill benefits to their dependents. Also, the Post-9/11 GI Bill includes a scholarship program for the children of servicemembers who die in the line of duty, the Marine Gunnery Sergeant John David Fry Scholarship Program.

This report provides a description of the eligibility requirements, benefit availability, and benefit payments of the veterans educational assistance benefit programs. See **Table 4** for a summary of selected characteristics of the programs. The report also provides some summary statistics and comparisons between the programs.

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## Introduction

This report provides a detailed description of the six educational assistance programs that are available to veterans or other eligible individuals through the Department of Veterans Affairs (VA). Although the programs are administered by the VA, some of the funding for the programs is provided by the Department of Defense (DOD).<sup>1</sup> DOD transfers monies from its education trust fund to the VA for disbursement.

The report is organized into five sections. The first section provides an explanation of the rationale and impetus behind veterans' educational assistance programs (GI Bills). The second section describes the eligibility requirements and uses of the existing GI Bills. The GI Bills are discussed in descending order based on the number of participants. The third section reviews the linkages and commonalities between the programs. A summary of selected characteristics of the various programs is presented in **Table 4**. The fourth section provides a brief overview of related VA programs. The final section provides information on participation and expenditures for the programs. A detailed look at the earlier inactive GI Bills and the lessons learned is available in the appendices.

Over the decades during which the programs have been in existence, two themes have been emphasized. The benefits promote development of work related skills to facilitate entry or re-entry into the workforce, and the base benefit is equitable regardless of rank or military occupation specialty. Educational assistance programs offered by DOD are targeted to servicemembers with specific skills or individuals. All of the educational assistance programs administered by the VA require some period of military service before benefits can be received. The most salient ongoing conflicts have been related to how much eligible individuals should contribute to their education in time or money, which type of service warrants a benefit, and how liberal (i.e., valuable) the benefit should be.

All of the benefit programs provide eligible persons an *entitlement* to educational assistance. This entitlement is measured in dollars and/or time—months and days. A dollar value is also associated with each month and day of entitlement. Educational assistance payments reduce the total dollars of entitlement, if applicable. Educational assistance payments also reduce the entitlement period at a rate of one month per payment or in proportion to a base payment amount. Eligible persons may run out of dollars of entitlement before running out of the entitlement period or vice versa. Once either runs out, the total *entitlement* is exhausted. In general, once the entitlement period or dollars of entitlement are exhausted eligible persons continue receiving educational assistance through the end of the academic term if more than halfway through, or a 12-week period if not on an academic term schedule. Neither the entitlement period nor the dollars of entitlement are reduced if an individual is called to active duty under sections 12301(a), 12301(d), 12301(g), 12302, or 12304 of Title 10 U.S.C. and if, as a result, the individual must discontinue studies and fails to receive credit or training time.

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<sup>1</sup> References to DOD include the Department of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy.

## History of the Programs

Since the Revolutionary War, the United States has provided benefits to injured or disabled war veterans; however, benefits were not provided to the same extent to their able-bodied peers. Prior to World War II (WWII), “poor, jobless, and disgruntled veterans . . . had led to unrest and fear of revolt throughout American history.” In 1932, after World War I, the military was called in to forcibly remove 20,000 still unemployed and often homeless veterans and burn their encampment near the Capitol and White House.<sup>2</sup>

Despite the draft, military service was thought of as “a fundamental obligation of [male] citizenship.”<sup>3</sup> Because the 16.1 million personnel<sup>4</sup> who served in the U.S. Armed Forces<sup>5</sup> during WWII accounted for over one-third of the 41.1 million<sup>6</sup> working-age males (between 20 and 64 years of age) in 1947, fears of the consequences of mass unemployment were legitimate. Before the end of WWII, Congress and the American Legion<sup>7</sup> worked together to pass the original GI Bill, or Serviceman’s Readjustment Act of 1944 (P.L. 78-346).<sup>8</sup> The act provided a full range of resources to veterans including the construction of additional hospitals; educational assistance to non-disabled veterans; home, business, and farm loans; job counseling and employment placement services; and an unemployment benefit.

The original GI Bill was generally considered successful in averting unemployment, raising the educational level and thus the productivity of the U.S. workforce, and confirming the value that Americans place on those that provide military service.<sup>9</sup> Subsequent GI Bills providing educational assistance have been passed (**Table 1**). The Korean Conflict GI Bill was enacted under the Veterans’ Readjustment Assistance Act of 1952 (P.L. 82-550) and codified in Title 38, U.S.C., Chapter 33. The purpose of the program was to prepare returning veterans to enter the workforce. It allowed the same types of education and training as the original GI Bill—on-the-job training, on-the-farm training, correspondence courses,<sup>10</sup> and traditional college education. Several provisions were also added to prevent avocational or recreational educational pursuits and to ensure the quality of education provided.

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<sup>2</sup> Edward Humes, “The Greatest Generation: The Accidental Remaking of America,” in *Over Here: How the G.I. Bill Transformed the American Dream*, 1<sup>st</sup> ed. (Orlando, FL: Harcourt, Inc., 2006), pp. 4-20.

<sup>3</sup> Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005), p. 26.

<sup>4</sup> Facts for Features, U.S. Census Bureau, April 29, 2004, <http://www.census.gov/Press-Release/www/2004/cb04-ffse07.pdf>.

<sup>5</sup> The Armed Forces are the Army, Navy, Air Force, Marine Corps, and Coast Guard of the United States.

<sup>6</sup> U.S. Census Bureau, Table 1. Years of School Completed by Persons 14 Years Old and Over, by Age, Color, and Sex, for the United States: Civilian Population, April 1947, and Total Population, April 1940.

<sup>7</sup> The American Legion was chartered by Congress in 1919 as a patriotic wartime veterans organization devoted to mutual helpfulness. It is a not-for-profit community-service organization.

<sup>8</sup> Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005), pp. 18-22.

<sup>9</sup> U.S. Congress, House Committee on Veterans’ Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans’ Benefits in the United States*, committee print, prepared by The President’s Commission on Veterans’ Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1956, House Committee Print No. 289 (Washington: GPO, 1956), pp. 107-142.

<sup>10</sup> Correspondence training differs from distance learning or online education in that individuals in correspondence training usually receive lessons in the mail and have a certain amount of time to complete and return them for a grade.

**Table I. Chronology of Educational Assistance Programs Administered by the VA**

<b>Year Enacted</b>	<b>Common Name</b>	<b>Establishing Legislation</b>	<b>U.S. Code</b>
1944	Original GI Bill	Serviceman's Readjustment Act of 1944	Title 38, Chapter 12
1952	Korean Conflict GI Bill	Veterans' Readjustment Assistance Act of 1952	Title 38, Chapter 33 (repealed in 1966)
1956	DEA (Survivors' and Dependents Educational Assistance)	War Orphans' Educational Assistance Act of 1956	Title 38, Chapter 35
1966	Post-Korean Conflict and Vietnam Era GI Bill	Veterans Readjustment Benefits Act of 1966	Title 38, Chapter 34
1974	Veterans and Dependents Education Loan Program	Veterans' Readjustment Assistance Act of 1974	Title 38, Chapter 36 (repealed in 1981)
1976	VEAP (Post-Vietnam Era Veterans Educational Assistance)	Veterans' Education and Employment Assistance Act of 1976	Title 38, Chapter 32
1981	Educational Assistance Test Program (Sec. 901)	Department of Defense Authorization Act, 1981	Title 10, Chapter 106A
1981	Educational Assistance Pilot Program (Sec. 903)	Department of Defense Authorization Act, 1981	Title 10, Chapter 106A
1985	MGIB-AD (Montgomery GI Bill-Active Duty)	Department of Defense Authorization Act, 1985	Title 38, Chapter 30
1985	MGIB-SR (Montgomery GI Bill-Selected Reserves)	Department of Defense Authorization Act, 1985	Title 10, Chapter 1606
2005	REAP (Reserves Educational Assistance Program)	Ronald W. Reagan National Defense Authorization Act for FY2005	Title 10, Chapter 1607
2008	Post-9/11 GI Bill	Post-9/11 Veterans Educational Assistance Act of 2008	Title 38, Chapter 33
2009	Marine Gunnery Sergeant John David Fry Scholarship	Supplemental Appropriations Act of 2009 (P.L. 111-32)	Title 38, Chapter 33

**Source:** Prepared by CRS based on a review of the legislation.

In 1956, the War Orphans' Educational Assistance Act of 1956 (P.L. 84-634) was passed to provide educational assistance to the children of servicemembers who died as a result of injury or disability incurred in the line of duty. This program was later expanded to include spouses and children of servicemembers who died, became permanently or totally disabled, were missing-in-action, were captured, or were hospitalized as a result of service.

The Post-Korean Conflict and Vietnam Era GI Bill was enacted under the Veterans Readjustment Benefits Act of 1966 (P.L. 89-358) and codified in Title 38, U.S.C., Chapter 34. In addition to providing benefits to veterans, it provided benefits to active duty servicemembers to encourage retention in the Armed Forces. The Veterans' Readjustment Assistance Act of 1974 (P.L. 93-508) created a short-lived veterans and dependents education loan program to cover educational costs not provided for under the GI Bill. It was codified in Title 38, U.S.C., Chapter 36 before being repealed in 1981.

Beginning with the Korean Conflict GI Bill, there has been much debate on the level of educational assistance that should be provided to veterans and servicemembers. Some believed that requiring individuals to make a monetary contribution in addition to their military service would increase their sense of responsibility and purpose. Some believed that the educational

assistance benefits were a necessary compensation for compulsory service or reimbursement for voluntary service. Some believed that high levels of assistance promote attrition from the military. And some believed that the benefits are a necessary recruitment tool.

Congress allowed the compulsory military draft to expire on June 30, 1973. The educational assistance programs enacted subsequently were designed to encourage recruitment and retention of high-quality military personnel while still providing a considerable benefit to those who choose to leave active duty military service. Since 1973, there has also been a consistent attempt to limit the options to a more traditional college education although other types of education and training were generally added as the programs mature.

Currently, there are several educational assistance programs available to veterans, servicemembers, and their spouses and children. The oldest of these programs for veterans and servicemembers is the Post-Vietnam Era GI Bill enacted in 1976. Several hundred individuals are still receiving benefits from this program, which provides educational assistance in direct proportion to contributions deducted from servicemembers' pay while on active duty. The Montgomery GI Bill-Active Duty (MGIB-AD) requires most servicemembers to contribute an established amount, although the eventual benefits are not related to the contribution. The Army allows some dependents to use the servicemembers' MGIB-AD benefits. The Montgomery GI Bill-Selected Reserve (MGIB-SR) only provides educational assistance to those currently serving in the Selected Reserve. Because reliance on the Reserves and National Guard increased after September 11, 2001, the Reserves Educational Assistance Program (REAP), enacted in 2005, allows reservists to receive an increased educational assistance benefit in comparison to the MGIB-SR after serving on active duty. The Survivors' and Dependents' Educational Assistance (DEA) program provides benefits to the spouse and children of servicemembers who, as a result of service, are seriously disabled, die, or are detained.

Finally, the Post-9/11 GI Bill increases the educational assistance benefit for all individuals with active duty service after September 10, 2001, in recognition that the United States has not been at peace since 2001. Servicemembers who stay in the military for several years are able to transfer their Post-9/11 GI Bill benefits to their dependents. Also, the Post-9/11 GI Bill includes a scholarship program for the children of servicemembers who die in the line of duty, the Marine Gunnery Sergeant John David Fry Scholarship Program. The Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (Improvements Act; P.L. 111-377), enacted on January 4, 2011, made several amendments to the Post-9/11 GI Bill and other veterans educational assistance programs. The effective dates of the amendments are staggered from January 4, 2011, through October 1, 2011. The amendments of the Improvements Act and their effective dates will be highlighted in the descriptions, as applicable.<sup>11</sup> The following section describes the active programs in greater detail, in descending order based on the number of participants. A description of the inactive programs is provided in the appendices.

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<sup>11</sup> The Restoring GI Bill Fairness Act of 2011 (P.L. 112-26) temporarily reverses one amendment of the Improvements Act for some individuals attending private or foreign IHLs in seven states.

## **Post-9/11 Veterans Educational Assistance Program (Post-9/11 GI Bill)**

There were four main drivers for the Post-9/11 Veterans Educational Assistance Act of 2008 (P.L. 110-252): providing parity of benefits for reservists and members of the regular Armed Forces, ensuring comprehensive educational benefits, meeting military recruiting goals, and improving military retention through transferability of benefits. There was a desire for reservists to receive benefits equivalent to members of the regular Armed Forces for equivalent, though often not continuous, active duty service. It was recognized that veterans and servicemembers would be eligible for other U.S. Department of Education student financial assistance benefits such as Pell Grants and Stafford Loans;<sup>12</sup> DOD educational assistance; and various state, local, and other federal benefits on top of the basic GI Bill benefits. Members of Congress hoped that a benefit that exceeded that available under the other active GI Bills would ameliorate military recruiting challenges and reduce the higher unemployment rate among veterans compared with non-veterans of the same age group.<sup>13</sup>

There was some discussion about whether increasing the monthly benefit might result in lower retention in the Armed Forces. Some DOD research suggested that education is not a very important factor in the decision to stay in or leave the military, while other evidence suggested that very high benefits would encourage discharge. The ability to transfer benefits to dependents was considered critical to retention. The Administration was interested in transferability as well, and President Bush advocated for transferability in a State of the Union address.<sup>14</sup>

The Post-9/11 GI Bill is codified under Title 38 U.S.C., Chapter 33. The stated purpose is to reward members of the Armed Forces for service on active duty since September 11, 2001; maintain a history of offering educational assistance to veterans; respond to the needs of the Armed Forces when not at peace; demonstrate the high esteem with which military service is held; recognize the difficult challenges involved in readjusting to civilian life after serving; and enhance the educational assistance benefits to those who serve on active duty after September 10, 2001. The program became effective August 1, 2009. The program is permanently authorized.

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<sup>12</sup> Title IV of the Higher Education Act of 1965, as amended, authorizes several student aid programs: Pell Grant program, William D. Ford Federal Direct Loan (DL) Program, American Competitiveness Grant program, National Science and Mathematics Access to Retain Talent (SMART) Grant program, Federal Supplemental Educational Opportunity Grant (FSEOG) program, Leveraging Educational Assistance Partnership (LEAP) program, Federal Work-Study (FWS) program, Federal Perkins Loan program, and Grants for Access and Persistence (GAP) program. See CRS Report R41437, *Federal Pell Grant Program of the Higher Education Act: Background, Recent Changes, and Current Legislative Issues*, by Shannon M. Mahan; CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole; and CRS Report R40122, *Federal Student Loans Made Under the Federal Family Education Loan Program and the William D. Ford Federal Direct Loan Program: Terms and Conditions for Borrowers*, by David P. Smole.

<sup>13</sup> U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Pending Montgomery GI Bill Legislation*, 110<sup>th</sup> Cong., 2<sup>nd</sup> sess., January 17, 2008, HRG-2008-VAH-0003 (Washington: GPO, 2008), pp. 3, 6, 9, 10, 14; and U.S. Congress, Senate Committee on Veterans' Affairs, *Hearing on Pending Benefits Legislation*, 110<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 7, 2008, S. Hrg. 110-675 (Washington: GPO, 2008), pp. 15, 21, 34, 49.

<sup>14</sup> U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Pending Montgomery GI Bill Legislation*, 110<sup>th</sup> Cong., 2<sup>nd</sup> sess., January 17, 2008, HRG-2008-VAH-0003 (Washington: GPO, 2008), pp. 3, 6, 9, 10, 14; and U.S. Congress, Senate Committee on Veterans' Affairs, *Hearing on Pending Benefits Legislation*, 110<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 7, 2008, S. Hrg. 110-675 (Washington: GPO, 2008), pp. 15, 21, 34, 49.

## **Eligible Individuals**

Under the Post-9/11 GI Bill, veterans and servicemembers of the Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components and commissioned officers of the Public Health Service (PHS) and the National Oceanic Atmospheric Association (NOAA), may be eligible. Individuals must serve an aggregate minimum of 90 days on active duty after September 10, 2001, or individuals must have been discharged or released after a minimum of 30 continuous days after September 10, 2001, for a service-connected disability. Only a call or order to active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of Title 10 U.S.C. may be included in the active duty service eligibility period required of reservists. The Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (Improvements Act; P.L. 111-377) allows National Guard members to include full-time duty under a Title 32 call to order toward their Post-9/11 GI Bill-qualifying active duty service effective August 1, 2009; however, benefit payments on behalf of eligible individuals will be issued after September 30, 2011.

The active duty service period includes service on active duty in entry-level and skill training<sup>15</sup> if the total active duty service period is at least 24 months.<sup>16</sup> The Post-9/11 GI Bill active duty service period excludes time assigned to a civilian institution for an education or training program similar to those offered to civilians, excludes time spent as a cadet or midshipman at one of the service academies, excludes other active duty service periods required to meet a service academy or Reserve Officer Training Corps (ROTC) obligation, excludes service that is terminated because of a defective enlistment and induction, and excludes active duty service periods required to meet a student loan repayment obligation (10 U.S.C., Chapter 109). Once the active duty service period is met, individuals must continue on active duty or be discharged with an honorable discharge; be released with honorable service and retired, or transferred to the Reserves or temporary disability list; or be discharged or released from active duty service characterized as honorable for a pre-existing medical condition, hardship, or an interfering physical or mental condition.

Individuals who have not used or who retain an entitlement period under the MGIBs, REAP, and Chapter 107 of Title 10 U.S.C. (professional military education) and individuals who withdrew from the MGIB-AD may make an irrevocable election to receive Post-9/11 GI Bill educational assistance benefits. The individuals must be otherwise eligible for the Post-9/11 GI Bill. The decision to receive Post-9/11 GI Bill benefits after using some MGIB-AD benefit does not extend the number of months in the entitlement period. Unused contributions made by the individual to be eligible for the MGIB-AD, up to \$1,200, will be refunded as an addition to the last Post-9/11 GI Bill monthly housing allowance once the entitlement period is exhausted. If the individual is not eligible for the monthly housing allowance or fails to exhaust the entitlement period, the unused MGIB-AD contribution will not be refunded. Individuals who make an irrevocable election remain eligible for supplemental assistance (Kickers); however, they lose any

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<sup>15</sup> Entry-level and skill training is defined as basic combat training, advanced individual training, and one station unit training (OSUT) in the Army; recruit training (or boot camp) and skill training (or so-called 'A' school) in the Navy; basic military training and technical training in the Air Force, recruit training and Marine Corps training (or school of infantry training) in the Marine Corps; and basic training and skill training (or so-called 'A' school) in the Coast Guard.

<sup>16</sup> If the period of active duty service including entry-level and skill training is at least 24 months but the period of active duty service excluding entry-level and skill training is less than 18 months, the applicable active duty period is 18 months.

contributions to the MGIB-AD \$600 Buy-Up program.<sup>17</sup> The military service branches may augment an individual's basic GI Bill benefit with supplemental assistance in a few instances:

- an individual who enlists in the regular Armed Forces with a skill or specialty of which there is a critical shortage or for which it is difficult to recruit or, in the case of critical units, retain personnel;
- an individual with a skill or specialty of which there is a critical shortage or for which it is difficult to recruit or, in the case of critical units, retain personnel who agrees to serve in the Selected Reserve after separating honorably from the regular Armed Forces; and
- an individual who agrees to remain on active duty for at least two years after completing at least five years of continuous service.

Under the MGIB-AD \$600 Buy-Up program, a servicemember may contribute up to \$600 to the military service branch in multiples of \$20 and receive for every \$20 contributed up to an additional \$5 every month (up to \$5,400 total) in which the individual receives MGIB-AD benefits.

## **Eligible Programs of Education, Institutions, and Establishments**

Prior to October 1, 2011, the eligible programs of education are courses offered by an IHL.<sup>18</sup> Effective October 1, 2011, the Improvements Act expands the approved programs of education to include the following:

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<sup>17</sup> Department of Veterans Affairs, "Post-9/11 G.I. Bill: Final Rule," 74 *Federal Register* 14659, March 31, 2009. Under the MGIB-AD, servicemembers were allowed to contribute up to an additional \$600 while on active duty in \$20 monthly increments and receive up to an additional \$5 monthly for each \$20 contributed over the life of their entitlement period under what is known as the \$600 Buy Up Program.

<sup>18</sup> An "institution of higher learning" is an institution offering postsecondary level academic instruction that leads to an associate's or higher degree if the school is empowered by the appropriate state education authority under state law to grant an associate's or higher degree, or in the absence of a state education authority, if the school is accredited for degree programs by a recognized accrediting agency. Institutions of higher learning are also hospitals offering educational programs at the postsecondary level and foreign educational institutions that offer courses leading to a standard college degree, or the equivalent, and that are recognized as such by the secretary of education (or a comparable official) of the country or other jurisdiction in which the institution is located. A standard college degree is an associate's or higher degree awarded by (1) an IHL that is accredited as a collegiate institution by a recognized regional or national accrediting agency; (2) an IHL that is a "candidate" for accreditation as that term is used by the regional or national accrediting agencies; or (3) an IHL upon completion of a course that is accredited by an agency recognized to accredit specialized degree-level programs. An IHL is not the same as an institution of higher education (IHE) as defined in sections 101 and 102 of the Higher Education Act of 1965 (HEA), as amended. An IHE admits as regular students only those who have a high school diploma or its equivalent or who are beyond the age of compulsory school attendance. Also, an IHE may be a less-than-two-year postsecondary vocational institutional or may provide one-year programs of education or training without having to provide an associate's or higher degree. With exceptions and the possibility of waivers, no more than 50% of an IHE's courses can be correspondence courses; no more than 50% of an IHE's students can be enrolled in correspondence courses; no more than 25% of the IHE's students may be incarcerated; and no more than 50% of an IHE's students may be without a high school diploma or its equivalent unless it offers an associate's or bachelor's degree. With exceptions, neither the IHE nor its affiliates can have filed for bankruptcy, and the IHE's owner or chief executive officer cannot have been guilty of a crime involving the acquisition, fraud, use, or expenditure of HEA Title IV funds. In addition, postsecondary institutions outside the United States must meet additional criteria to be considered IHEs.

- courses at an educational institution (see below for the definition of an educational institution) that lead to a predetermined educational, vocational, or professional objective or objectives if related to the same career (this includes traditional undergraduate and graduate programs);
- courses required by the Administrator of the Small Business Administration as a condition for obtaining financial assistance under the provisions of section 7(i)(1) of the Small Business Act (15 U.S.C. 636(i)(1));
- licensing or certification tests for a predetermined vocation or profession, provided such tests and the licensing or credentialing organizations or entities that offer such tests are approved;
- courses offered by a qualified provider of entrepreneurship courses;
- national tests for admission to IHLs or graduate schools (such as the Scholastic Aptitude Test (SAT));
- national tests providing an opportunity for course credit at IHLs (such as the Advanced Placement (AP) exam);
- a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate school;
- full-time programs of apprentice or other on-the-job training, for individuals not on active duty; and
- cooperative programs<sup>19</sup> for individuals not on active duty.<sup>20</sup>

Educational institutions are defined as

- public or private elementary or secondary schools;
- vocational, correspondence, business, normal, or professional schools;
- colleges or universities;
- scientific or technical institutions;
- other institutions offering education for adults;
- state-approved alternative teacher certification program providers;
- private entities that offer courses toward the attainment of a license or certificate generally recognized as necessary for a profession or vocation in a high technology occupation; and
- qualified providers of entrepreneurship courses.

