



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

Cassandra Dortch
Analyst in Education Policy

February 1, 2010

Congressional Research Service

7-5700

www.crs.gov

R40723

Summary

The U.S. Department of Veterans Affairs (VA), previously named the Veterans Administration, has been providing veterans educational assistance benefits since 1944. 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. The categories of individuals eligible to receive benefits has expanded from just veterans to include service members, Reservists, National Guard members, and their dependents. Although the programs are administered by the VA, the Department of Defense pays certain benefits and provides additional benefits to certain persons with critical skills or lengthy service.

As of August 2009, there are six benefit programs available to eligible individuals who pursue education or training. A few veterans who first entered active duty service between December 31, 1976, and July 1, 1985, are still receiving benefits under the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP). The program provides veterans a monthly subsistence allowance, which is equivalent to three times the service members' contribution over the life of the benefit, up to 36 months.

Other benefits are also available. The Montgomery GI Bill has a program for individuals with active duty service known as the Montgomery GI Bill-Active Duty (MGIB-AD), and a program with lower benefit payments for Reservists known as the Montgomery GI Bill-Selected Reserves (MGIB-SR). To become eligible for the MGIB-AD, most service members must make a \$1,200 contribution; however, the benefit amount is not related to the contribution. To remain eligible for the MGIB-SR, the individual must remain on active duty or in the Reserves. The Reserves Educational Assistance Program (REAP) provides benefits to Reservists with active duty service. The benefit levels are higher than the MGIB-SR but lower than the MGIB-AD.

The newest program, the Post-9/11 GI Bill, started providing benefits on August 1, 2009. Many individuals currently eligible for the MGIB-AD and REAP are also be eligible for the Post-9/11 GI Bill. The program is designed to provide veterans who choose to attend public colleges and universities for their undergraduate studies with the full cost of attendance: tuition and fees, housing allowance, books and supplies stipend, tutorial and relocation assistance, and fees for a testing and certification, as needed. Individuals who attend private institutions of higher learning or public graduate and professional programs may receive additional benefits to cover a portion of their costs.

Finally, the dependents of individuals with military service may be eligible for four educational assistance programs. The Survivors' and Dependents' Educational Assistance (DEA) program provides benefits to the spouse and children of service members who, as a result of service, are seriously disabled, die, or are detained. The Army allows service members who stay in the military for several additional years to transfer their MGIB-AD benefits to their dependents. Service members 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 service members who die in the line of duty, the Marine Gunnery Sergeant John David Fry Scholarship Program.

Contents

Introduction	1
History of the Programs	1
Active Educational Assistance Programs	4
Post-Vietnam Era Veterans Educational Assistance Program (VEAP)	4
Eligible Individuals	4
Benefit Availability and Duration of Use	5
Eligible Programs of Education, Institutions, and Establishments	5
Benefit Payments	7
Montgomery GI Bill.....	8
Montgomery GI Bill—Active Duty (MGIB-AD).....	8
Montgomery GI Bill—Selected Reserves	14
Reserve Educational Assistance Program	16
Eligible Individuals	17
Benefit Availability and Duration	17
Eligible Programs of Education, Institutions, and Establishments	17
Benefit Payments	17
Transferability to Dependents.....	18
Post-9/11 Veterans Educational Assistance Program	18
Eligible Individuals	19
Benefit Availability and Duration	20
Eligible Programs of Education, Institutions, and Establishments	21
Benefit Payments	21
Yellow Ribbon Program.....	25
Marine Gunnery Sergeant John David Fry Scholarship Program.....	26
Transferability to Dependents.....	26
Survivors' and Dependents' Educational Assistance Program	27
Eligible Individuals	28
Benefit Availability and Duration	28
Eligible Programs of Education, Institutions, and Establishments	29
Benefit Payments	29
Summary and Comparison of Programs	30
Transferability of Benefits Between Programs.....	30
Reserves and National Guard Eligibility.....	31
Permanent Authorization of Programs	32
Veterans Counseling.....	32
Comparison of Educational Assistance Programs	32
Related Department of Veterans Affairs Programs	38
Vocational Rehabilitation and Employment Program.....	38
Veterans Work-Study.....	39
Participation and Cost	40

Figures

Figure 1. Total Veterans, Active-Duty Service Members, Reservists and Dependents Receiving VEAP, MGIB-AD, MGIB-SR, REAP, and DEA Education Benefits each Year (1978-2008)	41
---	----

Tables

Table 1. Chronology of Educational Assistance Programs Administered by the VA	2
Table 2. Percentage of Maximum Post-9/11 GI Bill Benefits based on Aggregate Length of Active Duty Service	22
Table 3. Selected Characteristics of Veterans' Educational Assistance Programs	32
Table 4. Annual payments for the MGIB-AD, REAP, and Post-9/11 GI Bill based on Length of Active Duty Service Requirement	37
Table 5. Undergraduate Veterans' Educational Assistance Recipients and Average Amount of Aid by Type of Military Service	41
Table 6. Obligations and Participation of Selected Programs Administered by the VA: FY2008	42
Table A-1. Original GI Bill Participation	46
Table B-1. Korean Conflict GI Bill Participation	50

Appendixes

Appendix A. Educational Assistance Under the Original GI Bill of Rights	43
Appendix B. Korean Conflict GI Bill	47
Appendix C. Post-Korea and Vietnam Era GI Bill	51
Appendix D. Veterans and Dependents Education Loan Program	56

Contacts

Author Contact Information	56
----------------------------------	----

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).¹ 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 third section reviews the linkages and commonalities between the programs. A summary of selected characteristics of the various programs is presented in **Table 3**. 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 GI Bills, which have been repealed, 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 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. Educational assistance payments reduce the total dollars of entitlement at a one-for-one basis; they also reduce the entitlement period at rates prescribed by Congress or in proportion to the base payment. 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.

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

¹ 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.

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.²

Despite the draft, military service was thought of as “a fundamental obligation of [male] citizenship.”³ Because the 16.1 million personnel⁴ who served in the U.S. Armed Forces⁵ during WWII accounted for over one-third of the 41.1 million⁶ 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 Legion⁷ worked together to pass the original GI Bill, or Serviceman’s Readjustment Act of 1944 (P.L. 78-346). 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. 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,⁸ and traditional college education. Several provisions were also added to prevent avocational or recreational educational pursuits and to ensure the quality of education provided.

Table 1. Chronology of Educational Assistance Programs Administered by the VA

Year Enacted	Common Name	Establishing Legislation	U.S. Code
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)
1966	Post-Korean Conflict and Vietnam Era GI Bill	Veterans Readjustment Benefits Act of 1966	Title 38, Chapter 34

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

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

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

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

⁶ 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.

⁷ 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.

⁸ 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.

Year Enacted	Common Name	Establishing Legislation	U.S. Code
1956	DEA (Survivors' and Dependents Educational Assistance)	War Orphans' Educational Assistance Act of 1956	Title 38, Chapter 35
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.

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 service members 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.

In 1956, the War Orphans' Educational Assistance Act of 1956 (P.L. 84-634) was passed to provide educational assistance to the children of service members 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 service members who died, became permanently or totally disabled, were missing-in-action, were captured, or were hospitalized as a result of service. Most recently, through the Post-9/11 GI Bill, educational assistance benefits are available to a spouse and children under certain circumstances.

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 service members. 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 are generally added as the programs mature.

Currently, five educational assistance programs are available to veterans and service members, and two are available to spouses and children. The oldest of these programs for veterans and service members 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 service members' pay while on active duty. The Montgomery GI Bill-Active Duty requires most service members to contribute an established amount, although the eventual benefits are not related to the contribution. The Montgomery GI Bill-Selected Reserves (MGIB-SR) only provides educational assistance to those currently serving in the Selected Reserves. Because reliance on the Reserves and National Guard increased after September 11, 2001, the Reserves Educational Assistance Program enacted in 2005 allows Reservists to receive an increased educational assistance benefit in comparison to the MGIB-SR after serving on active duty. Finally, the Post-9/11 GI Bill, effective August 1, 2009, 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. The following section describes in greater detail the active programs.