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<sup>19</sup> A cooperative program is a full-time program of education, which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in a business or industrial establishment being strictly supplemental.

<sup>20</sup> All programs of education must be approved by the VA and other relevant approving agencies.

## **Benefit Payments prior to the Improvements Act**

Instead of a single allowance for subsistence, tuition and fees, supplies, books, and equipment paid directly to recipients, as in the other GI Bills, several types of benefit payments are available under the Post-9/11 GI Bill. Prior to the Improvements Act going into effect, these payments are available to eligible individuals enrolled in IHLs, depending on their active duty status and enrollment rate. The payments specified below are available until contrary provisions of the Improvements Act go into effect.

### **Payments for Tuition and Fees, Housing, and Books and Supplies**

#### *Non-active Duty Individuals Enrolled More than Half-Time*

Eligible individuals who are not on active duty, are pursuing a program of education at an IHL, and are enrolled more than half-time may receive the payments described below for tuition and fees, housing, and books and supplies. In most instances, the payments, as described, will be in effect for degree-seeking individuals until July 31, 2011, and until September 30, 2011, for individuals enrolled in flight training and for non-degree-seeking individuals.

- *Tuition.* A per credit hour enrolled tuition payment is made directly to the IHL for each academic term in an amount equal to that charged to the veteran or a percentage of the maximum amount of undergraduate in-state tuition charged for the same number of credit hours at the most expensive public institution in the state in which the individual is enrolled, whichever is less. The percentage of the maximum undergraduate tuition is determined by the length of time served on active duty (**Table 2**). There is great variation among the states, ranging from a low of \$90 per credit hour in Puerto Rico to a high of \$1,549 in Texas for the 2010-2011 academic year.<sup>21</sup>

**Table 2. Percentage of Maximum Post-9/11 GI Bill Benefits Based on Aggregate Length of Active Duty Service**

<b>Aggregate Time Served on Active Duty Since 9/11/2001</b>	<b>Percentage of Maximum Benefit Payable</b>
At least 36 months	100
At least 30 continuous days on active duty and discharged due to service-connected disability	100
At least 30 months, but less than 36 months	90
At least 24 months, but less than 30 months	80
At least 18 months, but less than 24 months	70
At least 12 months, but less than 18 months	60

<sup>21</sup> Although California's public colleges and universities only charge fees and do not charge resident undergraduate tuition, the VA and the California state approving agency reached an agreement to break up the fees into a tuition charge and fees charge for the purposes of the Post-9/11 GI Bill. U.S. Department of Veterans Affairs, 2010-11 Maximum In-State Tuition and Fees, available at [http://www.gibill.va.gov/GI\\_Bill\\_Info/CH33/Tuition\\_and\\_fees.htm](http://www.gibill.va.gov/GI_Bill_Info/CH33/Tuition_and_fees.htm), last updated August 30, 2010.

<b>Aggregate Time Served on Active Duty Since 9/11/2001</b>	<b>Percentage of Maximum Benefit Payable</b>
At least 6 months, but less than 12 months	50
At least 90 days, but less than 6 months	40

**Source:** Prepared by CRS based on Title 38 U.S.C. § 3313 and data available from the U.S. Department of Veterans Affairs.

As an example, a Post-9/11 GI Bill eligible veteran with 18 months of qualifying active duty service may choose to enroll as an undergraduate in eight credit hours during one semester at Centralia College in Washington. The veteran will receive 70% of the maximum benefit because the veteran has only 18 months of active duty service. The maximum tuition benefit in Washington state was \$380 per credit hour for the 2009-2010 academic year. In the 2007-2008 academic year, Centralia College charged \$74 per credit hour for in-state part-time undergraduate tuition.<sup>22</sup> Assuming the veteran does not receive institutional aid, Centralia College will charge the veteran \$592 (\$74 per credit hour × 8 credit hours) for tuition, based on rates for the 2007-2008 academic year. Assuming the veteran is only eligible for the basic Post-9/11 GI Bill benefits, the veteran could receive the lesser of \$2,128 (70% × \$380 per credit hour × 8 credit hours) in Post-9/11 GI Bill tuition benefits for the semester or the actual tuition charged (\$592). The VA will send \$592 to Centralia College on behalf of the veteran for tuition. The VA will not remit more tuition than the veteran was charged by the institution.

- *Fees.* A fees payment is made directly to the IHL for each academic term in an amount equal to that charged to the veteran or a percentage of the maximum amount of undergraduate fees charged at the most expensive public institution in the state in which the individual is enrolled, whichever is less. The percentage of the maximum undergraduate fees is determined by the length of time served on active duty (**Table 2**). There is great variation among the states, ranging from a low of \$249 in Guam to a high of \$85,255 in Utah<sup>23</sup> for the 2010-2011 academic year.<sup>24</sup>
- *Housing Allowance.* Individuals who are on active duty or enrolled half-time or less are not eligible for the Post-9/11 GI Bill housing allowance. Individuals in a program offered exclusively through distance learning<sup>25</sup> are not eligible for a

<sup>22</sup> Tuition was reported to the U.S. Department of Education in the Integrated Postsecondary Education Data System (IPEDS).

<sup>23</sup> High fees are often related to flight training and schools of pharmacy.

<sup>24</sup> U.S. Department of Veterans Affairs, 2010-11 Maximum In-State Tuition and Fees, available at [http://www.gibill.va.gov/GI\\_Bill\\_Info/CH33/Tuition\\_and\\_fees.htm](http://www.gibill.va.gov/GI_Bill_Info/CH33/Tuition_and_fees.htm), last updated August 30, 2010.

<sup>25</sup> Distance education is defined in 20 U.S.C. § 1003(6) as education to deliver instruction to students who are separated from the instructor and to support regular and substantive interaction between the students and the instructor, synchronously or asynchronously, that uses one or more of the following technologies: the Internet; one- and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices; audio conferencing; or video cassettes, DVDs, and CD-ROMs, if the cassettes, DVDs, or CD-ROMs are used in a course in conjunction with the Internet, one- and two-way transmissions, or audio conferencing.

Post-9/11 GI Bill housing allowance until September 30, 2011. Individuals not so excluded may directly receive a percentage of an amount which equals the monthly basic allowance for housing for a member of the Armed Forces with dependents in pay grade E-5 (E-5 with dependents BAH) in the military housing area in which the IHL is located.<sup>26</sup> The percentage of the monthly housing allowance is determined by the length of time served on active duty (**Table 2**). There is great variation among the localities in the United States, ranging from a low of \$747 in the Mansfield, OH, area to a high of \$2,754 in the New York City area in calendar year 2011.<sup>27</sup>

- *Books and Supplies Stipend.* Individuals who are not on active duty and individuals who are enrolled more than half-time may also receive a percentage of the annual stipend for books and required educational expenses. The maximum stipend is \$1,000 per year. The percentage of the stipend is determined by the length of time served on active duty (**Table 2**). The stipend is paid each term based on the number of credit hours, or their equivalent, in which the individual is enrolled. Each credit hour, or its equivalent, is worth \$41.67.<sup>28</sup> This stipend does not reduce the entitlement period and does not reduce other benefit payments.

### *Active Duty Individuals*

- *Tuition and Fees.* Individuals on active duty may only receive (payable to the IHL) for each academic term the amount of tuition and fees charged by the IHL, but the amount cannot duplicate any amounts received through a DOD Tuition Assistance Program.<sup>29</sup> This amount could exceed the amounts charged by the most expensive public institution in the state.
- *Housing Allowance.* Individuals on active duty may not receive a housing allowance from the Post-9/11 GI Bill.
- *Books and Supplies Stipend.* Individuals on active duty may not receive a books and supplies stipend.

### *Individuals Enrolled Half-Time or Less*

- *Tuition and Fees.* Individuals enrolled half-time or less may only receive (payable to the IHL) for each academic term the amount charged by the IHL, but not more than the amount the individual would have been eligible to receive if enrolled full-time.<sup>30</sup>

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<sup>26</sup> BAH is a DOD benefit to uniformed servicemembers to provide housing compensation when government quarters are not provided. The amount is based on housing costs in local civilian housing markets and is payable based on geographic duty location, pay grade, and dependency status.

<sup>27</sup> U.S. Department of Defense, 2011 BAH Rates—WITH DEPENDENTS, available at <http://www.defensetravel.dod.mil/site/pdcFiles.cfm?dir=/Allowances/BAH/ASCII/> as of February 1, 2011.

<sup>28</sup> The VA has determined in 38 CFR 21.9640 that a lump sum books and supplies stipend for each academic term equals \$41.67 multiplied by the number of credit hours enrolled and multiplied by the ratio of the number of credit hours enrolled to the number of credit hours required for full-time pursuit.

<sup>29</sup> The entitlement period is reduced one month for each month enrolled.

<sup>30</sup> The entitlement period is reduced a fraction of a month for each month enrolled. The fraction is the ratio of the (continued...)

- *Housing Allowance.* Individuals enrolled half-time or less may not receive the housing allowance.
- *Books and Supplies Stipend.* Individuals enrolled half-time or less may receive a books and supplies stipend that is a percentage of the maximum stipend of \$1,000 per year, reduced in proportion to their enrollment rate. The percentage of the stipend is determined by the length of time served on active duty (**Table 2**).

### **Yellow Ribbon Program Payments**

In cases in which an IHL's tuition and fees are not fully covered by the tuition and fees payment benefits, the IHL may voluntarily enter into a Yellow Ribbon Program agreement with the U.S. Department of Veterans Affairs (VA) to match an equal percentage of some portion of the remaining tuition and fees (see "Yellow Ribbon Program" section below).

### **Tutorial Assistance**

An individual is entitled to payment, not to exceed \$100 monthly and up to a maximum of \$1,200 over the course of the entitlement period, for tutorial assistance provided it is certified by the IHL that the individual needs tutoring to pass a course required for the approved program of education. The maximum tutorial assistance is not reduced depending on the length of active duty service.

### **Licensing and Certification Test Fees**

Prior to August 1, 2011, a fee of up to \$2,000 for one approved licensing or certification test may be paid to an individual regardless of whether the individual passes the test. The maximum fee is not reduced depending on the length of active duty service. Prior to August 1, 2011, the fee does not reduce the entitlement period and does not reduce other benefit payments under the Post-9/11 GI Bill.

Effective August 1, 2011, the Improvements Act removes the limit on the number of licensing and certification tests, which may be reimbursed as long as each payment for each test does not exceed \$2,000 or the individual's remaining Post-9/11 GI Bill entitlement. Entitlement will be charged at the rate of one month of entitlement for each amount equal to \$1,460.<sup>31</sup> Neither the benefit nor the entitlement charge will depend on the length of qualifying active duty service.

### **Relocation and Travel Assistance**

An individual who resides in a rural county and who has to relocate a distance of at least 500 miles, or an individual who must travel by air to attend an IHL, is entitled to a single payment of

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(...continued)

number of credit hours enrolled to the number of credit hours required for full-time pursuit of the degree program in which the student is enrolled.

<sup>31</sup> The equivalent entitlement charge of \$1,460 for the academic year beginning August 1, 2011, will increase annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

\$500. The relocation assistance does not reduce the entitlement period, does not reduce other benefit payments, and is not reduced depending on the length of qualifying active duty service.

## **Additional Benefit Payments**

Individuals may be eligible for advance payments, supplemental assistance for additional years of service,<sup>32</sup> supplemental assistance for critical skills,<sup>33</sup> and Tuition Assistance Top-Up. For individuals who have not received educational assistance benefits in 30 days or more, an advance payment of the first partial and first full month of the housing allowance may be sent to the educational institution to disburse within 30 days of the start of the academic to the student planning to enroll more than half-time term. Tuition, fees, and books and supplies costs cannot be advanced.<sup>34</sup>

The Tuition Assistance “Top-Up” program was established under the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (P.L. 106-398) to promote retention. Through Tuition Assistance programs, military service branches may pay a certain amount of tuition and expenses for the education and training of active duty personnel. Under Tuition Assistance Top-Up, Post-9/11 GI Bill-eligible servicemembers who have served for at least two years on active duty and who are approved for Tuition Assistance benefits may elect to receive Post-9/11 GI Bill benefits to pay for education and training expenses above the amount paid by their military service branch. Use of the Top-Up benefit results in a reduction of future Post-9/11 GI Bill benefits.

Individuals who pursue all courses online are not eligible for supplemental assistance (Kickers) because Kickers are added to the monthly housing allowance, which they do not receive. Individuals who enroll half-time or less or who are serving on active duty are also not eligible for Kickers.<sup>35</sup> The supplemental assistance for additional years of service and Kickers may be reduced depending on the individual’s time served on active duty. Individuals in the Post-9/11 GI Bill forfeit any contributions to the \$600 Buy Up program.<sup>36</sup>

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<sup>32</sup> Supplemental assistance for additional years of service augments an individual’s basic GI Bill benefit and is provided by the military service branch to an individual who agrees to remain on active duty for at least two years after completing at least five years of continuous service.

<sup>33</sup> Supplemental assistance for critical skills augments an individual’s basic GI Bill benefit and is provided by the military service branch to an individual who enlists in the regular Armed Forces with a skill or specialty in which there is a critical shortage or for which it is difficult to recruit or, in the case of critical units, retain personnel and to an individual with a skill or specialty in which there is a critical shortage or for which it is difficult to recruit or, in the case of critical units, retain personnel who agrees to serve in the Selected Reserve after separating honorably from the regular Armed Forces.

<sup>34</sup> Department of Veterans Affairs, “Post-9/11 GI Bill: Final Rule,” 74 *Federal Register* 14656, 14689, March 31, 2009, clarifies the eligibility requirements for advance payments.

<sup>35</sup> U.S. Department of Defense, *Directive-Type Memorandum (DTM) 09-003: Post 9/11 GI Bill*, June 22, 2009, p. 13, <http://www.defenselink.mil/news/DTM%2009-003%20Post%209-11%20GI%20Bill%20Optimized1.pdf>.

<sup>36</sup> Under the MGIB-AD \$600 Buy-Up program, a servicemember may contribute up to \$600 to the military service branch in multiples of \$20 and receive for every \$20 contributed up to an additional \$5 every month (up to \$5,400 total) in which the individual receives MGIB-AD benefits.

## Benefit Payments as Enacted by the Improvements Act

The Improvements Act amends the Post-9/11 GI Bill to provide several payments to eligible individuals, depending on the length of qualifying active duty service, program of education, educational objective, their active duty status, and enrollment rate or rate of pursuit. The effect of the Restoring GI Bill Fairness Act of 2011 (P.L. 112-26) is also highlighted below.

### Payments for Tuition and Fees, Housing, and Books and Supplies

The maximum payment levels for tuition and fees, housing, and books and supplies, as enacted by the Improvements Act, are summarized in **Table 3**, along with the effective date for these payment levels. Many individuals will receive payments that are lower than these maximum payments as a result of the length of their qualifying active duty service (see **Table 2**), their enrollment rate or rate of pursuit, actual charges, active duty status, being enrolled exclusively through distance learning, and receipt of DOD Tuition Assistance.

**Table 3. Maximum Payments for Tuition and Fees, Housing, and Books and Supplies, as Enacted by the Improvements Act**

Type of Education/Training	Tuition and Fees	Monthly Housing Allowance	Books and Supplies Stipend	Effective Date
<i>More than half-time enrollment</i>				
Degree-seeking, non-active duty individuals	At a public IHL, <sup>a</sup> “actual net cost for in-state tuition and fees” less certain student aid <sup>b</sup>  At a private or foreign IHL <sup>a</sup> , up to \$17,500; <sup>c</sup> or for certain prior enrollees through July 31, 2014, the greater of \$17,500 or the benefit as calculated in 2010-2011. <sup>d</sup>	E-5 with dependents BAH <sup>e</sup> in the military housing area in which the IHL is located	\$1,000 per year	Aug. 1, 2011
Degree-seeking, active duty individuals	At a public IHL <sup>a</sup> , the “actual net cost for in-state tuition and fees” less certain student aid <sup>b</sup>  At a private or foreign IHL, <sup>a</sup> \$17,500 <sup>c</sup>	None	\$1,000 per year	Tuition and fees are effective 60 days after Jan. 4, 2011.  Books and supplies stipend is effective Oct. 1, 2011.
Apprenticeship or on-the-job training	None	E-5 with dependents BAH <sup>e</sup> where the employer is located	\$83 per month	Oct. 1, 2011
Flight training	\$10,000 <sup>c</sup>	None	None	Oct. 1, 2011
Correspondence training	\$8,500 <sup>c</sup>	None	None	Oct. 1, 2011

<b>Type of Education/Training</b>	<b>Tuition and Fees</b>	<b>Monthly Housing Allowance</b>	<b>Books and Supplies Stipend</b>	<b>Effective Date</b>
Non-degree-seeking individuals	\$17,500 <sup>c</sup>	E-5 with dependents BAH <sup>e</sup> where the educational institution is located	\$83 per month	Oct. 1, 2011
<i>Half-time or less enrollment</i>				
Individuals enrolled half-time or less	At a public IHL, <sup>a</sup> “actual net cost for in-state tuition and fees” less certain student aid <sup>b</sup>  At a private or foreign IHL, <sup>a</sup> \$17,500 <sup>c</sup>	None	None	Aug. 1, 2011

**Source:** Table prepared by CRS based on the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377) and the Restoring GI Bill Fairness Act (P.L. 112-26).

**Notes:** Payments for many individuals will be lower than the maximum payments shown above based on the individual’s length of qualifying active duty service, enrollment rate or rate of pursuit, active duty status, actual charges, being enrolled exclusively through distance learning, and receipt of U.S. Department of Defense (DOD) Tuition Assistance. Under the DOD Tuition Assistance program, military service branches may pay a certain amount of tuition and expenses for the education and training of active duty personnel.

- a. IHL is an institution of higher learning.
- b. The forms of student aid that may be used to offset the “actual net cost for in-state tuition and fees” are certain waivers, reductions, scholarships, and assistance. The applicable scholarships and sources of assistance used to offset the actual tuition and fees are those provided directly to the IHL for the sole purpose of defraying tuition and fees from the federal government, state governments, the IHL, or an employer. Loans and Pell Grants are specifically excluded from being used to offset the tuition and fees. Pell Grants are authorized by section 401(b) of the Higher Education Act of 1965, as amended. For more information on Pell Grants, see CRS Report R41437, *Federal Pell Grant Program of the Higher Education Act: Background, Recent Changes, and Current Legislative Issues*, by Shannon M. Mahan.
- c. This is the maximum for the academic year beginning August 1, 2011. The amount increases annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).
- d. The Restoring GI Bill Fairness Act (P.L. 112-26) allows certain individuals through July 31, 2014, to receive a tuition and fees benefit equal to the greater of \$17,500, reduced according to the length of time served on active duty, or the amount the individual would have been entitled to in academic year (AY) 2010-2011 before the Improvements Act became effective. To be eligible, the individual must have been enrolled in the same private or foreign IHL since January 4, 2011, in a state in which the Post-9/11 GI Bill maximum in-state tuition per credit hour exceeded \$700 in AY2010-2011 and the combined amount of tuition and fees for full-time attendance in the program of education in AY2010-2011 exceeded \$17,500.
- e. The E-5 with dependents BAH is the monthly basic allowance for housing for a member of the Armed Forces with dependents in pay grade E-5.

### ***Degree-Seeking, Non-Active Duty Individuals Enrolled More than Half-Time***

Effective August 1, 2011, eligible individuals who are not on active duty, are pursuing a program of education leading to a degree (degree-seeking individuals) at an IHL, and are enrolled more than half-time may receive the following payments for tuition and fees, housing, and books and supplies:

- *Tuition and fees.* With one exception, degree-seeking individuals attending public IHLs are eligible to receive payments equal to the “actual net cost for in-state tuition and fees” for the program of education, reduced according to the length of time served on active duty (**Table 2**) and less certain waivers, reductions, scholarships, and assistance.<sup>37</sup> Degree-seeking individuals attending private or foreign IHLs are eligible to receive the lesser of \$17,500,<sup>38</sup> reduced according to the length of time served on active duty (**Table 2**), or the “actual net cost for tuition and fees” for the program of education less certain waivers, reductions, scholarships, and assistance. The applicable scholarships and sources of assistance used to offset the “actual net cost for tuition and fees” are those provided directly to the IHL for the sole purpose of defraying tuition and fees from the federal government, state governments, the IHL, or an employer. The applicable scholarships and assistance specifically exclude loans and Pell Grants.<sup>39</sup> The tuition and fees benefit is paid directly to the IHL for each academic term. Exception to the tuition and fees benefit amount is made for individuals who have been enrolled in the same private or foreign IHL since January 4, 2011, in a state in which the Post-9/11 GI Bill maximum in-state tuition per credit hour exceeded \$700 in AY2010-2011 and the combined amount of tuition and fees for full-time attendance in the program of education in AY2010-2011 exceeded \$17,500.<sup>40</sup> The affected states are Arizona, Michigan, New Hampshire, New York, Pennsylvania, South Carolina, and Texas. Through July 31, 2014, the excepted individuals will be eligible for the greater of \$17,500, reduced according to the length of time served on active duty (**Table 2**), or the amount the individual would have been entitled to in academic year (AY) 2010-2011 before the Improvements Act became effective.<sup>41</sup>
- *Housing Allowance.* For individuals not enrolled exclusively through distance learning, the monthly housing allowance equals the E-5 with dependents BAH in the military housing area in which the IHL is located, reduced according to the length of time served on active duty (**Table 2**) and the individual’s enrollment rate. For example, an individual enrolled in 10 credit hours, assuming 12 credit hours as full-time, will receive 80% of the E-5 with dependents BAH where the IHL is located, reduced according to the length of time served on active duty (**Table 2**). The E-5 with dependents BAH for attendance at foreign institutions equals the national average of the E-5 with dependents BAH. Effective October 1, 2011, for individuals enrolled exclusively through distance learning, the monthly housing allowance is 50% of the national average of the E-5 with dependents BAH, reduced according to the length of time served on active duty (**Table 2**) and the individual’s enrollment rate. The housing allowance is paid directly to the eligible individual monthly.

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<sup>37</sup> The “actual net cost for tuition and fees” is not defined.

<sup>38</sup> The maximum of \$17,500 for the academic year beginning August 1, 2011, increases annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

<sup>39</sup> Pell Grants are authorized by section 401(b) of the Higher Education Act of 1965, as amended. For more information on Pell Grants, see CRS Report R41437, *Federal Pell Grant Program of the Higher Education Act: Background, Recent Changes, and Current Legislative Issues*, by Shannon M. Mahan.