Active Educational Assistance Programs

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 service members. VEAP was designed as a recruitment incentive for the Armed Forces during peacetime.⁹

Eligible Individuals

VEAP was the first GI Bill to make educational benefits available to both active duty and reserve components simultaneously from the outset. The Post-Korean Conflict GI Bill (see **Appendix C**) was amended to include Reservists who served on active duty for over a year. Under VEAP, educational assistance benefits are available to individuals who entered active duty after December 31, 1976, and before July 1, 1985. To be eligible for benefits, veterans must have been discharged or released other than dishonorably and must have served a minimum of 180 days of active duty, or they must have been discharged or released for a service-connected disability. Service members remaining in service must have completed their first obligated period of active

⁹ 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, 94th Cong., 1st sess., October 1, 1975, S. Rept 761-4.

duty¹⁰ or six years of active duty, whichever is less. The 180-day active duty service period excludes time assigned to 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 Guard¹¹ or 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, for a total contribution of up to \$2,700.¹² After making at least 12 contributions, individuals could withdraw from the program, receiving their contributions in return and making them ineligible for program benefits.¹³ 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 service member.

Benefit Availability and Duration of Use

Veterans and service members must use their educational assistance benefits within ten years of discharge or release from active duty.¹⁴

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 service members 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.

Eligible Programs of Education, Institutions, and Establishments

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

- public or private elementary or secondary schools;

¹⁰ 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.

¹¹ The National Guard includes the Army National Guard and Air National Guard.

¹² 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.

¹³ Individuals on active duty could re-enroll at any time before July 1, 1985.

¹⁴ 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.

- 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.

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 programs¹⁵ for individuals not on active duty.¹⁶

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 \$300.¹⁷ 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.¹⁸ Individuals in a program of education consisting exclusively of flight training receive 60% of the program's established charges.¹⁹ 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.²⁰ 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.²¹

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.

¹⁵ 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.

¹⁶ All programs of education must be approved by the VA and other relevant approving agencies.

¹⁷ 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.

¹⁸ Veterans benefits cannot duplicate those paid under any other federal, state, or local program.

¹⁹ 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.

²⁰ 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.

²¹ 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.

Montgomery GI Bill

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.²² Although recruiting problems were not uniformly distributed by branch, rank, grade, or military occupational specialty (MOS), some suggested reinstating the draft. DOD was concerned by the high cost of attrition: training new recruits and loss of experience and expertise. Some witnesses argued for the elimination of the service member's contribution because retention rates were not appreciably increased by VEAP. 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 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.²³

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.²⁴ 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 Forces²⁵ 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.²⁶

²² 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*, 97th Cong., 1st and 2nd 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).

²³ U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97th Cong., 1st and 2nd 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).

²⁴ 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.

²⁵ 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.

²⁶ U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97th Cong., 1st and 2nd 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).

Eligible Individuals

Educational assistance benefits are available to four categories of individuals.

- **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. 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 immediately following the active duty service. For Reservists and National Guard members, the active duty service period includes only Active Guard/Reserve duty under section 12103(d) of 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. For Reservists and National Guard members, the active duty service period excludes time during which the individual was ordered to perform under section 12301, 12302, 12304, 12306, or 12307 of Title 10 U.S.C. for a period of less than two years. 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, 1985.²⁷ 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.

²⁷ 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.

- **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 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 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.²⁸ This is in contrast to the Post-Vietnam Era GI Bill, which required service members to elect to participate by making contributions. In certain circumstances, service members who initially declined the benefit were allowed to enroll in the program.²⁹ As with the Post-Vietnam GI Bill, to discourage experienced personnel from leaving the military, service members remaining in service are eligible to receive educational benefits; however, the period of service was reduced to allow benefits after serving just two continuous years on active duty (the VEAP requires completing the first obligated period of active duty or six years of active duty, whichever is less).

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.³⁰ Most individuals are entitled to 36

²⁸ 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 service member that had not already been used.

²⁹ Service members 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.

³⁰ 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. (continued...)

months (or the equivalent in part-time attendance) of educational assistance. Category 1 active duty service members 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.³¹ Veterans and service members 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.