<sup>40</sup> Restoring GI Bill Fairness Act of 2011 (P.L. 112-26).

<sup>41</sup> The benefit amount for excepted individuals does not increase annually based on an inflation index.

- *Books and Supplies Stipend.* Individuals also receive a maximum stipend of \$1,000 per year for books and required educational expenses. The stipend is paid monthly directly to the eligible individual based on the number of credit hours, or their equivalent, in which the individual is enrolled each term. Each credit hour, or its equivalent, is worth \$41.67, reduced according to the length of time served on active duty (**Table 2**).<sup>42</sup>

### *Degree-Seeking, Active Duty Individuals Enrolled More than Half-Time*

Degree-seeking individuals serving on active duty while enrolled more than half-time may receive the following payments for tuition and fees, housing, and books and supplies:

- *Tuition and fees.* The tuition and fees benefit is paid directly to the IHL on behalf of the eligible individual for each academic term. Effective 60 days after January 4, 2011, the benefit amount is the lesser of
  - at a public IHL, the “actual net cost for in-state tuition and fees” for the program of education, reduced according to the length of time served on active duty (**Table 2**) and less certain waivers, reductions, scholarships, and assistance;
  - at a private or foreign IHL, the lesser of \$17,500,<sup>43</sup> reduced according to the length of time served on active duty (**Table 2**), or the “actual net cost for tuition and fees” for the program of education less certain waivers, reductions, scholarships, and assistance; or
  - the tuition and fees for the program of education that are not paid by the DOD Tuition Assistance Program.
- *Housing Allowance.* Degree-seeking individuals serving on active duty are ineligible to receive a Post-9/11 GI Bill housing allowance.
- *Books and Supplies Stipend.* Effective October 1, 2011, a degree-seeking individual enrolled more than half-time while on active duty receives for each academic term a lump sum stipend for books and supplies in the amount of \$1,000, reduced according to the length of time served on active duty (**Table 2**) and according to the proportion of a complete academic year that such academic term constitutes.

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<sup>42</sup> The VA has determined in 38 CFR 21.9640 that a lump sum books and supplies stipend for each academic term equals \$41.67 multiplied by the number of credit hours enrolled and multiplied by the ratio of the number of credit hours enrolled to the number of credit hours required for full-time pursuit.

<sup>43</sup> The maximum of \$17,500 for the academic year beginning August 1, 2011, increases annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

### ***Individuals Pursuing Apprenticeship or On-the-Job Training More than Half-Time***

Effective on October 1, 2011, individuals pursuing apprenticeship or on-the-job training more than half-time may receive the following payments for tuition and fees, housing, and books and supplies:

- *Tuition and fees.* Individuals pursuing apprenticeship or on-the-job training more than half-time are ineligible to receive a tuition and fees benefit.
- *Housing Allowance.* Individuals pursuing apprenticeship or on-the-job training more than half-time receive a monthly housing allowance equal to 100%, 80%, 60%, 40%, and 20% of the E-5 with dependents BAH where the employer is located for the first six months, second six months, third six months, fourth six months, and thereafter, respectively. The housing allowance is further reduced depending on the length of time served on qualifying active duty (**Table 2**) and by the proportion of working/training hours completed each month that is below 120.
- *Books and Supplies Stipend.* Individuals pursuing apprenticeship or on-the-job training more than half-time receive a books and supplies stipend each academic term in the amount of \$83 per month, reduced according to the length of time served on active duty (**Table 2**).

### ***Flight Trainees Enrolled More than Half-Time***

Effective on October 1, 2011, individuals enrolled more than half-time in programs of education consisting of flight training, regardless of the type of institution, may receive the following payments for tuition and fees, housing, and books and supplies:

- *Tuition and fees.* Individuals enrolled more than half-time in flight training receive a tuition and fees benefit equal to the lesser of \$10,000,<sup>44</sup> reduced according to the length of time served on qualifying active duty (see **Table 2**), or the “actual net cost for in-state tuition and fees” for the program of education less certain waivers, reductions, scholarships, and assistance. The tuition and fees benefit is paid to the educational institution after the individual completes the training.
- *Housing Allowance.* Individuals pursuing flight training are ineligible to receive a housing allowance while enrolled more than half-time.
- *Books and Supplies Stipend.* Individuals pursuing flight training are ineligible to receive a books and supplies stipend while enrolled more than half-time.

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<sup>44</sup> The maximum of \$10,000 for the academic year beginning August 1, 2011, will increase annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

### ***Correspondence Trainees Enrolled More than Half-Time***

Effective on October 1, 2011, individuals enrolled more than half-time exclusively in correspondence training programs, regardless of the type of institution, may receive the following payments for tuition and fees, housing, and books and supplies:

- *Tuition and fees.* Individuals enrolled exclusively in correspondence training more than half-time receive a tuition and fees benefit equal to the lesser of \$8,500,<sup>45</sup> reduced according to the length of time served on qualifying active duty (see **Table 2**), or the “actual net cost for tuition and fees” for the program of education less certain waivers, reductions, scholarships, and assistance. The tuition and fees benefit is paid to the educational institution after the individual completes the training.
- *Housing Allowance.* Individuals pursuing correspondence training exclusively are ineligible to receive a housing allowance while enrolled more than half-time.
- *Books and Supplies Stipend.* Individuals pursuing correspondence training exclusively are ineligible to receive a books and supplies stipend while enrolled more than half-time.

### ***Non-Degree-Seeking Individuals Enrolled More than Half-Time***

Effective on October 1, 2011, active duty and non-active duty individuals who are enrolled more than half-time in pursuit of a certificate or non-college degree at an institution or establishment other than an IHL and who are not in on-the-job and apprenticeship, flight, or correspondence training may receive the following payments for tuition and fees, housing, and books and supplies:

- *Tuition and fees.* Non-degree-seeking individuals enrolled more than half-time receive a tuition and fees benefit equal to the lesser of \$17,500,<sup>46</sup> reduced according to the length of time served on qualifying active duty (see **Table 2**), or the “actual net cost for in-state tuition and fees” less certain waivers, reductions, scholarships, and assistance. The tuition and fees benefit is paid to the educational institution each academic term.<sup>47</sup>
- *Housing Allowance.* For individuals pursuing a program of education in-residence, the monthly housing allowance is equal to the E-5 with dependents BAH where the educational institution is located, reduced according to the length of time served on qualifying active duty (see **Table 2**) and in proportion to the enrollment rate. Individuals pursuing a program of education through distance

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<sup>45</sup> The maximum of \$8,500 for the academic year beginning August 1, 2011, will increase annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

<sup>46</sup> The maximum of \$17,500 for the academic year beginning August 1, 2011, will increase annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

<sup>47</sup> Entitlement is charged one month for each payment of tuition and fees that is equal to \$1,458 (\$17,500 divided by 12), reduced according to the length of time served on qualifying active duty (see **Table 2**).

learning receive 50% of the amount received by individuals pursuing a program of education in-residence.

- *Books and Supplies Stipend.* Non-degree-seeking individuals enrolled more than half-time receive a books and supplies stipend in the amount of \$83 per month paid to the individual for each academic term, reduced according to the length of time served on qualifying active duty (see **Table 2**).

### ***Individuals Enrolled Half-Time or Less***

Effective August 1, 2011, individuals enrolled half-time or less in any program of education and regardless of the active duty status may receive the following payments for tuition and fees, housing, and books and supplies:

- *Tuition and fees.* Individuals enrolled half-time or less will be eligible for a tuition and fees benefit of the “actual net cost for in-state tuition and fees” assessed by the IHL less certain waivers, reductions, scholarships, and assistance, but not more than the amount for which the individual would have been eligible if enrolled more than half-time in a program of education leading to a degree at an IHL.
- *Housing Allowance.* Individuals enrolled half-time or less are ineligible to receive a housing allowance.
- *Books and Supplies Stipend.* Individuals enrolled half-time or less are ineligible to receive a books and supplies stipend.

### **Yellow Ribbon Program Payments**

In cases in which an IHL’s tuition and fees are not fully covered by the tuition and fees payment benefits, the IHL may voluntarily enter into a Yellow Ribbon Program agreement with the U.S. Department of Veterans Affairs (VA) to match an equal percentage of some portion of the remaining tuition and fees (see “Yellow Ribbon Program” section below).

### **Tutorial Assistance**

An individual is entitled to payment, not to exceed \$100 monthly and up to a maximum of \$1,200 over the course of the entitlement period, for tutorial assistance provided it is certified by the IHL that the individual needs tutoring to pass a course required for the approved program of education. The maximum tutorial assistance is not reduced depending on the length of active duty service. Tutorial assistance under the Post-9/11 GI Bill does not reduce the entitlement period and does not reduce other benefit payments.

### **Licensing and Certification Test Fees**

Effective August 1, 2011, a fee of up to \$2,000 for each approved licensing or certification test or the individual’s remaining Post-9/11 GI Bill entitlement, whichever is less, is available to an

individual regardless of whether the individual passes the test. Entitlement is charged at the rate of one month of entitlement for each amount equal to \$1,460.<sup>48</sup>

## **National Tests**

Effective August 1, 2011, individuals receive reimbursement for a national test for admissions to an IHL and a national test providing an opportunity for course credit at an IHL. The maximum benefit for a test will be the individual's remaining Post-9/11 GI Bill entitlement. Entitlement is charged at the rate of one month of entitlement for each amount equal to \$1,460.<sup>49</sup>

## **Relocation and Travel Assistance**

An individual who resides in a rural county and who has to relocate a distance of at least 500 miles, or an individual who must travel by air to attend an IHL, is entitled to a single payment of up to \$500. The relocation assistance does not reduce the entitlement period, does not reduce other benefit payments, and is not reduced depending on the length of active duty service.

## **Additional Benefit Payments**

Individuals may be eligible for advance payments,<sup>50</sup> supplemental assistance for additional years of service,<sup>51</sup> supplemental assistance for critical skills,<sup>52</sup> and Tuition Assistance Top-Up.<sup>53</sup> Individuals who pursue all courses online are not eligible for supplemental assistance (Kickers) because Kickers are added to the monthly housing allowance, which they do not receive. Individuals who enroll half-time or less or who are serving on active duty are also not eligible for Kickers.<sup>54</sup> Effective August 1, 2011, for individuals who make an irrevocable election to receive

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<sup>48</sup> The equivalent entitlement charge of \$1,460 for the academic year beginning August 1, 2011, will increase annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

<sup>49</sup> The equivalent entitlement charge of \$1,460 for the academic year beginning August 1, 2011, will increase annually thereafter according to the average increase in undergraduate tuition in the United States as determined by the U.S. Department of Education (ED).

<sup>50</sup> For individuals who have not received educational assistance benefits in 30 days or more, an advance payment of the first partial and first full month of the housing allowance may be sent to the educational institution to disburse within 30 days of the start of the academic to the student planning to enroll more than half-time term. Tuition, fees, and books and supplies costs cannot be advanced.

<sup>51</sup> Supplemental assistance for additional years of service augments an individual's basic GI Bill benefit and is provided by the military service branch to an individual who agrees to remain on active duty for at least two years after completing at least five years of continuous service.

<sup>52</sup> Supplemental assistance for critical skills augments an individual's basic GI Bill benefit and is provided by the military service branch to an individual who enlists in the regular Armed Forces with a skill or specialty in which there is a critical shortage or for which it is difficult to recruit or, in the case of critical units, retain personnel and to an individual with a skill or specialty in which there is a critical shortage or for which it is difficult to recruit or, in the case of critical units, retain personnel who agrees to serve in the Selected Reserve after separating honorably from the regular Armed Forces.

<sup>53</sup> Through Tuition Assistance programs, military service branches may pay a certain amount of tuition and expenses for the education and training of active duty personnel. Under Tuition Assistance Top-Up, Post-9/11 GI Bill-eligible servicemembers who have served for at least two years on active duty and who are approved for Tuition Assistance benefits may elect to receive Post-9/11 GI Bill benefits to pay for education and training expenses above the amount paid by their military service branch.

<sup>54</sup> U.S. Department of Defense, *Directive-Type Memorandum (DTM) 09-003: Post 9/11 GI Bill*, June 22, 2009, p. 13, (continued...)

Post-9/11 GI Bill benefits in lieu of benefits under the MGIB-AD or MGIB-SR, the Kicker will be reduced in proportion to the enrollment rate.<sup>55</sup>

The supplemental assistance for additional years of service and Kickers may be reduced depending on the individual's time served on active duty. Individuals in the Post-9/11 GI Bill forfeit any contributions to the \$600 Buy Up program.<sup>56</sup>

## **Benefit Availability and Duration**

The entitlement period is 36 months. One major difference for veterans discharged with a service connected disability is that under the Post-9/11 GI Bill they are eligible for the maximum (100%) benefit over 36 months, whereas the MGIB-AD only provides one month of entitlement for each month of active duty service, but no more than 36 months. Veterans and servicemembers, many of whom will be eligible for more than one program, can combine benefits with other educational benefit programs administered by the U.S. Department of Veterans Affairs (VA) to receive up to 48 months of educational benefits. By law, no educational benefits under the Post-9/11 GI Bill can be paid 15 years or more after discharge or release from active duty.<sup>57</sup>

## **Yellow Ribbon Program**

The Yellow Ribbon G.I. Education Enhancement Program covers a portion of the tuition and fees that exceed the base Post-9/11 GI Bill benefit. The Yellow Ribbon Program payment is paid equally by the IHL and the VA. The program allows IHLs to enter into agreements with the VA to match a certain amount of the tuition and fees not already covered by the basic Post-9/11 GI Bill.<sup>58</sup> Each IHL must establish the number of eligible individuals it is willing to support and how much it is willing to contribute for each individual. VA regulations allow IHLs to specify their support by each sub-element: college or professional school; and by student status: undergraduate, graduate, or doctoral.<sup>59</sup> The program is only available to individuals who have served on active duty for 36 months and those who were discharged due to a service-connected disability after 30 consecutive days of active duty service. As long as the IHL remains in the Yellow Ribbon Program, an individual admitted under the program who maintains satisfactory

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<http://www.defenselink.mil/news/DTM%2009-003%20Post%209-11%20GI%20Bill%20Optimized1.pdf>

<sup>55</sup> Funding for the additional educational assistance for critical skills or specialties will be paid from the DOD Education Benefits Fund (10 U.S.C. § 2006) or from the Department of Homeland Security (DHS) appropriations.

<sup>56</sup> Under the MGIB-AD \$600 Buy-Up program, a servicemember may contribute up to \$600 to the military service branch in multiples of \$20 and receive for every \$20 contributed up to an additional \$5 every month (up to \$5,400 total) in which the individual receives MGIB-AD benefits.

<sup>57</sup> The 15-year limitation does not include periods when an individual was ineligible for the program but their discharge status was later amended to make them eligible for the program, and periods when an individual was detained by a foreign government or power and any related recovery period in a hospital. Individuals incapable of beginning education as a result of a physical or mental disability can be granted an extension for the period of incapacity.

<sup>58</sup> This program is not related to the Yellow Ribbon Reintegration Program authorized by the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181). The Yellow Ribbon Reintegration Program consists of informational events and activities for reservists, their families, and community members to facilitate access to services supporting their health and well-being through the pre-deployment, deployment, demobilization, and post-deployment-reconstitution.

<sup>59</sup> 38 CFR 21.9700 as of March 31, 2009.

progress will continue to be supported under the program. As of June 24, 2009, the VA had entered into over 2,500 Yellow Ribbon agreements with about 700 public and private schools in all 50 states, the District of Columbia, and Puerto Rico. The schools have agreed to support between one and an unlimited number of eligible students for \$50 per semester to the maximum amount needed by the student.

For example, a Post-9/11 GI Bill eligible veteran with 36 months of qualifying active duty service may choose to enroll as a graduate student in eight credit hours during one semester at Gonzaga University in Washington. The base Post-9/11 GI Bill benefit covers the maximum amount of *undergraduate* tuition charged at a public institution in the state. The veteran will receive 100% of the maximum benefit because the veteran has 36 months of active duty service. In the 2007-2008 academic year, Gonzaga University charged \$670 per credit hour for part-time graduate tuition and \$176 per year in full-time graduate student fees.<sup>60</sup> For the 2009-2010 academic year, the maximum charge per credit hour at the most expensive public institution in Washington is \$380, and the maximum fees for an academic term at the most expensive public institution in the state are \$14,444.50. Assuming the veteran does not receive institutional aid, Gonzaga University will charge the veteran a total of \$5,448, composed of \$5,360 (\$670 per credit hour × 8 credit hours) in tuition and \$88 (\$176 fees per year × ½ for one semester) in fees. Assuming the veteran is only eligible for the basic Post-9/11 GI Bill benefits, the veteran could receive the lesser of \$3,040 (100% × \$380 per credit hour × 8 credit hours) in Post-9/11 GI Bill tuition benefits for the semester or the actual tuition charged (\$5,360), and the lesser of \$14,444.50 in Post-9/11 GI Bill fees benefits for the semester or the actual fees charged (\$88). For the basic Post-9/11 GI Bill benefits, the VA will send \$3,040 to the University on behalf of the veteran for tuition. For the basic Post-9/11 GI Bill benefits, the VA will send \$88 to the university on behalf of the veteran for fees. In summary, the veteran has been charged \$5,448 in tuition and fees, and the VA has paid \$3,128 (\$3,040 tuition + \$88 fees) in basic benefits, leaving an unpaid balance of \$2,320 (\$5,448 - \$3,128). Under the Yellow Ribbon Program in 2009-2010, Gonzaga University has agreed to support 25 students for up to \$11,420 per student per year. If the veteran in this example is one of the 25 students, the VA will match the university's payment up to \$11,420 per year or \$5,710 per semester. Therefore, the VA will make a Yellow Ribbon payment of \$1,160, the lesser of half of the unpaid balance \$1,160 ( $\$2,320 \div 2$ ) or \$5,710. The VA will have paid \$4,288 (\$3,128 in basic tuition and fees + \$1,160 in Yellow Ribbon payments) on behalf of the veteran. The Post-9/11 GI Bill will provide the veteran a total of \$5,448 (\$4,288 from the VA + \$1,160 from the university) for tuition and fees. The veteran will not need to provide any additional out-of-pocket funds for tuition and fees charges.

## **Marine Gunnery Sergeant John David Fry Scholarship Program**

The Supplemental Appropriations Act of 2009 (P.L. 111-32) amended the Post-9/11 GI Bill to create the Marine Gunnery Sergeant John David Fry Scholarship. The scholarship program is available to the children of individuals who, on or after September 11, 2001, die in the line of duty while serving on active duty as a member of the Armed Forces. The definition of children is the same as it is in the MGIB-AD, but also includes married children and children over 23 years of age.<sup>61</sup> The Armed Forces include the Reserves and National Guard, but exclude the Public

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<sup>60</sup> Tuition and fees were reported to the U.S. Department of Education in the Integrated Postsecondary Education Data System (IPEDS).

<sup>61</sup> Under the MGIB-AD, children are defined as unmarried persons under the age of 18, unmarried persons who became permanently incapable of self-support before the age of 18, or unmarried persons between the ages of 18 and 23 who (continued...)

Health Service and National Oceanic and Atmospheric Administration. Scholarship recipients are eligible to receive most Post-9/11 GI Bill benefits for 36 months at the maximum 100% rate. Scholarship recipients are not eligible to receive Yellow Ribbon payments. No scholarship program benefits can be paid 15 years or more after the child's 18<sup>th</sup> birthday. Although the program took effect August 1, 2009, payments, including retroactive payments, were not made until August 1, 2010.

The VA has established rules for individuals who are eligible for the scholarship and who have served in the Armed Forces. Children who are eligible under the MGIBs or REAP must relinquish eligibility under one of those programs to receive benefits under the Post-9/11 GI Bill. Children who are serving on active duty will receive benefits like other servicemembers on active duty.<sup>62</sup>

## **Transferability to Dependents**

The DOD allows the transfer of benefits from individuals eligible for the Post-9/11 GI Bill to certain family members.<sup>63</sup> The Post-9/11 GI Bill-eligible individual must be a member of the Armed Forces (active duty or Selected Reserves) on or after August 1, 2009. Effective August 1, 2011, the Secretary of Defense may authorize commissioned officers of the PHS and NOAA to transfer Post-9/11 GI Bill benefits to dependents if it is in the national security interests of the United States.

Per DOD Directive-Type Memorandum (DTM) 09-003, three categories of individuals in the Armed Forces, excluding PHS and NOAA, may transfer some or all of their benefits. The first category includes servicemembers who have completed at least six years of service (active duty or Selected Reserves) and agree to serve four additional years. The second category includes servicemembers who have completed ten years of service and are precluded from serving an additional four years but agree to serve the maximum amount of time allowable. The third category includes servicemembers who become retirement eligible between August 1, 2009, and August 1, 2013. Servicemembers in the third category are required to serve an additional 0-3 years, depending on their retirement eligibility date.<sup>64</sup>

Individuals eligible to transfer their benefits can transfer up to 36 months of benefits to their child, to their spouse, or to some combination of children and spouse.<sup>65</sup> The family members must be enrolled in the DOD Defense Eligibility Enrollment Reporting System (DEERS) and be eligible for benefits at the time the transfer is designated. The eligible servicemember can

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are in school. Children must be legitimate children, acknowledged illegitimate children, legally adopted, or stepchildren who are members of the eligible individual's household.

<sup>62</sup> U.S. Department of Veterans Affairs, "Post-9/11 GI Bill: Marine Gunnery Sergeant John David Fry Scholarship," press release, [http://www.gibill.va.gov/documents/Fry\\_Scholarship.pdf](http://www.gibill.va.gov/documents/Fry_Scholarship.pdf).

<sup>63</sup> U.S. Department of Defense, *Directive-Type Memorandum (DTM) 09-003: Post 9/11 GI Bill*, June 22, 2009, <http://www.defenselink.mil/news/DTM%2009-003%20Post%209-11%20GI%20Bill%20Optimized1.pdf>.

<sup>64</sup> Servicemembers who become eligible for retirement on August 1, 2009, or who have an approved retirement date after August 1, 2009, and before July 1, 2010, are not required to serve additional time. Servicemembers who become eligible for retirement after August 1, 2009, and before August 1, 2010, are required to serve one additional year of service. Servicemembers who become eligible for retirement on or after August 1, 2010, and before August 1, 2011, are required to serve two additional years of service. Servicemembers who become eligible for retirement on or after August 1, 2011, and before August 1, 2012, are required to serve three additional years of service.

<sup>65</sup> The transferred benefits cannot be considered marital property in divorce proceedings.

designate the family member, the number of months of the entitlement period, and the period during which it may be used, and can modify or revoke the designation at any time. After retirement or separation from the Armed Forces, the individual can only modify the number of months of the transferred entitlement period or revoke the designation for those family members who have received transferred benefits before the retirement or separation. After retirement or separation from the Armed Forces, the individual cannot add new family members. As the dependent uses the transferred benefit, the remaining entitlement periods of both the dependent and servicemember are reduced. The designees can use the benefit for the same purposes as the eligible individual and for the completion of a high school diploma or its equivalent.