Eligible Programs of Education, Institutions, and Establishments

The list of eligible training establishments and educational institutions mirrors that of the Post-Vietnam Era GI Bill. The eligible programs of education are the same as the Post-Vietnam Era GI Bill except that only non-active duty service members may enroll in apprentice or on-the-job training. Individuals may also enroll in preparatory courses for an admissions test to an institution of higher education (IHE) or graduate school.

Benefit Payments

Like the Post-Vietnam GI Bill, an allowance for subsistence, tuition and fees, supplies, books, and equipment is paid directly to recipients. Beginning with FY2010, and unless Congress changes the amount, the maximum monthly benefit amounts will be 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).³² The most recently published data from NCES shows that the average rates for in-state undergraduate tuition and required fees at public institutions for full-time students in degree-granting institutions increased 4.8%, from \$4,102 in academic year 2006-2007 to \$4,307 in academic year 2007-2008.³³ Effective October 1, 2009, veterans may receive up to \$1,368 monthly for full-time training.³⁴ A

(...continued)

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 could be granted an extension for the period of incapacity. 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.

³¹ 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.

³² 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).

³³ Snyder, T.D., Dillow, S.A., and Hoffman, C.M., *Digest of Education Statistics 2008* (NCES 2009-020), National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, Washington, DC, 2009, pp. 474-476.

³⁴ 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 21st 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 (continued...)

reduced allowance is provided for less than full-time training and for those who served less than three years of 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 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.³⁵ Individuals in cooperative training receive 80% of the monthly allowance.³⁶ 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.³⁷

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.

The same payments and conditions are available for tutorial assistance and testing as those under the Post-Vietnam Era GI Bill. Individuals may also receive the actual fee for an admissions or course credit test.³⁸

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, 2009, an individual in full-time institutional training with two dependents may receive \$1,623 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 (currently, the Army and Navy provide Kickers to select recruits).

(...continued)

occurring during FY2004. For FY2009, the monthly benefit amount was increased to \$1,321 by the Supplemental Appropriations Act, 2008 (P.L. 110-252).

³⁵ 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.

³⁶ The individual's entitlement period is reduced at 0.8 months for each month of cooperative educational assistance received.

³⁷ 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.

³⁸ 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.

- The military branches may also provide supplemental educational assistance for additional service to active duty service members 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 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.³⁹ 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 individual with critical skills.
- Service members 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.

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 tuition and expenses for the education and training of active duty personnel. Under Tuition Assistance Top-Up, MGIB-AD service members 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.⁴⁰

Transferability to Dependents

Each DOD service branch is authorized to allow eligible individuals to transfer their educational assistance benefits to family members, but only the Army offers such a 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 service members.

The Army pilot program is only available to service members in 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 child⁴¹ who will have finished high school or reached 18

³⁹ 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.

⁴⁰ 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.

⁴¹ 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.

years of age, to a spouse, or to some combination of children and spouse. The spouse may begin using the benefit after the service member completes six years of service; the children must wait until the service member has completed ten years of service. The transferred benefit must be used within ten years of the service member's honorable discharge or before the children reach 26 years of age.⁴² In 2009, the Army suggested that it may discontinue the pilot program after August 1, 2009.⁴³

Montgomery GI Bill—Selected Reserves

The Montgomery GI Bill-Selected Reserves⁴⁴ (MGIB-SR), passed under the same legislation as the MGIB-AD, is a Title 10 U.S.C. DOD program administered by the VA.⁴⁵ Each service component of the Selected Reserves is authorized to establish an educational assistance program to encourage membership in the Selected Reserves: Army, Navy, Air Force, Marine Corps, and Coast Guard Reserves; 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.⁴⁶

Eligible Individuals

The MGIB-SR program is available to individuals serving in the Selected Reserves, 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.⁴⁷ The Reservists also have to complete the initial period of active duty for training, complete 180 days of service in the Selected Reserves, have a high school diploma or its equivalent, and satisfactorily meet the necessary training requirements of the Selected Reserves. Individuals who fail to satisfactorily meet the training requirements of the Selected Reserves 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.⁴⁸

⁴² 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.