A spouse can begin using the benefit after the servicemember completes at least six years of service or the length of service required by regulation. A spouse who subsequently divorces the Post-9/11 GI Bill-eligible individual is still eligible to use the transferred benefits unless the eligible individual revokes the transfer. The spouse receives payments according to the current status of the eligible individual. The spouse may use the benefit within 15 years of the eligible individual's discharge or release from active duty service.

Children have to achieve a high school diploma or its equivalent or reach 18 years of age before using the benefit. The servicemember has to complete at least ten years of service or the length of service required by regulation before the designated children can use the benefit. Children receive payments as if the eligible individual were not on active duty. Children must use the benefit before reaching 26 years of age.<sup>66</sup>

## Montgomery GI Bill (MGIB)

House hearings examining the possible need for a new GI Bill in the early 1980s focused on the difficulties the military was experiencing in recruiting and retaining a highly qualified all-volunteer force: active duty, Reserves, and National Guard.<sup>67</sup> Although recruiting problems were not uniformly distributed by branch, rank, grade, or military occupational specialty (MOS), some suggested reinstating the draft. DOD was concerned about the high cost of attrition: training new recruits and loss of experience and expertise. Some witnesses argued for the elimination of the servicemember's monetary contribution toward the benefit because retention rates were not appreciably increased by the prior GI Bill, VEAP, which required a contribution from servicemembers. Only 20-25% of new recruits contributed to VEAP, and 40% had disenrolled from the program to recoup their contribution, which equaled 5% to 20% of the after-tax pay for some enlisted members. Despite a strong desire to increase retention by allowing universal

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<sup>66</sup> Effective August 1, 2011, the Improvements Act grants an extension of the entitlement period to children to whom Post-9/11 GI Bill benefits are transferred and who are incapable of pursuing their chosen program of education before age 26 as a result of being the primary caregiver, according to the family caregiver assistance program (38 U.S.C. §1720G(a)).

<sup>67</sup> Honorable Bob Edgar indicated in his prepared statement that “up to an estimated one-third of active duty male first term enlistees from fiscal year 1976 to fiscal year 1978 failed to complete three years of initial service.” U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> and 2<sup>nd</sup> sess., June 24, September 10, 16, 17, 24, 30, October 1, 7, 21, 28, November 17, 1981, and March 11, 1982, HRG-1981-ASH-0030 (Washington: GPO, 1982).

transfer of dollars of entitlement and the entitlement period to spouses and children after ten years of service, such a proposal was deemed too expensive.<sup>68</sup>

## **Montgomery GI Bill—Active Duty (MGIB-AD)**

The Montgomery GI Bill-Active Duty (MGIB-AD), originally called the All-Volunteer Force Educational Assistance Program, was initially enacted as part of the Department of Defense Authorization Act, 1985 (P.L. 98-525), as a three-year pilot program.<sup>69</sup> The program was finally codified in Title 38, U.S.C., Chapter 30. The original purpose of the permanent program was to provide educational readjustment assistance and to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces. It was also expected to promote and assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces<sup>70</sup> based upon service on active duty or a combination of service on active duty and in the Selected Reserve, including the National Guard. To ensure the recruitment of higher quality individuals, more likely to stay in the military, the program requires that all individuals complete a high school diploma, its equivalent, or 12 credit hours of postsecondary education in order to be eligible for benefits.<sup>71</sup>

### **Eligible Individuals**

Educational assistance benefits are available to individuals defined in four categories.

- **Category 1** individuals entered active-duty for the first time after June 30, 1985, and served a minimum of three continuous years on active duty, or two continuous years if the initial obligated period of active duty was less than three years. Category 1 individuals may also have been discharged with a service-connected disability, hardship, pre-existing condition, certain reductions-in-force, a physical or mental condition that did not result from the individual's own willful misconduct, or for the government's convenience after serving a minimum of 30 months active duty, or 20 months if the initial obligated period of active duty was less than three years. However, individuals who receive an officer's commission following graduation from one of the service academies<sup>72</sup> or following graduation as a Reserve Officer Training Corps (ROTC) scholarship

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<sup>68</sup> U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> and 2<sup>nd</sup> sess., June 24, September 10, 16, 17, 24, 30, October 1, 7, 21, 28, November 17, 1981, and March 11, 1982, HRG-1981-ASH-0030 (Washington: GPO, 1982).

<sup>69</sup> The New GI Bill Continuation Act (P.L. 100-48) permanently authorized the All-Volunteer Force Educational Assistance Program and the Selected Reserve Component. It also changed the name of the program to the Montgomery GI Bill.

<sup>70</sup> Secretary of Defense Melvin Laird introduced the Total Force Concept of the Armed Forces in 1970 to reduce military expenditures by calling on the Reserves and National Guard to serve an increased active duty role.

<sup>71</sup> U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> and 2<sup>nd</sup> sess., June 24, September 10, 16, 17, 24, 30, October 1, 7, 21, 28, November 17, 1981, and March 11, 1982, H.A.S.C. 97-45 (Washington: GPO, 1982).

<sup>72</sup> The applicable service academies are the United States Military Academy (USMA), the United States Naval Academy (USNA), the United States Air Force Academy (USFA), or the Coast Guard Academy (USCGA).

recipient are not eligible.<sup>73</sup> Category 1 individuals also include Selected Reservists and National Guard members who serve two continuous years of honorable active duty service upon first entry into the military after June 30, 1985, and who serve a minimum of four continuous years of service in the Reserves beginning within a year of completing the active duty service. For reservists and National Guard members, the active duty service period includes only duty under Title 10 U.S.C. and certain full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the National Guard under Title 32 U.S.C. commissioned officers of the Public Health Service (PHS) and the National Oceanic Atmospheric Association (NOAA) are also eligible.

- **Category 2** individuals had a remaining period of entitlement under the Post-Korean Conflict GI Bill (see **Appendix C**) as of December 31, 1989, and were on active duty after June 30, 1985.<sup>74</sup> Category 1 and 2 individuals exclude officers commissioned upon graduation from the U.S. Military, Naval, Air Force, or Coast Guard Academy after December 31, 1976. Category 1 and 2 individuals also exclude officers who complete training as cadets and midshipmen if the officer entered active duty before October 1, 1996, or entered active duty after September 30, 1996, and received more than \$3,400 for each year of such participation.
- **Category 3** individuals elected MGIB-AD before receiving an involuntary separation, voluntary separation incentive, or special separation benefit.
- **Category 4** individuals are VEAP participants who either had a remaining period of entitlement; were on active duty on October 9, 1996; or elected to transfer to the MGIB-AD by October 9, 1997; and made the requisite \$1,200 contribution. VEAP participants who served on active duty from October 9, 1996, through April 1, 2000; elected to transfer to the MGIB-AD by October 31, 2001; and made a \$2,700 contribution are also in Category 4. A small group of National Guard members who first served on full-time National Guard active duty under Title 32 U.S.C. between June 30, 1985, and November 29, 1989, were eligible to make the requisite \$1,200 contribution during an open period from October 9, 1996, to June 8, 1997.

The active duty service period requirements exclude time assigned to an education or training program similar to those offered to civilians unless assigned by the military full-time, exclude

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<sup>73</sup> Officers who received their commission after December 31, 1976, following graduation as Reserve Officer Training Corps (ROTC) scholarship recipients are not eligible for the MGIB-AD if they entered active duty before October 1, 1996, and they are not eligible if they entered active duty after September 30, 1996, and received more than \$3,400 for each year of ROTC participation.

<sup>74</sup> Individuals eligible for the Post-Korean Conflict GI Bill who have been on continuous active duty since October 19, 1984, and served at least three years of continuous active duty after June 30, 1985, or were discharged or released from active duty after June 30, 1985, for a service-connected disability or hardship, or were discharged for the government's convenience after serving a minimum of 30 months active duty after June 30, 1985, are also eligible to MGIB-AD educational benefits. Category 2 individuals also include reservists eligible for the Post-Korean Conflict GI Bill who serve two continuous years of honorable active duty service in the military after June 30, 1985, and who serve a minimum of four continuous years of service in the Reserves immediately following the active duty service. Category 2 includes individuals eligible for the Post-Korean Conflict GI Bill who were not on active duty on October 19, 1984, but re-enlisted and served three continuous years on active duty or were discharged or released for reasons similar to those of other individuals eligible for the Post-Korean Conflict GI Bill.

time spent as a cadet or midshipman at one of the service academies, and exclude the initial 12-week period of active duty for training in the National Guard and the Reserves. The active duty service period requirements include time spent organizing, administering, recruiting, instructing, or training the National Guard while on full-time Army National Guard or Air National Guard duty and include time spent at a service academy or preparing to attend a service academy if the individual fails and returns to active duty. Individuals in all categories must have completed a high school diploma, its equivalent, or 12 semester hours in a program of education leading to a standard college degree. Also, all individuals must continue on active duty or in the Reserves, as appropriate; be discharged under fully honorable conditions; be placed on the retired or temporary disability retired list; or be transferred to certain reserve components.

To become eligible for MGIB-AD benefits, Category 1 individuals must not decline the benefit in writing, and must allow the first 12 months of their military pay to be reduced by \$100 per month.<sup>75</sup> This is in contrast to the VEAP, which required servicemembers to elect to participate by making contributions. In certain circumstances, servicemembers who initially declined the benefit were allowed to enroll in the program.<sup>76</sup> To discourage experienced personnel from leaving the military, servicemembers remaining in service are eligible to receive educational benefits after serving two continuous years on active duty.

### **Eligible Programs of Education, Institutions, and Establishments**

The approved programs of education are the following:

- courses at an educational institution (see below for the definition of an educational institution) which lead to a predetermined educational, vocational, or professional objective or objectives if related to the same career (this includes traditional undergraduate and graduate programs);
- courses required by the Administrator of the Small Business Administration as a condition to obtaining financial assistance under the provisions of section 7(i)(1) of the Small Business Act (15 U.S.C. 636(i)(1));
- licensing or certification tests for a predetermined vocation or profession, provided such tests and the licensing or credentialing organizations or entities that offer such tests are approved;
- courses offered by a qualified provider of entrepreneurship courses;
- national tests for admission to IHLs or graduate schools (such as the Scholastic Aptitude Test (SAT));
- national tests providing an opportunity for course credit at IHLs (such as the Advanced Placement (AP) exam);

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<sup>75</sup> Selected Reservists may make a one-time lump-sum contribution or 12-monthly contributions totaling \$1,200 after completing two years of active duty service. In the event of an individual's service-connected death while on active duty, the designated beneficiary, surviving spouse, children, or parents will be reimbursed any contribution by the servicemember that had not already been used.

<sup>76</sup> Servicemembers were allowed to withdraw their election to not enroll in the program during an open period between December 1, 1988, and June 30, 1989; before being involuntarily separated; and before separating from the active service with an honorable discharge and receiving certain voluntary separation incentives.

- a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate school;
- full-time programs of apprentice or other on-the-job training, for individuals not on active duty; and
- cooperative programs<sup>77</sup> for individuals not on active duty.<sup>78</sup>

Educational institutions are defined as

- public or private elementary or secondary schools;
- vocational, correspondence, business, normal, or professional schools;
- colleges or universities;
- scientific or technical institutions;
- other institutions furnishing education for adults;
- state-approved alternative teacher certification program providers;
- private entities that offer courses toward the attainment of a license or certificate generally recognized as necessary for a profession or vocation in a high technology occupation; and
- qualified providers of entrepreneurship courses.

## **Benefit Payments**

Unlike the Post-9/11 GI Bill, a single monthly allowance for subsistence, tuition and fees, supplies, books, and equipment is paid directly to recipients. Beginning in FY2010, and unless Congress changes the amount, the maximum monthly benefit amounts is adjusted annually based on the annual percentage increase in the average cost of undergraduate tuition in the United States, as determined by the National Center for Education Statistics (NCES).<sup>79</sup> Effective October 1, 2010, veterans may receive up to \$1,426 monthly for full-time training.<sup>80</sup> A reduced allowance is provided for less than full-time training and for those who served less than three continuous years on active duty. Individuals on active duty and those training less than half-time receive actual tuition and fees or the monthly allowance, whichever is less. For an individual in apprenticeship or on-the-job training, the monthly allowance is 75%, 55%, and 35% of the

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<sup>77</sup> A cooperative program is a full-time program of education, which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in a business or industrial establishment being strictly supplemental.

<sup>78</sup> All programs of education must be approved by the VA and other relevant approving agencies.

<sup>79</sup> Prior to FY2010, the maximum monthly benefit amounts could be adjusted at any time by Congress or be adjusted annually according to the consumer price index for all urban consumers (CPI-U).

<sup>80</sup> The benefit payment has been increased several times since the program's enactment. When the MGIB-AD program was enacted in 1985, the maximum monthly benefit was \$300. The maximum monthly benefit was increased to \$400 by the Veterans' Benefits Act of 1992 (P.L. 102-568), to \$528 by the Transportation Equity Act for the 21<sup>st</sup> Century (P.L. 105-178) in 1998, and to \$650 by the Veterans Benefits and Health Care Improvement Act of 2000 (P.L. 106-419). The Veterans Education and Benefits Expansion Act of 2001 (P.L. 107-103) provided three increases: \$800 for months beginning on or after January 1, 2002; \$900 for months occurring during FY2003; and \$985 for months occurring during FY2004. For FY2009, the monthly benefit amount was increased to \$1,321 by the Supplemental Appropriations Act, 2008 (P.L. 110-252).

monthly benefit otherwise payable to that individual for the first six months, second six months, and thereafter, respectively.<sup>81</sup> Individuals in cooperative training receive 80% of the monthly allowance.<sup>82</sup> Individuals pursuing education exclusively by correspondence receive 55% of the institution's established charges for completed courses, and individuals pursuing education consisting exclusively of flight training receive 60% of the institution's established charges for completed courses.<sup>83</sup>

Individuals may receive an accelerated payment of the basic educational assistance for education leading to employment in a high technology occupation in a high technology industry. If the costs of the program of education are more than double the monthly assistance allowance to which the individual would have been entitled, the individual may receive the lesser of 60% of the program's costs for the term or the individual's remaining dollars of entitlement. The individual's entitlement period is reduced at a rate in the proportion that the payment is to the monthly assistance allowance to which the individual would have been entitled.

Individuals may receive up to \$2,000 for each licensing or certification test taken, and individuals may receive the actual fee for each admissions or course credit test taken.<sup>84</sup> Individuals are also eligible for payments of up to \$100 monthly (for a maximum of \$1,200 total) for tutorial assistance. The individual must be enrolled at least half-time, and the educational institution must certify as to the necessity and customary nature of the cost. The first \$600 does not reduce the entitlement period; however, the subsequent \$600 reduces the entitlement period by one month for each amount paid, which is equal to the monthly benefit otherwise payable to that individual.

There are four ways in which certain individuals are eligible for an increased allowance:

- Individuals who were eligible for the Post-Korean Conflict GI Bill receive an increase to the monthly allowance, depending on the type of training, rate of pursuit, and number of dependents, for as many months as the individual has remaining Post-Korean Conflict GI Bill entitlement. For example, effective October 1, 2010, an individual in full-time institutional training with two dependents may receive \$1,681 monthly.
- Each military branch may provide a College Fund/Kicker at recruitment, which increases the monthly allowance by up to \$950 for individuals with critical skills.
- The military branches may also provide supplemental educational assistance for additional service to active duty servicemembers after they serve an additional five consecutive years on active duty after completing the initial two- or three-year eligibility period of active duty service. Reservists may receive the

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<sup>81</sup> For apprentice or on-the-job training, an individual's entitlement period is respectively reduced at 0.75, 0.55, or 0.35 months for each month of educational assistance received, depending on the payment. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

<sup>82</sup> The individual's entitlement period is reduced at 0.8 months for each month of cooperative educational assistance received.

<sup>83</sup> The individual's entitlement period is reduced one month for each educational assistance payment that equals the monthly assistance allowance to which the individual would have been entitled. Individuals may only receive payment for the minimum number of solo flying hours required by the Federal Aviation Administration for the desired flight rating or certification.

<sup>84</sup> For licensing, certification, admissions, or course credit testing, an individual's entitlement period is reduced one month for each amount paid that is equal to the monthly benefit otherwise payable to such individual.

supplemental educational assistance for additional service after they serve an additional two consecutive years on active duty and four consecutive years in the Selected Reserves, in addition to the initial two-year active duty and four-year Selected Reserves eligibility period.<sup>85</sup> The supplemental educational assistance for additional service is \$300 monthly for full-time training (reduced for less than full-time training) and up to an additional \$300 (for a total maximum additional amount of \$600) monthly for individuals with critical skills.

- Servicemembers may also contribute up to an additional \$600 while on active duty in \$20 monthly increments and receive up to an additional \$5 monthly for each \$20 contributed over the life of their entitlement period under what is known as the \$600 Buy Up Program. In other words, each dollar contributed by an individual is matched by the federal government with an additional \$8 in benefits. This benefit could equal up to \$5,400 over 36 months for a \$600 investment.

While MGIB-AD basic monthly benefit amounts are adjusted annually, no annual adjustments are made to the additional allowance amounts.

The Tuition Assistance “Top-Up” program was established under the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (P.L. 106-398) to promote retention. Through Tuition Assistance programs, military service branches may pay a certain amount of tuition and expenses for the education and training of active duty personnel. Under Tuition Assistance Top-Up, MGIB-AD servicemembers who have served for at least two years on active duty and who are approved for Tuition Assistance benefits may elect to receive MGIB-AD benefits to pay for education and training expenses above the amount paid by their military service branch. Use of the Top-Up benefit results in a reduction of future MGIB-AD benefits.<sup>86</sup>

## **Benefit Availability and Duration**

By law, no educational benefits under the MGIB-AD can be paid more than ten years after discharge or release from active duty, or in the case of a reservist, more than ten years after completing the required four-year Selected Reserve duty.<sup>87</sup> Most individuals are entitled to 36

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<sup>85</sup> Upon completing the additional years of active duty service and Selected Reserves service, if applicable, the individual must remain on active duty; be discharged honorably; be placed on the retired or temporary disability retired list, or be transferred to the Reserves.

<sup>86</sup> The individual’s entitlement period is reduced at a rate determined by dividing the amount of the Top-Up payment by the individual’s full-time monthly rate.

<sup>87</sup> There are exceptions to the ten-year benefit availability period. Veterans who were ineligible for the program on discharge or release but whose discharge status was later amended to make them eligible for the program are allowed benefits for up to 10 years after the discharge status was amended. The 10-year period excludes periods detained by a foreign government or power and any recovery period in a hospital. Veterans who were incapable of beginning education as a result of a physical or mental disability can be granted an extension for the period of incapacity. Individuals who were the primary caregiver according to the family caregiver assistance program (38 U.S.C. § 1720G(a)) after July 31, 2011, can extend the 10-year period of benefit availability for as long as they were incapable of pursuing their chosen program of education as a result of being the primary caregiver. The 10-year period is reduced for individuals eligible for the Post-Korean Conflict GI Bill by the length of time not on active duty service between January 1, 1977, and October 18, 1984. Also, the 10-year period begins after discharge or release from active duty or on January 1, 1990, whichever is later, for Post-Korean Conflict GI Bill participants who were on active duty after October 18, 1984. For Post-Korean Conflict GI Bill participants who were not on active duty on October 19, 1984, the 10-year period begins on December 27, 2001.

months (or the equivalent in part-time attendance) of educational assistance. Category 1 active duty servicemembers discharged or released (other than for the convenience of the government) before serving the minimum two or three years of active duty service are entitled to educational benefits for a period equal to one month for each month of active duty service, but no more than 36 months. Reservists are entitled to one month for each month of active duty service and one month for each four months served in the Selected Reserves, but no more than 36 months.<sup>88</sup> Veterans and servicemembers can combine benefits with other VA administered educational assistance programs to receive up to 48 months of education benefits, but benefits cannot be received concurrently, and the eligibility periods cannot overlap.

### **MGIB-AD Death Benefit**

The MGIB-AD death benefit is available to certain beneficiaries of MGIB-AD-eligible individuals and to certain beneficiaries of individuals who served after June 30, 1985, and who died for service-connected reasons while on active duty or who died for service-connected reasons within one year of discharge or release from active duty. The beneficiary is the beneficiary or beneficiaries of the individual's Servicemembers' Group Life Insurance policy. If the life insurance beneficiary or beneficiaries are no longer living, the death benefit is paid to the individual's surviving spouse. If the spouse is no longer living, the death benefit is split between the individual's surviving children. If the children are no longer living, the death benefit is split between the individual's surviving parents. The benefit is equal to the amount the servicemember contributed in order to be eligible for the MGIB-AD less the proportion of entitlement used by the servicemember.

### **Transferability to Dependents**

Each DOD service branch is authorized to allow eligible individuals to transfer up to 18 months of their MGIB-AD educational assistance benefits to family members, but only the Army offers such a program as a pilot program. The Air Force offered a pilot program briefly but has discontinued it. The purpose of the programs is to increase retention of highly qualified and experienced servicemembers.

The Army pilot program is only available to MGIB-AD-eligible servicemembers in military occupational specialty (MOS) eligible for reenlistment bonuses who elect to participate upon reenlisting for four additional years after serving a minimum of six years. Reservists and National Guard members are not eligible. Benefits may be transferred for up to 18 months to a child<sup>89</sup> who will have finished high school or reached 18 years of age, to a spouse, or to some combination of children and spouse. The spouse may begin using the benefit after the servicemember completes six years of service; the children must wait until the servicemember has completed ten years of

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<sup>88</sup> Reservists who are discharged or released with a service-connected disability or pre-existing medical condition during the four-year Reserve period are eligible for 36 months of educational assistance.

<sup>89</sup> Children are defined as unmarried persons under the age of 18, unmarried persons who became permanently incapable of self-support before the age of 18, or unmarried persons between the ages of 18 and 23 who are in school. Children must be legitimate children, acknowledged illegitimate children, legally adopted, or stepchildren who are members of the eligible individual's household.

service. The transferred benefit must be used within ten years of the servicemember's honorable discharge or before the children reach 26 years of age.<sup>90</sup>

## **Montgomery GI Bill—Selected Reserve (MGIB-SR)**

The Montgomery GI Bill-Selected Reserve<sup>91</sup> (MGIB-SR), passed under the same legislation as the MGIB-AD, is a Title 10 U.S.C. DOD program administered by the VA.<sup>92</sup> Each service component of the Selected Reserve is authorized to establish an educational assistance program to encourage membership in the Selected Reserve: Army, Navy, Air Force, Marine Corps, and Coast Guard Reserve; Army National Guard; and the Air National Guard. The benefit is an incentive to stay in the Reserves and was established in recognition of the fact that many states offer educational assistance to reservists.<sup>93</sup>

### **Eligible Individuals**

The MGIB-SR program is available to individuals serving in the Selected Reserve, including the National Guard, who agree to a six-year service obligation. Educational assistance benefits are available to Selected Reservists who enlist, re-enlist, or extend an enlistment for six years after June 30, 1985, and reserve officers who agree to serve an additional six years above any existing obligation.<sup>94</sup> The reservists also have to complete the initial period of active duty for training, complete 180 days of service in the Selected Reserve, have a high school diploma or its equivalent, and satisfactorily meet the necessary training requirements of the Selected Reserve. Individuals who fail to satisfactorily meet the training requirements of the Selected Reserve may be ordered to active duty or required to repay some or all of the educational assistance including interest. The service requirement excludes full-time active duty or full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components in a position which is included in the end strength.<sup>95</sup>

### **Eligible Programs of Education, Institutions, and Establishments**

The eligible programs of education, educational institutions, and training establishments are the same as under the MGIB-AD.

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<sup>90</sup> Procedures and Guidance: Transfer of Montgomery G.I. Bill (MGIB) Benefits to Dependents: Expanded Army Pilot Program, November 1, 2007, at [http://www.gibill.va.gov/documents/Army\\_Transferability\\_to\\_Dependents.pdf](http://www.gibill.va.gov/documents/Army_Transferability_to_Dependents.pdf).

<sup>91</sup> Members of the Selected Reserve are generally required to participate in at least 48 scheduled drills or training periods during each year and serve on active duty for training for at least 14 days annually. See CRS Report RL30802, *Reserve Component Personnel Issues: Questions and Answers*, by Lawrence Kapp.

<sup>92</sup> The MGIB-SR program is codified under Title 10 U.S.C., Chapter 1606 (10 U.S.C. § 16131 et seq.).

<sup>93</sup> U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military To Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> sess., June 24, 1981, HRG-1981-ASH-0030, p. 70.

<sup>94</sup> Individuals receiving financial assistance under the Senior Reserve Officers' Training Corps are not eligible.

<sup>95</sup> Section 115(a) of Title 10 U.S.C. authorizes the number of military members in every branch and component. This number is known as *end strength*.

## **Benefit Payments**

The educational assistance allowance, paid directly to recipients, is lower than that under the MGIB-AD. Many states offer educational benefits to National Guard members. Reservists called to active duty for extended periods may be eligible for increased benefits under the MGIB-AD, Reserve Educational Assistance Program (discussed later), or Post-9/11 GI Bill. Maximum monthly benefit amounts may be adjusted at any time by Congress and are adjusted annually according to the consumer price index for all urban consumers (CPI-U). Effective October 1, 2010, reservists receive up to \$337 monthly according to a schedule based on full-time, three-quarter-time, half-time, and less-than-half-time enrollment. Individuals enrolled less-than-half-time who are also eligible for DOD tuition assistance cannot receive MGIB-SR benefits. For an individual in apprenticeship or on-the-job training, the monthly allowance is 75%, 55%, and 35% of the monthly benefit otherwise payable to that individual for the first six months, second six months, and thereafter, respectively.<sup>96</sup> Individuals pursuing education exclusively by correspondence receive 55% of the institution's established charges for completed courses, and individuals pursuing education consisting exclusively of flight training receive 60% of the institution's established charges for completed courses.<sup>97</sup>

Individuals may receive up to \$2,000 for each licensing or certification test.<sup>98</sup> To improve completion rates, tutorial assistance of up to \$1,200 is available under the same conditions as those for the Post-Vietnam Era GI Bill and MGIB-AD.

To improve and target recruitment and retention, each military branch is authorized to provide a College Fund/Kicker at recruitment, which increases the monthly allowance by up to \$350 for individuals with critical skills, a specialty in which there is a critical shortage, or a specialty for which it is difficult to recruit or, in the case of critical units, retain. For individuals with critical skills who are also eligible for the MGIB-AD as a result of three years of active duty service, each military branch is also authorized to provide up to an additional \$350 (for a total maximum additional amount of \$700) monthly.

## **Benefit Availability and Duration**

Since the obligatory service of six years is the same for all reservists, the duration of benefits under MGIB-SR is the same for all reservists—36 months (or the equivalent for part-time educational assistance). Reservists in the MGIB-SR can combine benefits with other educational assistance programs administered by the VA to receive up to 48 months of educational benefits, but cannot receive benefits concurrently from two or more programs. In general, no educational benefits can be paid after separation from the Selected Reserve unless the separation is involuntary or the result of a disability.<sup>99</sup>

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<sup>96</sup> For apprenticeship or on-the-job training, an individual's entitlement period is respectively reduced 0.75, 0.55, or 0.35 months for each month of educational assistance, depending on the payment. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

<sup>97</sup> The entitlement period is reduced one month for every amount paid that is equal to the regular full-time monthly allowance. Individuals may only receive payment for the minimum number of solo flying hours required by the Federal Aviation Administration for the desired flight rating or certification.

<sup>98</sup> The entitlement period is reduced by the number of months equaling the proportion that the assistance is to the regular full-time monthly allowance.

<sup>99</sup> Educational assistance would not end on separation if it was an involuntary separation or resulted from a disability (continued...)

## **Transferability to Dependents**

Each DOD service branch is authorized to allow eligible individuals to transfer their MGIB-SR educational assistance benefits to family members, but no branch currently offers such a program.

After serving at least six years in the Selected Reserves and agreeing to serve an additional four years or serving the number of years regulated by the service branch, the authorizing language would allow a member of the Selected Reserve to transfer 18-36 months of benefits to a child who will have finished high school or reached 18 years of age, to a spouse, or to some combination of children and spouse.<sup>100</sup> The eligible Selected Reservist could designate the dependent, the number of months of entitlement, and the period during which it may be used, and modify or revoke the designation at any time. Use of the transferred entitlement period would reduce the entitlement period of the dependent and servicemember. A spouse could begin using the benefit after the servicemember completes at least six years of service or the length of service required by regulation; the children would have to wait until the servicemember completes ten years of service or the length of service required by regulation. The transferred benefit would have to be used before the child reaches 26 years of age. The spouse and children could use the benefit for the same purposes as the reservists and for the completion of a high school diploma or its equivalent.

## **Survivors' and Dependents' Educational Assistance Program (DEA)**

The Survivors' and Dependents' Educational Assistance Program (DEA) was first established by the War Orphans' Educational Assistance Act of 1956 (P.L. 84-634). The DEA program is codified under Title 38 U.S.C., Chapter 35. The benefit allows eligible individuals to attain the education they would have or maintain the standard of living they would have if the servicemember had not become disabled, delayed,<sup>101</sup> or died as a result of military service.

### **Eligible Individuals**

Educational assistance benefits are available to

- the child or spouse of a person who died of a service-connected disability resulting from active duty service, has a total permanent disability<sup>102</sup> as a result of

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(...continued)

that was not the result of the individual's own willful misconduct, the inactivation of the individual's unit during certain time periods, or other involuntary reasons. Individuals who were incapable of beginning education as a result of a physical or mental disability could be granted an extension for the period of incapacity.

<sup>100</sup> The transferred benefits could not be considered marital property in divorce proceedings.

<sup>101</sup> A servicemember is *delayed* if the person is listed as missing in action, captured in the line of duty, or forcibly detained as a result of active duty service

<sup>102</sup> A total permanent disability is any disability rated total for the purposes of disability compensation, which is based on an impairment reasonably certain to continue throughout the life of the disabled person.

- an active duty service-connected disability, or died while the active duty service-connected disability was being evaluated,<sup>103</sup>
- the child or spouse of a person who has been listed as missing in action, captured in the line of duty, or forcibly detained as a result of active duty service; and
  - the spouse or child of a person who is hospitalized or receiving outpatient medical care, services, or treatment as a result of a total permanent disability incurred in or aggravated by active duty service and who is likely to be discharged or released as a result of the disability.

The military service of the person who was disabled, delayed, or died must not have terminated under dishonorable conditions. The definition of children is the same as it is in the MGIB-AD, but also includes married children and children over 23 years of age.<sup>104</sup> Neither the spouse nor child may receive educational assistance under DEA while in the Armed Forces or if released under dishonorable conditions.

## **Eligible Programs of Education, Institutions, and Establishments**

The list of eligible educational institutions are the same as under VEAP. The eligible training establishments are establishments providing apprentice or other on-the-job training. The eligible programs of education are courses at an educational institution that lead to the attainment of a predetermined educational, vocational, or professional objective; and preparatory course(s) for IHE and graduate school admissions. Eligible programs also include licensing or certification tests for a predetermined vocation or profession, provided such tests and the licensing or credentialing organizations or entities that offer such tests are approved; national tests for admission to institutions of higher learning or graduate schools (such as the Scholastic Aptitude Test (SAT)); and national tests providing an opportunity for course credit at an IHL (such as an Advanced Placement (AP) exam). Secondary education for those without a high school diploma or its equivalent, secondary education in preparation for postsecondary education, specialized vocational courses required because of a mental or physical handicap, and special restorative training<sup>105</sup> are also eligible programs of education.

## **Benefit Payments**

An allowance for subsistence, tuition and fees, supplies, books, and equipment is paid directly to recipients. Maximum monthly benefit amounts may be adjusted at any time by Congress and are adjusted annually according to the consumer price index (all items, U.S. city average). Effective October 1, 2010, individuals receive up to \$936 monthly according to a schedule based on full-time, three-quarter-time, and half-time institutional enrollment and \$936 monthly for

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<sup>103</sup> Children of Commonwealth Army veterans and New Philippine Scouts who meet the requirements of service-connected disability or death are also eligible.

<sup>104</sup> Under the MGIB-AD, children are defined as unmarried persons under the age of 18, unmarried persons who became permanently incapable of self-support before the age of 18, or unmarried persons between the ages of 18 and 23 who are in school. According to the authorizing language in 38 U.S.C. § 101(4), children must be legitimate children, acknowledged illegitimate children, legally adopted, or stepchildren who are members of the eligible individual's household.

<sup>105</sup> Special restorative training is used to overcome, or lessen, the effects of a physical or mental disability that would handicap an eligible person in the pursuit of a program of education.

correspondence training. Individuals enrolled less than half-time but more than quarter-time at an institution receive the lesser of actual tuition and fees or \$466 monthly, and individuals enrolled quarter-time or less receive the lesser of actual tuition and fees or \$234 monthly. Individuals receive up to \$753 monthly according to a schedule based on full-time, three-quarter-time, and half-time farm cooperative training. Only spouses may pursue education exclusively by correspondence and receive 55% of the institution's established charges for completed courses.<sup>106</sup> For individuals in apprentice or on-the-job training, the monthly allowance is \$682, \$511, \$337, and \$170 for the first six months, second six months, third six months, and thereafter, respectively.<sup>107</sup> Tutorial assistance of up to \$1,200 is available under the same conditions as those for the Post-Vietnam Era GI Bill. Individuals may receive up to \$2,000 for a licensing or certification test, and individuals may receive the actual fee for an admissions or course credit test.<sup>108</sup>

The DEA Program provides two categories of assistance to disadvantaged individuals:

- Special assistance to the educationally disadvantaged allows individuals who do not have a high school diploma or its equivalent and who are in need of some secondary school preparation in order to pursue a postsecondary education to receive a monthly educational assistance allowance. Benefits do not reduce the basic entitlement period for the first five months. Individuals pursuing a high school diploma may receive the lesser of actual tuition and fees or the full-time institutional monthly rate.
- The second category of assistance is special restorative training to overcome, or reduce, the effects of a manifest physical or mental disability which would handicap a person (other than the spouse of a person delayed) in the pursuit of a program of education. The entitlement period may be extended beyond 45 months to accomplish the special restorative training. Individuals receive \$936 monthly for full-time<sup>109</sup> special restorative training and an increased amount equal to the amount that the tuition and fees for the training exceeds \$290 monthly.<sup>110</sup>

For those children and spouses who may also be eligible for pension, compensation, or dependency and indemnity compensation, the legislation bars some recipients from accepting DEA educational assistance and pension, compensation, or dependency and indemnity compensation. A spouse, a child under 18 years of age, and a helpless child may receive DEA educational assistance and pension, compensation, or dependency and indemnity compensation concurrently. Once a child over 18 years of age begins receiving DEA educational assistance, the child can no longer receive payment or increased rates, or additional amounts of pension, compensation, or dependency and indemnity compensation based on school attendance.<sup>111</sup>

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<sup>106</sup> The individual's entitlement period is reduced one month each time the collective amount paid is equal to \$925.

<sup>107</sup> For apprentice or on-the-job training, an individual's entitlement period is reduced one month each time the collective amount paid is equal to the full-time institutional monthly benefit. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

<sup>108</sup> For licensing, certification, admissions, or course credit testing, an individual's entitlement period is reduced one month each time the collective amount paid is equal to the full-time institutional monthly benefit.

<sup>109</sup> Full-time training is determined by the capacities of the individual. Only full-time restorative training is eligible.

<sup>110</sup> An individual's entitlement period is reduced one day for each \$30.83 in increase.

<sup>111</sup> 38 C.F.R. § 21.3023.

## **Benefit Availability and Duration**

Educational benefits may be paid to the spouse for ten years from the date of death of the veteran or from the date of VA notification of eligibility due to the veteran's condition.<sup>112</sup> If the servicemember dies on active duty, or total permanent disability as a result of a service-connected disability is determined within three years of discharge, the spouse may use the benefits for 20 years. Educational benefits may be paid to children after they achieve a high school diploma or its equivalent, or after they reach 18 years of age, but before they reach 26 years of age.<sup>113</sup> Individuals are entitled to 45 months (or the equivalent in part-time attendance) of educational and training benefits.

## **Reserve Educational Assistance Program (REAP)**

The Reserve Educational Assistance Program (REAP) was enacted by the Ronald W. Reagan National Defense Authorization Act for FY2005 (P.L. 108-375). It is codified in Title 10 U.S.C., Chapter 1607.<sup>114</sup> Passage of the program was a direct reaction to the increased number and length of calls to active duty of reservists that occurred as a result of operations in Afghanistan and Iraq. Reservists must serve at least two continuous years on active duty to receive the MGIB-AD, and the benefits under the MGIB-SR are lower than under the MGIB-AD. REAP sought to provide reservists with benefits proportional to their active duty service and commensurate with the benefits of the regular Armed Forces.

The purpose is to provide educational assistance to reserve components called to active duty in response to a declared call to war or national emergency. REAP, like the MGIB-SR, is a DOD program administered by the VA. Each DOD branch is required to establish and maintain a program. The program is permanently authorized.

## **Eligible Individuals**

Educational assistance benefits are available to reservists who have served on active duty in support of a contingency operation for at least 90 consecutive days after September 10, 2001.<sup>115</sup> Benefits are also available to Army National Guard or Air National Guard members who have served on full-time National Guard duty under section 502(f) of Title 32 U.S.C. for at least 90 consecutive days after September 10, 2001, when authorized by the President or Secretary of

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<sup>112</sup> A spouse who is incapable of beginning education as a result of a physical or mental disability may be granted an extension of the 10-year entitlement period.

<sup>113</sup> There are allowable exceptions. The VA may make an exception for a child who is under 18 years of age and whose parent dies or has a total permanent disability as a result of a service-connected disability or has been delayed. The VA may allow eight years of eligibility to a child whose parent dies or has a total permanent disability as a result of a service-connected disability; may allow eight years of eligibility up to age 31 to a child whose parent has been delayed or after his/her own discharge or release from the Armed Forces; and may allow completion of a program of education suspended due to conditions beyond the child's control. A child who suspends a program of education or who is unable to complete the program during the benefit availability period because the child acted as a primary caregiver according to the family caregiver assistance program (38 U.S.C. § 1720G(a)) after July 31, 2011, can extend the child's entitlement period for as long as the suspension or until age 31, whichever is earlier.

<sup>114</sup> 10 U.S.C. § 16161 et seq.

<sup>115</sup> Individuals receiving financial assistance under the Senior Reserve Officers' Training Corps are not eligible.

Defense for the purpose of responding to a national emergency declared by the President and supported by federal funds. The 90-day service requirement is waived for individuals released from duty because of an injury, illness, or disease incurred or aggravated in the line of duty. Increased benefits are available to individuals who serve at least one continuous year, two continuous years, or three aggregate years.

## **Eligible Programs of Education, Institutions, and Establishments**

The eligible programs of education, educational institutions, and training establishments are the same as under the MGIB-AD.

## **Benefit Payments**

The monthly educational allowance for REAP is a percentage of the allowance provided under the MGIB-AD. Reservists who serve on active duty for at least two continuous years or three aggregate years may receive 80% of the maximum MGIB-AD allowance for that type of education or training, and those serving at least one continuous year may receive 60%. Reservists serving at least 90 consecutive days or released from active duty for an injury, illness, or disease incurred or aggravated as a result of active duty service before serving 90 consecutive days may receive 40% of the maximum MGIB-AD allowance for that type of education or training. Effective October 1, 2010, the maximum allowance for at least two continuous or three aggregate years of active duty service under REAP, \$1,140.80, is currently lower than the maximum allowance for at least two years but less than three years of active duty service under the MGIB-AD, \$1,158.<sup>116</sup> Individuals may receive up to \$2,000 for each licensing or certification test.<sup>117</sup>

There are two options for eligible individuals to receive additional educational assistance. Each military branch is authorized to provide a College Fund/Kicker of up to \$350 monthly. The \$600 Buy-Up program (see the discussion under the MGIB-AD) is also available.

## **Benefit Availability and Duration**

As in the MGIBs, most individuals are entitled to educational benefits for a period of up to 36 months (or the equivalent in part-time educational assistance), regardless of the active duty eligibility period. Benefits can be combined with other educational benefit programs administered by the VA using different eligibility periods to receive up to 48 months of educational benefits. In general, no educational benefits can be paid after separation from the Ready Reserve.<sup>118</sup> The Ready Reserve is one of the three major reserve components along with the Standby Reserve and Retired Reserve. The Ready Reserve is the primary manpower pool of the Reserves. Ready Reservists will usually be called to active duty before the other components and include Selected Reservists.<sup>119</sup> However, individuals who complete the 90-day service requirement and who

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<sup>116</sup> Based on rates effective October 1, 2010.

<sup>117</sup> The entitlement period is reduced by the number of months equaling the proportion that the assistance is to the regular full-time monthly allowance.

<sup>118</sup> Individuals who were incapable of beginning education as a result of a physical or mental disability could be granted an extension for the period of incapacity.

<sup>119</sup> See CRS Report RL30802, *Reserve Component Personnel Issues: Questions and Answers*, by Lawrence Kapp.

complete their service contract under honorable conditions remain eligible for benefits for 10 years after separation from the Selected Reserve (separation from other reserve types does not qualify). Also, individuals separated from the Ready Reserve because of a disability which was not the result of the individual's own willful misconduct have ten years from becoming eligible for benefits before the benefits expire.

## **Transferability to Dependents**

Each service branch is authorized to allow eligible individuals to transfer their REAP educational assistance benefits to family members, but no branch currently offers such a program.

After serving at least six years in the Selected Reserves and agreeing to serve an additional four years or serving the number of years regulated by the service branch, the authorizing language would allow a member of the Selected Reserves to transfer 18-36 months of benefits to a child who will have finished high school or reached 18 years of age, to a spouse, or to some combination of children and spouse.<sup>120</sup> The reservist could designate the dependent, the number of months of entitlement, and the period during which it may be used, and modify or revoke the designation at any time. The transferred entitlement period would be reduced for the dependent and servicemember. A spouse could begin using the benefit after the servicemember completes at least six years of service or the length of service required by regulation; the child would have to wait until the servicemember has completed ten years of service or the length of service required by regulation. The transferred benefit would have to be used before the child reaches 26 years of age. The spouse and children could use the benefit for the same purposes as the reservist and for the completion of a high school diploma or its equivalent.

## **Post-Vietnam Era Veterans Educational Assistance Program (VEAP)**

The Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) was established under Title IV of the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94-502) and codified in Title 38, U.S.C., Chapter 32. The program was established to make education affordable and recruit qualified servicemembers. VEAP was designed as a recruitment incentive for the Armed Forces during peacetime.<sup>121</sup>

### **Eligible Individuals**

VEAP was the first GI Bill to make educational benefits available to both active duty and reserve components simultaneously from the outset.<sup>122</sup> Under VEAP, educational assistance benefits are available to individuals who entered active duty after December 31, 1976, and before July 1,

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<sup>120</sup> The transferred benefits could not be considered marital property in divorce proceedings.

<sup>121</sup> U.S. Congress, Senate Committee on Veterans' Affairs, *Veterans Education and Employment Assistance Act of 1976*, Hearings before the Subcommittee on Readjustment, Education, and Employment of the Committee on Veterans Affairs on S. 969 and Related Bills, 94<sup>th</sup> Cong., 1<sup>st</sup> sess., October 1, 1975, S. Rept 761-4.

<sup>122</sup> The Post-Korean Conflict GI Bill (see **Appendix C**) was amended to include reservists who served on active duty for over a year.

1985. To be eligible for benefits, veterans must have been discharged or released other than dishonorably after meeting the active duty service requirement, or they must have been discharged or released for a service-connected disability. The active duty service requirement was a minimum of 24 continuous months or the obligated period of active duty for individuals who enlist in a regular component of the Armed Forces after September 7, 1980, or who enter on active duty after October 16, 1981,<sup>123</sup> or a minimum of 181 days of continuous service for other individuals. Servicemembers remaining in service must have completed their first obligated period of active duty<sup>124</sup> or six years of active duty, whichever is less. The 180-day active duty service period excludes time assigned to a civilian institution for an education or training program similar to those offered to civilians, excludes time spent as a cadet or midshipman at one of the service academies, and excludes periods of receiving an allowance from the College First Program (10 U.S.C. § 511(d)) for a delayed enlistment in the Army National Guard or the Air National Guard or while a member of the Reserves.

Individuals eligible for the prior GI Bill, the Post Korean Conflict GI Bill (see **Appendix C**), are not eligible under VEAP, with one exception. Members of the National Guard<sup>125</sup> or the Reserves who participated in the College First Program and who served at least one consecutive year of active duty after completing the period of active duty for training are eligible. The individual must make an irrevocable decision to receive benefits under VEAP.

Since the benefit was established for an all-volunteer force serving during peacetime, it was deemed appropriate to require participants to contribute to their educational fund during their period of service in the military. Program participants had to agree to monthly pay deductions of at least \$25, but not more than \$100, during the initial tour of obligated service or six years of active duty service for a total contribution of up to \$2,700.<sup>126</sup> After making at least 12 contributions, individuals could withdraw from the program, receiving their contributions in return and making them ineligible for program benefits.<sup>127</sup> The U.S. Department of Defense (DOD), as a recruitment or retention incentive, could also contribute additional monies, called “Kickers,” into an individual’s educational fund or contribute in lieu of the servicemember.

## **Eligible Programs of Education, Institutions, and Establishments**

The VEAP allows veterans and servicemembers to attend a wide array of educational institutions and training establishments. Eligible educational institutions are

- public or private elementary or secondary schools;
- vocational, correspondence, business, normal, or professional schools;

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<sup>123</sup> An individual is exempt from the 24 month active duty requirement if the individual is discharged or released from active duty under a hardship discharge (10 U.S.C. 1173), early-out discharge (10 U.S.C. 1171), disability incurred in or aggravated in line of duty, or service-connected disability. An individual is exempt from the 24 month active duty requirement if the individual who enters on a period of active duty after October 16, 1981, previously completed 24 continuous months of active duty or received an early-out discharge from a previous period of active duty.

<sup>124</sup> Certain individuals in the Armed Forces who receive educational assistance or other benefits are required to serve an obligated period of active duty or repay a portion of the benefit.

<sup>125</sup> The National Guard includes the Army National Guard and Air National Guard.

<sup>126</sup> In certain circumstances, individuals on active duty could make a lump-sum contribution in lieu of or in addition to the monthly payments. The lump-sum payment is counted as if the individual made \$100 monthly contributions.

<sup>127</sup> Individuals on active duty could re-enroll at any time before July 1, 1985.

- colleges or universities;
- scientific or technical institutions;
- other institutions furnishing education for adults;
- state-approved alternative teacher certification program providers;
- private entities that offer courses toward the attainment of a license or certificate generally recognized as necessary for a profession or vocation in a high technology occupation; and
- qualified providers of entrepreneurship courses.

Eligible training establishments are

- providers of apprentice or other on-the-job training;
- providers of self-employment on-the-job training that is needed or accepted to be licensed to engage in a self-employment occupation or to own and operate a franchise;
- a state board of vocational education;
- a federal or state apprenticeship registration agency;
- the sponsor of a program of apprenticeship; and
- an agency of the federal government authorized to supervise such training.

The eligible programs of education or educational expenditures are

- courses which lead to the attainment of a predetermined educational, vocational, or professional objective or objectives if related to the same career (this includes traditional undergraduate and graduate programs);
- courses which lead to a high school diploma;
- courses required by the Administrator of the Small Business Administration as a condition to obtaining financial assistance under the provisions of section 7(i)(1) of the Small Business Act (15 U.S.C. 636(i)(1));
- licensing or certification tests for a predetermined vocation or profession, provided such tests and the licensing or credentialing organizations or entities that offer such tests are approved;
- courses offered by a qualified provider of entrepreneurship courses;
- national tests for admission to institutions of higher learning or graduate schools (such as the Scholastic Aptitude Test (SAT));
- national tests providing an opportunity for course credit at institutions of higher learning (such as the Advanced Placement (AP) exam);

- full-time programs of apprentice or other on-the-job training; and
- cooperative programs<sup>128</sup> for individuals not on active duty.<sup>129</sup>

## **Benefit Payments**

The VEAP benefit consists of a monthly allowance for subsistence, tuition and fees, supplies, books, and equipment paid directly to recipients while enrolled in training or a program of education. Individuals are entitled to three times their contribution plus any DOD contributions. The maximum monthly basic educational benefit may not exceed \$300.<sup>130</sup> The entitlement period of individuals taking correspondence courses is reduced one month for each month of assistance regardless of the rate of attendance. Individuals incarcerated for a felony conviction in a federal, state, local, or other penal institution or correctional facility may only receive an allowance to cover actual tuition and fees and necessary supplies, books, and equipment.<sup>131</sup> Individuals in a program of education consisting exclusively of flight training receive 60% of the program's established charges.<sup>132</sup> Individuals may receive up to \$2,000 for each licensing or certification test taken, and individuals may receive the actual fee for each admissions or course credit test taken.<sup>133</sup> For an individual in apprentice or on-the-job training, the monthly allowance is 75%, 55%, and 35% of the monthly benefit otherwise payable to that individual for the first six months, second six months, and thereafter, respectively.<sup>134</sup>

Individuals are also eligible for payments of up to \$100 monthly (for a maximum of \$1,200 total) for tutorial assistance. The individual must be enrolled at least half-time, and the educational institution must certify as to the necessity and customary nature of the cost. The first \$600 does not reduce the entitlement period; however, the subsequent \$600 reduces the entitlement period by one month for each amount paid, which is equal to the monthly benefit otherwise payable to that individual.

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<sup>128</sup> A cooperative program is a full-time program of education, which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in a business or industrial establishment being strictly supplemental.

<sup>129</sup> All programs of education must be approved by the VA and other relevant approving agencies.

<sup>130</sup> To calculate an individual's monthly allowance, the individual's contributions are multiplied by three, the DOD contributions are added to the result, and the sum is divided by the lesser of the number of months of contributions or 36.

<sup>131</sup> Veterans benefits cannot duplicate those paid under any other federal, state, or local program.

<sup>132</sup> Established charges are the lesser of the charge for the course(s) determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State Approving Agency or the tuition and fees or charges that similarly circumstanced nonveterans enrolled in the same course(s) are required to pay. Individuals may only receive payment for the minimum number of solo flying hours required by the Federal Aviation Administration for the desired flight rating or certification. For exclusive flight training, an individual's entitlement period is reduced one month for each amount paid that is equal to the monthly benefit otherwise payable to such individual.

<sup>133</sup> For licensing, certification, admissions, or course credit testing, an individual's entitlement period is reduced one month for each amount paid that is equal to the monthly benefit otherwise payable to such individual.

<sup>134</sup> For apprentice or on-the-job training, an individual's entitlement period is respectively reduced 0.75, 0.55, or 0.35 months for each month of educational assistance, depending on the payment. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

## **Benefit Availability and Duration of Use**

Veterans and servicemembers must use their educational assistance benefits within ten years of discharge or release from active duty.<sup>135</sup>

Under all of the GI bills, individuals are entitled to receive benefits over a maximum period of time (e.g., 36 or 48 months). Under VEAP, individuals are entitled to a maximum of 36 months (or the equivalent for part-time attendance) or the number of months in which contributions were made, whichever is less. Veterans and servicemembers can combine benefits with other VA administered educational assistance programs to receive up to 48 months of educational benefits, but benefits cannot be received concurrently, and the eligibility periods cannot overlap.

## **Summary and Comparison of Programs**

Many servicemembers are eligible for more than one program. The programs, with the exception of the Post-9/11 GI Bill, provide assistance for the same programs of education at very different payment rates. There are also variations in the length of time during which the benefits must be used. Despite the fact that the VA expects most veterans and servicemembers to choose the Post-9/11 GI Bill, all new recruits to the regular Armed Forces will contribute to the MGIB-AD unless they decline the benefit. Eligible individuals will need a significant understanding of the programs in order to determine which program will be the most advantageous to their situation.

## **Combinations of Program Benefits**

Veterans and servicemembers, many of whom will be eligible for more than one program, can generally combine benefit programs administered by the VA to receive up to 48 months of educational benefits.<sup>136</sup> However, benefits under more than one program cannot be received concurrently. Effective August 1, 2011, the Improvements Act prevents

- individuals who are eligible for the Fry Scholarship and who are eligible to use transferred Post-9/11 GI Bill benefits from receiving assistance under both programs concurrently;
- an individual from accepting veterans' dependency and indemnity compensation (DIC)<sup>137</sup> or pension<sup>138</sup> and the Fry Scholarship;

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<sup>135</sup> Veterans who are incapable of beginning education as a result of a physical or mental disability can be granted an extension for the period of incapacity.

<sup>136</sup> Aggregate educational assistance may not exceed 48 months under the following programs: Parts VII or VIII, Veterans Regulation numbered 1(a), as amended; Title II of the Veterans' Readjustment Assistance Act of 1952; the War Orphans' Educational Assistance Act of 1956; Chapters 30, 32, 33, 34, 35, and 36 of Title 38 U.S.C. and the former chapter 33; Chapters 106a, 1606, and 1607 of Title 10 U.S.C.; section 903 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note); the Hostage Relief Act of 1980 (5 U.S.C. 5561 note); and the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4801). The VA may extend the aggregate entitlement period for educational assistance in combination with the vocational rehabilitation and employment program (Chapter 31 of Title 38).

<sup>137</sup> Certain surviving children of servicemembers killed while on active military duty may receive the monthly DIC cash payment while under the age of 18, or between 18 and 23 while a student. For more information on Dependency and Indemnity Compensation, see CRS Report R40757, *Veterans' Benefits: Dependency and Indemnity Compensation* (continued...)

- a child over age 18 who begins receiving the Fry Scholarship from being eligible to receive payment or increased rates, or additional amounts of veterans' compensation,<sup>139</sup> DIC, or pension based on school attendance;
- an individual from using Post-9/11 GI Bill benefits transferred from more than one servicemember concurrently;

An individual may receive credit for service under only one program and must elect the program to which such service is to be credited. This decision is generally irrevocable. Effective August 1, 2011, the Improvements Act amendments also require an individual who is eligible for both the Fry Scholarship and DEA benefits based on the death of the same parent to elect the program from which to receive benefit. Effective August 1, 2011, the Improvements Act requires a servicemember who is eligible for two or more of the VEAP, MGIB-AD, MGIB-SR, REAP, or Post-9/11 GI Bill based on the same period of active duty service to elect the program to which such service is to be credited. The decision regarding from which program to receive benefits may be changed once each calendar month except for changes to or from the Post-9/11 GI Bill, which can only be changed once each academic term.

## **Permanent Authorization of Programs**

As currently enacted, the MGIBs, REAP, Post-9/11, and DEA programs will persist indefinitely because the periods of eligibility are unrestricted into the future, and Congress has not specified an end date after which no benefits would be paid. VEAP participation may slowly end, as servicemembers on active duty between January 1, 1977, and June 30, 1985, are less likely to pursue education and more likely to transfer the remaining entitlement to benefits to one of the newer programs.

## **Veterans Counseling**

For the most part, individuals receiving educational assistance under the VEAP, MGIBs, REAP, Post-9/11 GI Bill, or DEA may request counseling from the VA. The counseling may include, but is not limited to, assistance selecting a program of education, resolving personal problems, and resolving academic difficulties. Counseling was provided to all recipients of educational assistance until 1972. Counseling is still required under DEA for a child who may require specialized vocational training or special restorative training, or a child who is under 18 years of age and has not completed high school. It is also required for a spouse who desires specialized vocational training. Counseling is still required under all of the programs if the individual is rated as incompetent.

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(...continued)

*(DIC) for Survivors*, by Christine Scott.

<sup>138</sup> Certain low-income dependent children of certain veterans may be eligible to receive a pension. For more information on pension benefit programs, see CRS Report RS22804, *Veterans' Benefits: Pension Benefit Programs*, by Christine Scott and Carol D. Davis.

<sup>139</sup> Disability compensation provides a monthly cash benefit to certain veterans who are at least 10% disabled from a service-connected disability. For more information on the disability compensation program, see CRS Report RL33323, *Veterans Affairs: Benefits for Service-Connected Disabilities*, by Douglas Reid Weimer.

## Comparison of Educational Assistance Programs

Table 4 provides a summary of some of the key characteristics of the active programs.

**Table 4. Selected Characteristics of Veterans' Educational Assistance Programs**

Characteristic	VEAP	MGIB-AD	MGIB-SR	REAP	Post-9/11 GI Bill	DEA
Year enacted	1976	1984	1984	2004	2008	1956
Initial authorization	P.L. 94-502	P.L. 98-525	P.L. 98-525	P.L. 108-375	P.L. 110-252	P.L. 84-634
<b>Eligible Individuals</b>						
Period of qualifying service	1/1/1977 to 6/30/1985	Entered active duty after 6/30/1985	7/1/1985 to present	After 9/10/2001 to present	After 9/10/2001 to present	After the beginning of the Spanish American War
Minimum required length of service	181 continuous days of active duty service, or 24 continuous months of active duty service, if enlisted after September 7, 1980, or entered after October 16, 1981	181 continuous days of active duty service; 24 months of active duty if enlisted after September 7, 1980	Accepted 6-year reserve obligation after June 30, 1985	90 days of consecutive service in a contingency operation or three aggregate years of active duty service	90 aggregate days of active duty service	None
Discharge status	Other than dishonorable or on active duty	Fully honorable discharge or on active duty	Must remain with reserve unit	Honorable separation or further service in the Reserves	Honorable discharge or further service in the Reserves	Other than dishonorable or on active duty
Contribution	\$25 to \$100 per month; \$2,700 maximum	Pay reduction of \$100 per month for the first 12 months of pay	None	None	None	None
<b>Benefit Availability and Duration</b>						
Period of use	1/1/1977 to present	7/1/1985 to present	7/1/1985 to present	12/9/2001 to present	8/1/2009 to present	1956 to present

<b>Characteristic</b>	<b>VEAP</b>	<b>MGIB-AD</b>	<b>MGIB-SR</b>	<b>REAP</b>	<b>Post-9/11 GI Bill</b>	<b>DEA</b>
Duration of benefits	Lesser of 36 months or number of months of contributions	Lesser of 36 months or number of months of active duty and one-quarter number of months of reserve duty	36 months	36 months	36 months	45 months
General time limitation on use of benefits	Within 10 years of discharge or release from active duty	Within 10 years of discharge or release from active duty or required reserve duty	While in the Selected Reserves	While in the Ready Reserves Within 10 years of Selected Reserves separation Within 10 years of Ready Reserves separation due to certain disabilities	Within 15 years of discharge or release from active duty	For the spouse: within 10 years of eligibility, or within 20 in some instances  For the child: after finishing high school or reaching age 18, but before reaching age 26

**Eligible Programs of Education, Institutions, and Establishments**

Institution of higher learning	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Apprentice and on-the-job training	Eligible	Eligible	Eligible	Eligible	Not eligible	Eligible
Entrepreneurship training	Eligible	Eligible	Eligible	Eligible	Not eligible	Eligible
Cooperative training	Eligible	Eligible	Eligible	Eligible	Not eligible	Eligible
Licensing and certification tests	Eligible	Eligible	Eligible	Eligible	Eligible for one	Eligible
Admissions or course credit tests	Eligible	Eligible	Eligible	Eligible	Not eligible	Eligible
Tutorial assistance	Eligible	Eligible	Eligible	Eligible	Eligible	Not eligible

<b>Characteristic</b>	<b>VEAP</b>	<b>MGIB-AD</b>	<b>MGIB-SR</b>	<b>REAP</b>	<b>Post-9/11 GI Bill</b>	<b>DEA</b>
<b>Benefit Payments</b>						
Maximum standard benefit for AY2010-11	\$300 per month <sup>a</sup> for subsistence, tuition and fees, supplies, books, and equipment	\$1,426 per month <sup>b</sup> for subsistence, tuition and fees, supplies, books, and equipment	\$337 per month <sup>b</sup> for subsistence, tuition and fees, supplies, books, and equipment	\$1,140.80 per month <sup>c</sup> for subsistence, tuition and fees, supplies, books, and equipment	\$2,754 per month for subsistence <sup>d</sup> Up to \$1,549 tuition per credit hour per academic term <sup>d</sup>  Up to \$85,255 for fees per academic term <sup>d</sup>	\$936 per month for subsistence, tuition and fees, supplies, books, and equipment
Books and supplies	Not eligible	Not eligible	Not eligible	Not eligible	Up to \$1,000 annually	Not eligible
Relocation allowance	Not eligible	Not eligible	Not eligible	Not eligible	Up to \$500 once	Not eligible
Maximum tutorial assistance	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Maximum licensing and certification test fees	\$2,000 per test	\$2,000 per test	\$2,000 per test	\$2,000 per test	\$2,000 for one test  \$2,000 per test effective Aug. 1, 2011	\$2,000 per test
Admissions or course credit test	Actual cost	Actual cost	Eligible	Eligible	Eligible	Eligible
Advance payments	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Accelerated payments	Not eligible	Eligible	Eligible	Eligible	Not eligible	Not eligible
Tuition Assistance Top Up Program	Not eligible	Eligible	Not eligible	Not eligible	Eligible	Not eligible
\$600 Buy Up Program	Not eligible	Eligible	Eligible	Eligible	Not eligible	Not eligible
College Fund/Kicker	Not eligible	Eligible Up to \$950 per month for recruitment  Up to \$350 per month for retention	Eligible Up to \$350 per month	Eligible Up to \$350 per month	Eligible Up to \$950 per month <sup>e</sup> for recruitment  Up to \$350 per month for retention	Not eligible

Characteristic	VEAP	MGIB-AD	MGIB-SR	REAP	Post-9/11 GI Bill	DEA
Supplemental assistance for critical skills	Not eligible	Up to \$300 per month	Up to \$350 per month	Not eligible	Up to \$300 per month	Not eligible
Supplemental educational assistance for additional service	Not eligible	\$300 per month	Not eligible	Not eligible	Up to \$300 per month	Not eligible
<b>Transferability to Dependents</b>						
Transferability to dependents	Not authorized	Authorized. Army pilot program available	Authorized	Authorized	Authorized. DOD Policy issued 6/23/2009  Scholarship program for children of deceased	Not authorized

**Source:** Prepared by CRS based on data available from the VA; Title 38 U.S.C., Chapters 30 and 33; and Title 10 U.S.C., Chapters 1606 and 1607.

- a. Government matches every \$1 the servicemember contributes with \$2. The maximum benefit available under the program is \$8,100 (\$5,400 federal contribution and \$2,700 individual contribution). The total contribution (servicemember contribution plus government share) is then divided by the number of months the servicemember contributed to VEAP.
- b. Amounts shown are for full-time institutional training, and for individuals who completed a minimum of three years of service. The amounts are less for individuals who served less than three years and who attend less than full-time. The educational benefits payment rate schedule is available at [http://www.gibill.va.gov/GI\\_Bill\\_Info/rates.htm](http://www.gibill.va.gov/GI_Bill_Info/rates.htm). The MGIB-AD maximum payment does not reflect the allowance received by Post-Korean Conflict GI Bill recipients who transfer to the program.
- c. The monthly amount is a percentage of the MGIB-AD and is based on the number of continuous days of active duty service. The amount shown is for full-time institutional training, and for individuals who completed at least two years of active duty service. The amount is less for individuals who served two years or less, and who attend less than full-time.
- d. The maximum standard benefit varies depending on the location of the IHL. The maximum standard tuition and fees depend on the state in which the IHL resides and are based upon the 2010-2011 academic year, while the maximum standard housing allowance depends on the locale in which the IHL resides.
- e. Individuals eligible for MGIB-SR who elect to receive benefits under the Post-9/11 GI Bill may be eligible to receive up to \$350 per month from the college fund/kicker.

## Related Department of Veterans Affairs Programs

### Vocational Rehabilitation and Employment Program (VR&E)

The Vocational Rehabilitation and Employment Program (VR&E) is discussed as a related program because veterans who are eligible for both the MGIB-AD and VR&E must choose which program they want to receive educational benefits under. In 1918, Congress passed the Vocational Rehabilitation Act (P.L. 65-178) to provide maximum independence and the retraining and placing in productive occupations of disabled persons who had served in the U.S. military and

naval forces.<sup>140</sup> Under the current program, eligible veterans must have served on active duty after September 16, 1940, and been discharged under circumstances other than dishonorable. Also, eligible veterans must have a service-connected disability employment handicap rating of at least 20% or a serious employment handicap rating of 10% as a result of a disability incurred in or aggravated by service for which a pension is payable under the laws administered by the VA, or would be but for the receipt of retirement pay. In addition, eligible veterans must be in need of vocational rehabilitation to overcome the handicap caused by the service-connected disability. Veterans are entitled to the program within 12 years of discharge or release.

Veterans receiving VR&E services receive counseling to provide an initial evaluation, develop a plan for rehabilitation or employment, and overcome any problems that arise during the implementation of the plan for rehabilitation or employment. The counseling may be psychological, vocational, personal adjustment, employment, or educational.

After evaluation of the veterans' condition and development of an individualized rehabilitation plan, eligible veterans will be assigned to either a vocational rehabilitation program or a program of independent living services and assistance. If it is determined that the achievement of a vocational goal is feasible, the individual will be assigned to a vocational rehabilitation program, which may include counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services. Eligible programs of education are the same as under the VEAP.

With some exceptions, the program provides 48 months to accomplish the individualized vocational rehabilitation plan.<sup>141</sup> While pursuing the plan, the individual's progress is tracked and reviewed by a case manager to ensure the veteran has all the necessary resources to be successful. Eligible veterans receive a subsistence allowance based on the number of dependents, type of education or training pursued, and rate of attendance. Effective October 1, 2010, the regular subsistence allowance for full-time training at an IHL is \$810.13 monthly for an individual with two dependents. Effective August 1, 2011, individuals eligible for both VR&E and the Post-9/11 GI Bill will be able to elect to receive the regular subsistence allowance or the E-5 with dependents BAH for the zip code in which the rehabilitation program is located. Individuals who pursue non-pay or nominal pay on-the-job training in a federal, state, local, or federally recognized Indian tribe agency; training in the home; vocational coursework in a rehabilitation facility or sheltered workshop; or institutional non-farm cooperative training less-than-full-time are not eligible to receive the monthly subsistence allowance. Veterans may receive advance payments and may receive the subsistence allowance during authorized leaves of absence. The case manager may authorize equipment, supplies, and incidental goods and services to ensure the veteran's success as long as the cost of the incidental goods and services does not exceed 5% of the annual training cost. After successful completion of the individualized rehabilitation plan, veterans may be eligible to receive two additional months of the subsistence allowance while receiving employment placement services.

Veterans eligible for and entitled to the MGIB-AD may choose to receive the subsistence allowance and other benefits available under the MGIB-AD while pursuing the individualized rehabilitation plan, but they forfeit access to the VR&E subsistence allowance, loans, tutorial

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<sup>140</sup> For additional information, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Christine Scott and Carol D. Davis.

<sup>141</sup> The program of independent living services and assistance may be 24 months.

assistance, tuition, fees, books, supplies, handling charges, licensing fees, equipment, and other training materials. While receiving an allowance under the MGIB-AD, the veteran must abide by all of the provisions of the MGIB-AD program. The law does not provide for similar coordination of benefits between the VR&E and Post-9/11 GI Bill programs.

Veterans who are also eligible to receive the disability compensation<sup>142</sup> as a result of hospital treatment or observation may not receive the total VR&E or MGIB-AD allowance and disability compensation in excess of the greater of 100% disability compensation or the sum of the VR&E or MGIB-AD allowance and the amount of disability compensation that would be paid to the veteran if he or she was not receiving compensation at such a rate as the result of that hospital treatment or observation.

## **Veterans Work Study Program**

The Veterans Work Study Program is discussed as a related program because it allows VEAP, MGIB-AD, MGIB-SR, and Post-9/11 GI Bill participants to receive additional financial assistance through the VA. The program is codified in Title 38 U.S.C. § 3485. Veterans and reservists in the VEAP, MGIBs, Post-9/11 GI Bill, and VR&E who are enrolled at least three-quarter-time may take advantage of a VA administered work-study program. Individuals in the DEA who are enrolled at least three-quarter-time in the United States and are not pursuing a program of special restorative training may also take advantage of a VA administered work-study program. Although veterans with at least a 30% disability rating<sup>143</sup> receive priority in the selection of program participants, the VA also considers the individual's need for additional educational assistance, whether the individual has the necessary access to transportation to and from the work site, the individual's motivation, and the individual's compatibility with the available work assignments.

An individual will enter into an agreement with the VA to perform a certain number of hours of work in exchange for compensation. Eligible individuals may work for up to 25 hours times the number of weeks contained in an enrollment period. They receive the greater of the state's minimum wage rate or the national minimum wage rate under section 6(a) of the Fair Labor Standards Act of 1938 (Title 29 U.S.C. § 206(a)). Eligible work-study activities are

- outreach services to ensure that all veterans are provided timely and appropriate assistance to aid and encourage them in applying for and obtaining VA benefits;
- preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the VA;
- hospital and domiciliary care and medical treatment at VA facilities;
- activities related to the administration of MGIB-SR at DOD, Coast Guard, or National Guard facilities (for reservists only);

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<sup>142</sup> 38 U.S.C. § 3108 et seq.

<sup>143</sup> The VA conducts disability evaluations and assigns disability ratings to servicemembers and veterans. An individual's disability rating describes the impact of a disability on gainful employment in the civilian economy. The lower the rating, the more capable an individual is of maintaining gainful employment. For more information, see CRS Report RL33991, *Disability Evaluation of Military Servicemembers*, by Christine Scott and Don J. Jansen.

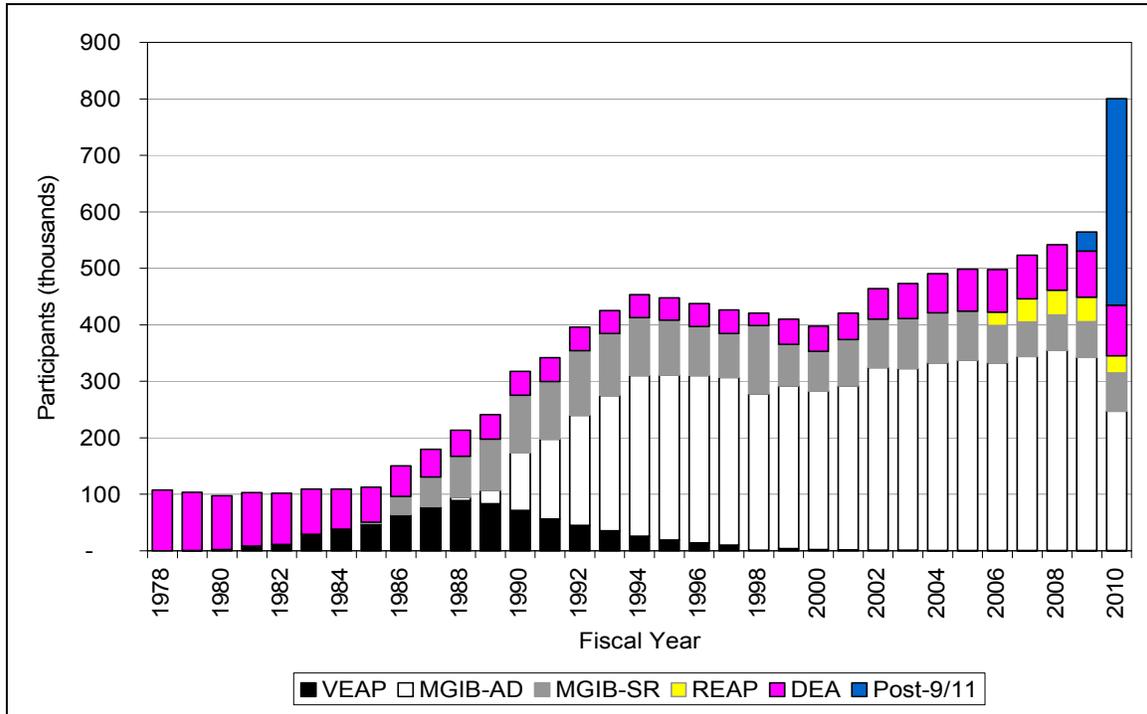
- prior to June 30, 2013, activities relating to the administration of a national cemetery or a state veterans' cemetery;
- after September 30, 2011, activities to help veterans receive state veterans' benefits;
- after September 30, 2011, a position working in a Center of Excellence for Veteran Student Success, as authorized by Title VIII-T of the Higher Education Act of 1965 (20 U.S.C. §1161t et seq.);
- after September 30, 2011, a position working in a cooperative program carried out jointly by the VA and an IHL;
- after September 30, 2011, veterans-related activities for an IHL; and
- any other appropriate activity of the VA.

Special provisions of the work-study program allow individuals to receive a lump sum advance payment after signing a contract to complete a certain number of work-study hours. The advance may be 40% of the expected allowance or 50 hours of earnings at the minimum wage rate, whichever is lower.

## Participation and Cost

Participation in VEAP, MGIBs, REAP, Post-9/11 GI Bill, and DEA is exhibited in **Figure 1**. Total participation in VEAP, MGIBs, REAP, Post-9/11 GI Bill, and DEA increased 37% from 584,487 in FY2009 to 800,369 in FY2010, due in large part to the Post-9/11 GI Bill. Participation in VEAP peaked in 1988 at 88,964 and is slowly declining as the eligible individuals become older, disenroll, or transfer to other programs. The number of participants in the MGIB-AD was moderately stable from 1994 through 2001 at around 290,000 participants; increased from 2002 through 2008—peaking at 354,284 participants; and began to decline in 2009 following the implementation of the Post-9/11 GI Bill. Likewise REAP participation peaked in 2008—within three years of implementation—at 44,014 before beginning to decline in 2009, corresponding to the implementation of the Post-9/11 GI Bill. Participation in the Post-9/11 GI Bill exceeded 350,000 in FY2010, the first full year of implementation. MGIB-SR participation exceeded 100,000 from 1990 through 1994, fell to more than 80,000 annually from 2001 through 2005, and fell again to more than 60,000 from 2006 through 2010. Participation cycles in DEA mirror major conflicts with greater participation around the Vietnam Conflict, 1978-1982, and around the conflicts in Iraq and Afghanistan, 2004-2010.

**Figure I. Total Veterans, Active-Duty Servicemembers, Reservists and Dependents Receiving VEAP, MGIB-AD, MGIB-SR, REAP, and DEA Education Benefits each Year (1978-2010)**



**Source:** Department of Veterans Affairs' Annual Reports 1978-1997; data provided to CRS by the Department of Veterans Affairs, 1998-2008; and Department of Veterans Affairs' Veterans Benefits Administration Annual Benefits Report FY2010.

**Note:** Beneficiaries may receive benefits in more than one year and from more than one program in the same year.

Although the educational assistance programs administered by the VA provide a significant benefit to veterans and servicemembers, the programs had very little impact on the total undergraduate population in academic year (AY) 2007-2008 (**Table 5**). Please note that data in **Table 5** precedes implementation of the Post-9/11 GI Bill. Fewer than 5% of undergraduates were veterans, active duty military personnel, or reservists. Of the individuals receiving veterans educational assistance benefits, the average was \$5,363 in AY2007-2008.

**Table 5. Undergraduate Veterans' Educational Assistance Recipients and Average Amount of Aid by Type of Military Service for Individuals Receiving Veterans' Educational Assistance**

2007-2008 academic year

	Percentage of Undergraduates	Average Veterans' Educational Assistance (\$) <sup>a</sup>
Total undergraduates	100	5,363
Veterans	3.1	6,120
Active duty military	0.7	4,260

	Percentage of Undergraduates	Average Veterans' Educational Assistance (\$) <sup>a</sup>
Reservists	0.4	3,703
No military service <sup>b</sup>	95.8	4,610

**Source:** CRS analysis based on U.S. Department of Education, National Center for Education Statistics, 2007–2008 National Postsecondary Student Aid Study (NPSAS:08).

**Notes:** Military participation and the receipt of VA educational benefits during the 2007-2008 academic year are based primarily on self-reported information on federal financial aid applications, student interviews, and then on institutional records.

- a. The average veterans' educational assistance is calculated only for individuals that receive veterans' educational assistance.
- b. Individuals with no military service may receive veterans' educational assistance benefits for dependents.

**Table 6** compares participation and cost of selected programs administered by the VA. The program with the largest participation and obligations in FY2009 was the MGIB-AD, with almost 350,000 participants and total obligations of almost \$2.5 billion. The program with the smallest participation was VEAP, with 471 participants and total obligations of about \$1 million. The MGIB-AD program provided benefits averaging \$7,265 per participant.

**Table 6. Obligations and Participation of Selected Programs Administered by the VA: FY2010**

Program	2010 Obligation (\$ thousand)	Participation	2010 Appropriation per Participant (\$)
VEAP <sup>a</sup>	760	308	2,468
MGIB-AD <sup>b</sup>	1,659,694	247,075	6,717
MGIB-SR <sup>c</sup>	195,223	67,381	2,897
REAP <sup>d</sup>	109,026	30,281	3,600
Post-9/11 GI Bill <sup>e</sup>	5,542,843	365,640	14,466
DEA <sup>f</sup>	507,294	89,811	5,648
VR&E <sup>g</sup> Subsistence Allowance	297,222	61,405	4,840
VR&E <sup>g</sup> Books, Tuition, Supplies, Fees, etc.	463,254	19,184	5,748

**Source:** Department of Veterans Affairs, *FY2012 Budget Submission*, pp. 2b-2, 2b-3 and 2d-4.

- a. VEAP includes data for the Section 901 program. VEAP is the Post-Vietnam Era Veterans Educational Assistance program (38 U.S.C., Chapter 32).
- b. MGIB-AD is the Montgomery GI Bill-Active Duty (38 U.S.C., Chapter 30).
- c. MGIB-SR is the Montgomery GI Bill-Selected Reserve (10 U.S.C., Chapter 1606).
- d. REAP is the Reserves Educational Assistance Program (10 U.S.C., Chapter 1607).
- e. The Post-9/11 GI Bill is the Post-9/11 Veterans Educational Assistance Act (38 U.S.C., Chapter 33).
- f. DEA is the Survivors' and Dependents' Educational Assistance program (38 U.S.C., Chapter 35).
- g. VR&E is the Vocational Rehabilitation and Employment program (38 U.S.C., Chapter 31).

## **Appendix A. Educational Assistance Under the Original GI Bill of Rights<sup>144</sup>**

The original GI Bill, the Servicemen's Readjustment Act of 1944 (P.L. 78-346), was intended to help veterans returning from World War II (WWII). The original GI Bill provided unprecedented benefits: funds to the VA to build and administer additional hospital facilities; extended vocational rehabilitation and employment services; educational assistance to non-disabled veterans; loans for the purchase or construction of homes, farms, and business property at advantageous terms to veterans; employment services to returning veterans; and unemployment benefits to veterans. The purpose of the educational assistance program was to avoid high levels of unemployment as had occurred following World War I, to help servicemembers readjust to civilian life, and to afford returning veterans an opportunity to receive the education and training missed while providing compulsory service in the military.<sup>145</sup> From December 1, 1941, through December 31, 1946, 16.1 million personnel served in the U.S. Armed Forces in WWII.<sup>146</sup> The U.S. population in 1946 is estimated at 141,388,566.<sup>147</sup>

### **Eligible Individuals**

Educational assistance benefits were available to all veterans who served on active duty in the military or naval service after September 16, 1940, and before the termination of WWII hostilities (December 31, 1946). Eligible veterans must have been discharged other than dishonorably and have served a minimum of 90 days or have been discharged or released for a service-incurred injury or disability. The 90-day service period excluded time spent completing the Army specialized training program or Navy college training program and excluded time spent as a cadet or midshipman at one of the service academies.

### **Benefit Availability and Duration of Use**

Eligible veterans were required to begin an education program within two years of discharge or release or within two years of the end of WWII, whichever was later. The start date was later extended by P.L. 79-268, enacted in 1945, to four years after discharge or release or December 31, 1950, whichever was later. Veterans were entitled to at least one year of education (or the equivalent for continuous part-time study) or the length of the chosen education program if that program was shorter than 12 months. Upon satisfactory completion of the first year (or the period of a shorter education program), veterans whose education had been interrupted upon entering military service were entitled to educational benefits for at least as long as they served after September 16, 1940, and before the end of WWII, but not more than four years. The restriction,

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<sup>144</sup> Description prepared by CRS based on a historical review of legislation and other reports.

<sup>145</sup> The draft age was lowered from 20 to 18 years when President Roosevelt signed the Selective Service Act of 1942 (P.L. 77-772).

<sup>146</sup> Facts for Features, U.S. Census Bureau, April 29, 2004, <http://www.census.gov/Press-Release/www/2004/cb04-ffse07.pdf>.

<sup>147</sup> Historical National Population Estimates: July 1, 1900, to July 1, 1999, Source: Population Estimates Program, Population Division, U.S. Census Bureau, Internet Release Date: April 11, 2000, Revised date: June 28, 2000, <http://www.census.gov/popest/archives/1990s/popclockest.txt>.

which provided no more than one year of educational benefits to certain veterans, was later removed to provide the same benefits to all veterans.<sup>148</sup> By law, no educational benefits under the original GI Bill could be paid seven years after the end of WWII, or July 25, 1956.<sup>149</sup>

## **Eligible Programs of Education, Institutions, and Establishments**

Initially, the eligible educational institutions were almost any institutions providing education: public or private elementary, secondary, and other schools furnishing education for adults; business schools; scientific and technical institutions; colleges and universities; vocational schools; junior colleges; teachers' colleges; professional schools; and other educational institutions. The eligible training establishments were businesses or other establishments offering apprentice or on-the-job training. Because the quality of some training programs was poor, laws were enacted establishing approval criteria for training institutions and for-profit schools.<sup>150</sup> Stricter criteria were prescribed for on-the-job and on-the-farm training programs and vocational schools.<sup>151</sup> Also, avocational and recreational training programs, such as nonvocational flight training, were eventually prohibited.<sup>152</sup>

## **Benefit Payments**

Under the GI Bill, the VA paid up to \$500 a year directly to an educational institution for tuition, books, fees, and other training costs for each enrolled veteran. Institutions providing apprentice or on-the-job training did not receive this payment. Veterans were required to maintain satisfactory conduct or progress in their chosen program of education. To increase flexibility, the program was revised by P.L. 79-268, enacted in 1945, to allow veterans to receive higher annual tuition and fees payments (accelerated payments) for a corresponding reduction in the period of entitlement.

The VA also paid up to \$50 monthly as a subsistence allowance to single veterans, and \$75 monthly to veterans with one or more dependents. The monthly payment was eventually increased to \$75 monthly for single veterans, \$105 monthly for veterans with one dependent, and

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<sup>148</sup> P.L. 79-268, enacted in 1945, removed the restriction limiting benefits beyond the first year to those whose education had been impaired, delayed, interrupted, or interfered with; those under 25 years of age; or those not pursuing refresher or retraining courses, thus opening the full program to all veterans.

<sup>149</sup> P.L. 85-807, enacted in 1958, extended benefits for veterans who through 1956 were ineligible for the program but whose discharge status was later amended to make them eligible for the program, allowing those veterans to begin a program of education within four years of the amended discharge status but before August 28, 1962, and allowing them no more than five years of benefits before January 31, 1965.

<sup>150</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 28-29.

<sup>151</sup> On-the-job training programs were required to gain approval from a state approving agency according to specific criteria under P.L. 79-679 enacted in 1946. Requirements for on-the-farm training programs were established in P.L. 80-377, enacted in 1947. With regard to vocational schools, P.L. 81-610, enacted in 1950, (1) authorized the VA to disapprove payment of benefits for training in for-profit vocational schools that had been in existence for less than one year, (2) prescribed stricter criteria for approval of for-profit schools with fewer than 25 students or one-fourth of the students enrolled (whichever was larger) paying their own tuition, (3) provided that no new courses could be approved in for-profit schools where the state approving agency determined that the occupation for which the course was intended to provide training was crowded in the state and that existing training facilities were adequate, and (4) set minimum attendance requirements for veterans pursuing trade or technical courses below college level.

<sup>152</sup> P.L. 80-262, enacted in 1949, and P.L. 81-266 and P.L. 81-610, enacted in 1950.

\$120 monthly for veterans with more than one dependent by P.L. 80-411, enacted in 1948. Veterans who attended part-time or received compensation for apprentice or on-the-job training received a lower subsistence allowance. In 1945, P.L. 79-268 specifically authorized tuition and fees payments for correspondence courses but disallowed the subsistence allowance. Later, P.L. 79-679, enacted in 1946, limited total earnings for veterans receiving compensation for apprentice or on-the-job training. Veterans were limited to a total monthly employment compensation plus VA subsistence allowance of no more than \$175 for single veterans and \$200 for veterans with dependents. This was increased to \$210 for single veterans, \$270 for veterans with one dependent, and \$290 for veterans with more than one dependent by P.L. 80-512, enacted in 1948.

## Lessons Learned

Some important lessons were learned in the implementation of the original GI Bill, and as the result of several studies.<sup>153</sup> Paying tuition and fees directly to educational institutions led to overpayments and excessive payments to for-profit vocational training programs in particular.<sup>154</sup> Some institutions were created solely to profit from the program.<sup>155</sup> It was necessary to define and establish standards for the eligible training establishments and educational institutions to ensure adequate quality of the educational programs and to define and remunerate responsibility for evaluating them.<sup>156</sup> There was considerable objection to the use of the GI Bill for avocational and recreational purposes since one of the stated purposes of the program was workforce preparation.<sup>157</sup> The third mechanism for ensuring proper use of the GI Bill educational assistance was the importance placed on veterans' identifying and adhering to an educational objective. Finally, it was necessary to increase the benefits as the cost of living and education increased.

## Participation and Costs

In the end, the nation spent \$14.5 billion (\$114.7 billion in 2008 inflation adjusted dollars) to provide education and training to 7.8 million WWII veterans (**Table A-1**).<sup>158</sup> The total expenditure per participant was \$1,859 (\$14,700 in 2008 inflation adjusted dollars).

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<sup>153</sup> The studies include a February 1950 joint report by the VA and the Bureau of the Budget, two reports issued in January 1951 and February 1952, by a House Select Committee to Investigate the Educational and Training Program under the GI Bill and a survey by the General Accounting Office of the education and training operations of the VA in seven states issued in July 1951.

<sup>154</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

<sup>155</sup> U.S. Congress, House Committee of the Whole House on the State of the Union, *Education and Other Benefits for Veterans of Service After January 31, 1955*, Report to accompany H.R. 12410, 89<sup>th</sup> Cong., 2<sup>nd</sup> sess., February 3, 1966, Report No. 1258, p. 3.

<sup>156</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: Education and Training, and Employment and Unemployment, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 12, 1956, H.Prt. 291 (Washington: GPO, 1956), pp. 55-59.

<sup>157</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 29.

<sup>158</sup> The 2008 inflation adjusted number for total expenditures was calculated by inflating \$14.5 billion in 1956 dollars to 2008 using the U.S. Department of Labor's Bureau of Labor Statistics' Consumer Price Index-All Urban Consumers - (CPI-U) U.S. city average as reported at <ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>.

**Table A-1. Original GI Bill Participation**

	<b>Number</b>
Veteran Population	15,440,000
Total trained	7,800,000
College and other school trainees	5,710,000
College trainees	2,230,000
Other school trainees	3,480,000
On-the-job trainees	1,400,000
On-the-farm trainees	690,000

**Source:** Veterans Administration, *Veterans Benefits under Current Educational Programs, Fiscal Year 1984*, Washington, 1984, p. 28.

## **Appendix B. Korean Conflict GI Bill<sup>159</sup>**

The Veterans' Readjustment Assistance Act of 1952 (P.L. 82-550, also known as the Korean Conflict GI Bill) was authorized to help veterans returning from the Korean Conflict adjust to civilian life. The program was codified in Title 38 U.S.C., Chapter 33, before its subsequent repeal. The expected number of Korean Conflict veterans, less than 6 million (or 4%) of a national population of 157,552,740 in 1952,<sup>160</sup> was lower than the number of WWII veterans, reducing the risk of high national unemployment in comparison to the post-WWI and post-WWII eras. The Korean Conflict GI Bill was intended to provide veterans the education forestalled by compulsory service and provide equitable benefits, as had been afforded the WWII veterans. The bill was also written in an effort to avoid many problems encountered in the implementation of the original GI Bill.<sup>161</sup>

### **Eligible Individuals**

Veteran eligibility was essentially the same for the Korean GI Bill as the original GI Bill except that only those members of the Armed Forces who served on active duty during the Korean Conflict (on or after June 27, 1950, and before the termination of hostilities on January 31, 1955<sup>162</sup>) were eligible. Veterans still had to be discharged other than dishonorably and serve a minimum of 90 days, or discharged or released for a service-incurred injury or disability. The 90-day service period excluded time assigned to an education or training program similar to those offered to civilians and excluded time spent as a cadet or midshipman at one of the service academies.

### **Benefit Availability and Duration of Use**

While WWII veterans were afforded up to four years of education benefits, Korean Conflict veterans were limited to 36 months, which is substantially equivalent for students attending traditional postsecondary schools with summers off. Eligible veterans were required to begin an education program within two years (later extended to three years by P.L. 83-610, enacted in 1954) of discharge or release or before August 21, 1954, whichever was later. Veterans were entitled to educational benefits for a period equal to 1½ times the duration of their active duty service between June 27, 1950, and the termination of hostilities, but no more than 36 months. Veterans enrolled entirely in correspondence courses were entitled to educational benefits for a period equal to six times the duration of their active duty service. Veterans could combine benefits with the VR&E program or the original GI Bill to receive up to 48 months of educational benefits. By law, no educational benefits under the Korean Conflict GI Bill could be paid seven

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<sup>159</sup> Description prepared by CRS based on a historical review of legislation and other reports.

<sup>160</sup> Historical National Population Estimates: July 1, 1900, to July 1, 1999, Source: Population Estimates Program, Population Division, U.S. Census Bureau, Internet Release Date: April 11, 2000, Revised date: June 28, 2000, <http://www.census.gov/popest/archives/1990s/popclockest.txt>.

<sup>161</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

<sup>162</sup> The January 31, 1955, termination date for eligibility was established by P.L. 84-7 enacted in 1955.

years after discharge or release or upon the termination of hostilities, whichever was earlier.<sup>163</sup> This was later extended to eight years after discharge or release or January 31, 1965, by P.L. 84-7, enacted in 1955.

## **Eligible Programs of Education, Institutions, and Establishments**

The list of eligible educational institutions and training establishments did not change from the original GI Bill except that institutions listed on the Attorney General's List of Subversive Organizations<sup>164</sup> were not eligible. States were requested to create state approving agencies to approve educational courses and provide lists of eligible institutions. The VA provided some cost reimbursement of salaries and travel for these state agencies.

To ensure the benefits were used for workforce preparation and to avoid some of the misuse experienced under the original GI Bill, several provisions were added or changed from the original GI Bill. Veterans were required to declare an educational objective or certificate/degree. They were allowed to change their educational objective only once, only if not making satisfactory progress by no fault of misconduct, neglect, or lack of application, and if the new program fit their aptitude or previous education or the new program was a normal progression from the existing program. The legislation specifically prohibited veterans from receiving benefits for avocational and recreational courses in bartending, dance, photography, music, sports, and personal development.<sup>165</sup>

The criteria and standards for approving training establishments and educational institutions were bolstered in comparison to the original GI Bill. Veterans could not enroll in non-accredited courses below the college level at institutions that received more than 85% of their funding from the VA through either the VR&E or the original GI Bill. Substantially new courses at private institutions (later applied to only private for-profit institutions by P.L. 84-847, enacted in 1956) that had been offered for fewer than two years were not eligible to veterans. Amendments to the original GI Bill establishing stringent standards for apprentice, on-the-job, and on-the-farm training were expanded under the Korean Conflict GI Bill to include courses already approved by nationally recognized accrediting agencies and certain courses without accreditation.

## **Benefit Payments**

The Korean Conflict GI Bill made payments only to veterans, as opposed to the payments made to veterans and educational institutions under the original GI Bill. The U.S. House of Representatives' Select Committee to Investigate Educational, Training, and Loan Guaranty Programs under the GI Bill (1950-1952) indicated that direct payments to educational institutions

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<sup>163</sup> P.L. 85-807 enacted in 1958 extended benefits for veterans who through 1956 were ineligible for the program but whose discharge status was later amended to make them eligible for the program allowing those veterans to begin a program of education within three years of the amended discharge status but before August 28, 1961, and allowing them no more than five years of benefits.

<sup>164</sup> The Attorney General's List of Subversive Organizations was prepared according to section three of part III of Executive Order 9835, which established a loyalty program to the federal government to thwart communism.

<sup>165</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 28-31, 153-154.

led to abuse.<sup>166</sup> A 1956 House Report determined that because the original GI Bill was generous, some veterans used the benefits for income rather than to achieve an employment goal.<sup>167</sup> It was also believed that if veterans were responsible for paying a portion of the cost of their own education that this, in combination with the payment of benefits directly to veterans, would encourage more careful spending.<sup>168</sup>

Since maximum benefits were offered to veterans in full-time study, the legislation provided a uniform definition of full-time for below college-level trade, technical, and institutional courses offered on the clock-hour basis and for undergraduate courses offered at colleges and universities. The benefit provided an allowance for subsistence, tuition, fees, supplies, books, and equipment of up to \$110 monthly to single veterans, \$135 monthly to veterans with one dependent, and \$160 monthly to veterans with more than one dependent. Veterans who attended institutional training less than full-time, attended on-the-farm training at least half-time, or attended cooperative training full-time received a lower allowance. As a result of the determination that some veterans were overpaid from the original GI Bill,<sup>169</sup> veterans who attended apprentice or on-the-job training received an allowance, which could not exceed \$310 monthly in combination with the veterans' employment compensation. Veterans completing all coursework through correspondence courses or on a less-than-half-time basis were only reimbursed for the cost of completed courses. Veterans in flight training received 75% of the cost of flight training unless the program of education combined flight training with other coursework.<sup>170</sup>

An allowance was not paid if veterans were absent from unaccredited courses or apprentice or on-the-job training for more than 30 days. Veterans could not suspend their education for longer than 12 months without a waiver from the VA. Veterans and their institutions were required to certify attendance, lessons completed, and/or satisfactory progress. The law disallowed veterans from receiving duplicate benefits from the Korean Conflict GI Bill and any other educational benefit from the U.S. Treasury.

## Participation and Cost

In the end, the nation spent \$4.5 billion (\$30.8 billion in 2008 inflation adjusted dollars) to provide education and training to almost 2.4 million Korean Conflict veterans (**Table B-1**). The total expenditure per participant was \$1,882 (\$12,867 in 2008 inflation adjusted dollars).

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<sup>166</sup> Starr, Paul, *The Discarded Army*, p. 237.

<sup>167</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 37-40.

<sup>168</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 154.

<sup>169</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

<sup>170</sup> Veterans pursuing programs of education that combined flight training and other coursework could be reimbursed for 75% of the cost of flight training and receive a monthly allowance. Their entitlement period was reduced at a rate of one day for every \$1.25 in payments.

**Table B-1. Korean Conflict GI Bill Participation**

	<b>Number</b>
Veteran Population	5,509,000
Total trained	2,391,000
College and other school trainees	2,073,000
College trainees	1,213,000
Other school trainees	860,000
On-the-job trainees	223,000
On-the-farm trainees	95,000

**Source:** Veterans Administration, *Veterans Benefits under Current Educational Programs, Fiscal Year 1984*, Washington, 1984, p. 28.

## **Appendix C. Post-Korea and Vietnam Era GI Bill<sup>171</sup>**

Once fighting and ground troop deployment escalated in Vietnam, the Veterans Readjustment Benefits Act of 1966 (P.L. 89-358), better known as the Post-Korea and Vietnam Era<sup>172</sup> GI Bill, was passed. The program is codified in Title 38 U.S.C., Chapter 34. Congress passed the bill unanimously despite reservations by President Lyndon B. Johnson that the cost was too high.<sup>173</sup> The benefits were designed to help recruit new servicemembers, extend benefits to all who fulfilled their compulsory service, and afford returning veterans an opportunity to receive the education and training missed while providing compulsory service in the military. Although the benefits were initially intended to provide “considerably less liberal treatment” to non-war veterans,<sup>174</sup> over time Congress expanded the benefits and liberalized eligibility. Incidentally, these veterans were eligible for other federal education benefits available to the general public and passed through the recently enacted Higher Education Act of 1965.

### **Eligible Individuals**

The new GI Bill increased the minimum active duty eligibility from 90 days, as in the original and Korean Conflict GI Bills, to 180 days and made servicemembers eligible for benefits while on active duty. Educational assistance benefits were available to all veterans who served on active-duty after January 31, 1955, who were discharged other than dishonorably and served a minimum of 180 days, or were discharged or released for a service-connected disability. The 180-day service period excluded time assigned to an education or training program similar to those offered to civilians, time spent as a cadet or midshipman at one of the service academies, time spent in college for a delayed enlistment in the Army National Guard or Air National Guard, and service in the National Guard and the Reserves. The program was later amended by P.L. 93-508, enacted in 1974, so that members of the National Guard and the Reserves after the initial active duty training period were eligible if the active duty period was at least one year.

Servicemembers remaining on active duty were eligible to use the benefits after serving two continuous years on active duty. This provision responded to concerns by the DOD that benefits available to veterans only would be counter to retention efforts.<sup>175</sup>

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<sup>171</sup> Description prepared by CRS based on a historical review of legislation and other reports.

<sup>172</sup> By presidential proclamation, the Vietnam Era began on February 28, 1961, and terminated on May 7, 1975, for veterans who served in the Republic of Vietnam during that period, and the Vietnam Era began on August 5, 1964, and ended on May 7, 1975, in all other cases.

<sup>173</sup> John T. Woolley and Gerhard Peters, *The American Presidency Project* [online], Santa Barbara, CA: University of California (hosted), Gerhard Peters (database). <http://www.presidency.ucsb.edu/ws/?pid=27461>.

<sup>174</sup> U.S. Congress, Senate Committee on Labor and Public Welfare, *Cold War Veterans' Readjustment Assistance Act*; report to accompany S. 9. Senate Report No. 89-269, 89<sup>th</sup> Congress, 1<sup>st</sup> Session, (Washington: GPO, 1965), p. 15.

<sup>175</sup> U.S. Congress, Senate Committee on Labor and Public Welfare, Subcommittee on Veterans' Affairs, *Cold War GI Bill - 1965*, S. 9: A Bill to Provide Readjustment Assistance to Veterans who Serve in the Armed Forces During the Induction Period, 89<sup>th</sup> Cong., 1<sup>st</sup> sess., February 8, 18, 19, 24, 26, March 1, 9, 1965, (Washington: GPO, 1965), pp. 66-67.

## **Benefit Availability and Duration of Use**

Although the bill was not passed until 1966, the benefits retroactively covered active duty servicemen since 1955 such that there would be no period of ineligibility of educational assistance benefits since September 16, 1940. Unlike the Korean Conflict GI Bill, there was no timeframe in which eligible persons had to begin an educational program. By law, no educational benefits under the Post-Korean Conflict GI Bill could be paid eight years (later extended to ten years by P.L. 93-337, enacted in 1974) after discharge or release or eight years after the Bill's enactment, whichever was later.<sup>176</sup>

Although Korean Conflict veterans were entitled to educational benefits for a period equal to 1½ times the duration of their active duty, this was initially reduced in the Post-Korean Conflict GI Bill to one month for each month of active duty service, but still no more than 36 months. P.L. 90-631, enacted in 1968, increased the period of entitlement to 1½ months of benefits for every month of service, with those serving 18 months or more being entitled to the full 36 months of benefits (the same formula that had applied to the Korean Conflict GI Bill). Later, the entitlement period was increased to 45 months for those pursuing a standard undergraduate college degree by P.L. 93-508, enacted in 1974, and finally to 45 months for all eligible persons by P.L. 94-502, enacted in 1976. Although Korean Conflict GI Bill veterans could combine benefits with other educational benefit programs administered by the VA to receive up to 48 months of educational benefits, this was originally reduced to 36 months under the Post-Korean Conflict GI Bill, but increased back to 48 months by P.L. 90-631, enacted in 1968. P.L. 94-502, enacted in 1976, terminated eligibility for those entering military service after December 31, 1976, and provided that no educational benefits could be paid after December 31, 1989.

## **Eligible Programs of Education, Institutions, and Establishments**

Many of the provisions initiated in the Korean Conflict GI Bill to ensure the benefits were used to promote quality work force preparation were maintained. Benefit recipients were required to declare an educational, professional, or vocational objective; however, there was greater latitude to change the objective.<sup>177</sup> Avocational and recreational courses were still disallowed.<sup>178</sup> No

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<sup>176</sup> Veterans who were ineligible for the program on discharge or release but whose discharge status was later amended to make them eligible for the program were allowed benefits for up to eight years (later extended to 10 years by P.L. 93-337, enacted in 1974) after the discharge status was amended. Veterans who were incapable of beginning education as a result of a physical or mental disability could be granted an extension for the period of incapacity according to P.L. 95-202, enacted in 1977. P.L. 97-72, enacted in 1981, authorized the VA to provide educational assistance through December 31, 1983, to Vietnam Era veterans whose 10-year delimiting date had expired but who had remaining dollars of entitlement and entitlement period, if the extended eligibility were used for apprentice or on-the-job training, a program with a vocational objective, or a program of secondary education, and if the VA determined that the veteran was in need of such a program to achieve a suitable occupational or vocational objective.

<sup>177</sup> Veterans were allowed one change of their educational objective if not making satisfactory progress (by no fault of misconduct, neglect, or lack of application) and allowed one additional change if the new program fit their aptitude or if there was a reduced likelihood of not making satisfactory progress as a result of their own misconduct, neglect, or lack of application.

<sup>178</sup> P.L. 91-219, enacted in 1970, added provisions allowing the disapproval of bartending, personal development, and sales courses, which do not provide specialized training in a specific vocation. P.L. 96-466, enacted in 1980, further clarified that over the preceding two years at least 50% of the graduates of vocational programs of education who were available for employment had to be employed in that vocational area for an average of 10 hours weekly for the educational program to gain approval. This provision was repealed by P.L. 97-306, enacted in 1982, because it was determined to no longer be necessary to prevent abuse.

allowance was paid if veterans were absent from courses, which did not lead to a standard college degree, for more than 30 days. Substantially new courses at private for-profit institutions that had been offered for fewer than two years were not eligible.

New provisions to ensure proper use of funds were added. Flight training courses had to be offered by IHLs and lead to a standard college degree (later revised to the standard college degree the recipient was seeking by P.L. 90-77, enacted in 1967). No on-the-job or on-the-farm course (later expanded to any course by P.L. 90-77, enacted in 1967) could be offered through open circuit television or radio, and no program of education leading to a standard college degree could offer the majority of courses through open circuit television or radio. Benefit recipients could not enroll in unaccredited courses below the college level at private institutions at which more than 85% of the students received payments from the institution or the VA. Disclosure and refund requirements for correspondence schools were prescribed to fight low completion rates by P.L. 92-540, enacted in 1972. P.L. 97-306, enacted in 1982, added provisions that payments could be suspended for courses where there was a substantial pattern of ineligible trainees receiving assistance because course approval requirements had not been met or the institution offering the course had violated recordkeeping requirements. Programs of education outside the United States were allowed only if offered at approved IHLs.

The list of eligible educational institutions and training establishments was initially narrowed from the Korean Conflict GI Bill to exclude public or private elementary schools, other schools furnishing education for adults, and businesses or other establishments offering apprenticeships or on-the-job training. These institutions and establishments were later added back to the list. The State Approving Agencies were maintained from the Korean Conflict GI Bill. Educational institutions were still required to report enrollment, interruption, and termination of education to the VA, but would start receiving an annual reporting fee for each eligible person<sup>179</sup> receiving educational benefits from the VA.

Eligibility and requirements were later added for small business, farm cooperative, on-the-job training (excluding apprenticeship), and flight training establishments to receive approval as eligible educational institutions from the State Approving Agency. Courses required by the Small Business Administration as a condition for obtaining financial assistance became eligible under P.L. 91-584, enacted in 1970. Farm cooperative training requiring 12 weekly hours of institutional agricultural courses and relevant agricultural employment became eligible under P.L. 90-77, enacted in 1967. P.L. 90-77 also provided strict requirements for on-the-job training programs: requiring progression and appointment to the next highest level based on the skills learned as opposed to length of service; providing compensation that matched non-veterans; providing initial compensation of not less than 50% of the final, full wage; requiring a reasonable guarantee that the job would be available upon completion of the training period; qualifying the trainee for the job; requiring at least six months of training but no more than two years; and requiring adequate resources for the training. Flight training eligibility was allowed by P.L. 90-77, enacted in 1967, for the attainment of a vocational objective in aviation for those with a valid private pilot's license or sufficient flight training hours for a private pilot's license (the allowance of sufficient hours without a license was later deleted by P.L. 91-219, enacted in 1970) if the flight school was approved by the State Approving Agency and Federal Aviation Administration. However, flight training for new enrollees was terminated by P.L. 97-35, enacted in 1981.

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<sup>179</sup> Eligible individuals include veterans, servicemembers, and surviving spouses and children eligible to receive benefits under the War Orphans Educational Assistance Program (Title 38 U.S.C., Chapter 35).

## **Benefit Payments**

Like the Korean Conflict GI Bill, an allowance for subsistence, tuition and fees, supplies, books, and equipment was paid directly to recipients. Veterans and servicemembers received up to \$150 monthly (eventually increased to \$510 for individuals with two dependents) according to a schedule based on full-time,<sup>180</sup> three-quarter-time, or half-time or cooperative program enrollment and the number of dependents. Active duty servicemembers and students pursuing education on a less-than-half-time basis were only reimbursed for the cost of completed courses, but no more than \$100 monthly (eventually increased to \$376 by P.L. 98-543, enacted in 1984). Students completing all coursework through correspondence courses were only reimbursed for the cost (eventually reduced to 55% of cost by P.L. 97-35, enacted in 1981) of completed courses, and their entitlement period was reduced by one quarter of the time in the program (eventually changed to one month of entitlement for each \$376 reimbursed by P.L. 98-543, enacted in 1984). Veterans in full-time on-the-farm, apprentice, or on-the-job training received a reduced allowance.<sup>181</sup> In general, veterans and servicemembers and their institutions were required to certify actual attendance, lessons completed, and/or satisfactory progress before payments were made.

Allowance and entitlement period provisions were added for students pursuing a standard college degree through independent study and for students pursuing education while incarcerated or in a half-way house by P.L. 96-466, enacted in 1980. The law disallowed veterans from receiving duplicate educational benefits from the U.S. Treasury.

For the first time, after the enactment of P.L. 91-219 in 1970, veterans and servicemembers were allowed to receive an advance payment for the first month of enrollment only. P.L. 95-202, enacted in 1977, authorized the state or local government to establish a program with the VA that would allow veterans to use accelerated payments to help repay certain VA loans. The veteran had to be enrolled full-time and complete the program satisfactorily with a degree, diploma, or certificate. The tuition and fees had to exceed \$700 for a term, and no more than 35% of program students could have received VA benefits. If these requirements were met, the state or local government paid the VA a matching amount of the accelerated payment.

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<sup>180</sup> Full-time attendance required a minimum of 30 hours per week for trade or technical courses below college level involving mostly shop practice, required a minimum of 25 hours per week for institutional courses below college level involving mostly theoretical classroom instruction, required a minimum of four units per year for academic high school courses, required a minimum of 14 credit hours (or less if certified by the institution according to P.L. 91-219, enacted in 1970) for institutional undergraduate courses, and required a 30-hour work week or the minimum established by the training establishment for apprentice and on-the-job training according to P.L. 91-584, enacted in 1970.

<sup>181</sup> P.L. 90-77, enacted in 1967, provided a payment schedule based on the first through fourth and succeeding six month periods of full-time apprentice or on-the-job training and the number of dependents. The maximum monthly payment was up to \$100 monthly for the first six months of training if the student had two or more dependents (eventually increased to \$336 by P.L. 98-543, enacted in 1984). P.L. 90-77 also allowed cooperative farm trainees \$80 per month (eventually increased to up to \$404 monthly for two dependents based on full-, three-quarter- and half-time status and the number of dependents by P.L. 98-543, enacted in 1984).

## **Predischarge Education Program**

The Predischarge Education Program (PREP) allowed servicemembers who completed 180 days of active duty and were still on active duty to receive an allowance for non-correspondence courses leading to a high school diploma or any deficiency, remedial, or refresher course in preparation for enrollment in an approved educational institution or training establishment. The monthly allowance was the lesser of actual tuition, fees, books, and supplies or \$175 (eventually increased to \$270 by P.L. 93-602, enacted in 1975). Allowances received while on active duty did not reduce the regular entitlement period upon discharge or release.<sup>182</sup>

## **Training for the Educationally Disadvantaged**

The Post-Korean Conflict GI Bill was later amended to provide special assistance and training for the educationally disadvantaged. First, P.L. 90-77, enacted in 1967, allowed veterans and servicemembers without a high school diploma or its equivalent or who needed additional secondary school courses to receive the regular allowance for these courses without the payments reducing their regular entitlement period. Second, P.L. 91-219, enacted in 1970, provided tutorial assistance of \$50 monthly for nine months (eventually increased to \$84 monthly for a maximum of 12 months, or \$1,008, by P.L. 98-543, enacted in 1984) to veterans and servicemembers enrolled in postsecondary education at least half-time. The tutorial assistance had to be for a deficiency in a course required for the educational objective, and the educational institution had to certify the need for assistance, the qualifications of the tutor, and the customary nature of the charges. Receipt of tutorial assistance did not reduce their regular entitlement period under the Post-Korean Conflict GI Bill.

## **Work Study**

P.L. 92-540, enacted in 1972, created a veteran work-study allowance for full-time students (later liberalized to at least three-quarter-time students by P.L. 101-237, enacted in 1989). The allowance of \$250 or a prorated sum (eventually increased to minimum wage or \$625, whichever is higher, by P.L. 95-202, enacted in 1977) was paid based on the agreement of a veteran to perform 100 hours of work in a term (eventually increased to a number of hours equal to 25 times the number of weeks in the term by P.L. 101-237, enacted in 1989). Eligible work was VA outreach services, preparation and processing of paperwork at the educational institution or VA, medical care, or other activities approved by the VA. Preference was given to veterans with greater than 30% disability.

## **Participation and Cost**

In the end, the Post-Korea and Vietnam Era GI Bill provided education and training to almost 1.4 million individuals who were servicemembers during the Post-Korean Conflict era and almost 6.8 million individuals who were servicemembers during the Vietnam era (**Table B-1**). In total, about 60% of individuals eligible for benefits under the program took advantage of the program. By the end of FY1990, cumulative program expenditures exceeded \$41.5 billion<sup>183</sup> (\$72.1 billion in 2008

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<sup>182</sup> P.L. 91-219, enacted in 1970, created the PREP, and P.L. 94-502, enacted in 1976, terminated the PREP.

<sup>183</sup> Department of Veterans Affairs, *Annual Report of the Secretary of Veterans Affairs: Fiscal Year 1990*, Washington, (continued...)

inflation adjusted dollars) or \$5,089 per participant (\$8,836 per participant in 2008 inflation adjusted dollars).

**Table C-1. Post-Korea and Vietnam Era GI Bill Participation**

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	<b>Post-Korean Era (June 1966– Sept. 1989)</b>	<b>Vietnam Era (June 1966– Sept. 1989)</b>	<b>Total Number</b>
Veteran population	3,237,000	10,252,000	13,489,000
Total trained	1,395,442	6,760,141	8,155,583
College and other school trainees	1,311,045	6,189,263	7,500,308
College trainees	734,568	4,278,848	5,013,416
Other school trainees	576,477	1,910,415	2,486,892
On-the-job trainees	64,500	534,071	598,571
On-the-farm trainees	19,897	36,807	56,704

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**Source:** Data provided by the U.S. Department of Veterans Affairs Congressional Relations on January 11, 2011.

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(...continued)

DC, March 1991, pp. 24-25.

## **Appendix D. Veterans and Dependents Education Loan Program<sup>184</sup>**

The Veterans and Dependents Education Loan Program was established by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (P.L. 93-508) in Chapter 36 of Title 38 U.S.C. to provide additional support to veterans attending high-cost institutions. Veterans who served on active duty after January 31, 1955, and before January 1, 1977 (later modified to active duty after January 31, 1955, by P.L. 94-502, enacted in 1976), and their spouses, widows, and children were eligible to borrow. Eligible individuals also had to be enrolled at least half-time in a program of education leading to a standard college degree or a six-month non-college degree. Loans were not eligible for correspondence courses or apprentice and on-the-job training. Veterans who were full-time students were allowed loans for another two years of their remaining dollars of entitlement once the VEAP entitlement period ended. Repayment began nine months after enrollment dropped below half-time and was completed within ten years.

The loans were up to \$600 (eventually increased to \$2,500 by P.L. 95-202, enacted in 1977) annually for education expenses. They were expected to cover the difference between the cost of attendance and the individual's reasonable financial resources.

There were several problems with the program's administration. The majority of loans were initially made to individuals at no- or low-cost institutions until P.L. 95-476 specified high-cost institutions. The loans were made without regard to other financial assistance such as Department of Education student financial assistance programs. The financial needs of 99% of recipients could have been covered through Department of Education student financial assistance programs. The default rate increased from 44% as of December 31, 1997, to 65% as of September 30, 1980. It also cost the VA 70 times more to administer the program than the Department of Education. P.L. 97-35 repealed the VA education loan program as of September 30, 1981, with some exceptions.<sup>185,186</sup>

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<sup>184</sup> Description prepared by CRS based on a historical review of legislation and other reports.

<sup>185</sup> The exceptions to the September 30, 1981, end date were Vietnam Era veterans who were continuing full-time training in the first two years following the expiration of their entitlement period or who were already pursuing flight training courses when flight training benefits were eliminated.

<sup>186</sup> U.S. General Accounting Office, *Veterans Administration Education Loan Program Should Be Terminated: Legislative Action Taken*, HRD-81-128, August 28, 1981, <http://archive.gao.gov/f0102/116325.pdf>.