⁴³ Honorable Pete Geren and General George W. Casey, Jr., *A Statement on the Posture of the United States Army 2009*, United States Army, Transferability of GI Bill Benefits to Family Members, May 2009, http://www.army.mil/aps/09/information_papers/transferability_bill_benefits.html.

⁴⁴ The Selected Reserves 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.

⁴⁵ The MGIB-SR program is codified under Title 10 U.S.C., Chapter 1606 (10 U.S.C. § 16131 et seq.).

⁴⁶ U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military To Assist Recruiting*, 97th Cong., 1st sess., June 24, 1981, HRG-1981-ASH-0030, p. 70.

⁴⁷ Individuals receiving financial assistance under the Senior Reserve Officers' Training Corps are not eligible.

⁴⁸ 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 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 benefit 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 Reserves unless the separation is involuntary or the result of a disability.⁴⁹

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 educational assistance allowance, paid directly to recipients, is lower than that under the MGIB-AD. Unless on active duty, Reservists make a less time consuming commitment to the military, often working full-time jobs. Also, many states offer educational benefits to Reservists. 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 (discussed later). 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, 2009, Reservists receive up to \$333 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 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.⁵⁰ 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.⁵¹

⁴⁹ Educational assistance would not end on separation if it was an involuntary separation or resulted from a disability 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.

⁵⁰ 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.

⁵¹ 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.

Individuals may receive up to \$2,000 for each licensing or certification test.⁵² 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.

Transferability to Dependents

Each DOD service branch is authorized to allow eligible individuals to transfer their 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.⁵³ 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 service member. A spouse could begin using the benefit after the service member completes at least six years of service or the length of service required by regulation; the children would have to wait until the service member 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.

Reserve Educational Assistance Program

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 1607.⁵⁴ 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.

⁵² The entitlement period is reduced by the number of months equaling the proportion that the assistance is to the regular full-time monthly allowance.

⁵³ The transferred benefits could not be considered marital property in divorce proceedings.

⁵⁴ 10 U.S.C. § 16161 et seq.

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, 2001.⁵⁵ 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 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.

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 Reserves.⁵⁶ The Ready Reserves are one of the three major reserve components along with the Standby Reserves and Retired Reserves. The Ready Reserves are the primary manpower pool of the Reserves. They will usually be called to active duty before the other components and include the Selected Reserves.⁵⁷ However, individuals who complete the 90-day service requirement and who complete their service contract under honorable conditions remain eligible for benefits for 10 years after separation from the Selected Reserves (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.

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

⁵⁵ Individuals receiving financial assistance under the Senior Reserve Officers' Training Corps are not eligible.

⁵⁶ 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.

⁵⁷ See CRS Report RL30802, *Reserve Component Personnel Issues: Questions and Answers*, by Lawrence Kapp.

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, 2009, the maximum allowance for at least two continuous or three aggregate years of active duty service under REAP, \$1,094.40, 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, \$1,111.⁵⁸ Individuals may receive up to \$2,000 for each licensing or certification test.⁵⁹

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.

Transferability to Dependents

Each service branch is authorized to allow eligible individuals to transfer their 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.⁶⁰ 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 service member. A spouse could begin using the benefit after the service member completes at least six years of service or the length of service required by regulation; the child would have to wait until the service member 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-9/11 Veterans Educational Assistance Program

REAP was passed largely in response to concerns about the increased length and hardship of active duty service required of Reservists and National Guard members in military operations in Iraq and Afghanistan. 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 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. While it was recognized that veterans and service members would be eligible for other U.S. Department of Education student financial

⁵⁸ Based on rates effective October 1, 2009.

⁵⁹ The entitlement period is reduced by the number of months equaling the proportion that the assistance is to the regular full-time monthly allowance.

⁶⁰ The transferred benefits could not be considered marital property in divorce proceedings.

assistance benefits such as Pell Grants and Stafford Loans,⁶¹ 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 higher benefit would ameliorate military recruiting challenges and reduce the higher unemployment rate among veterans compared with non-veterans of the same age group.⁶²

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 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. Only about one-third of eligible individuals had used their MGIB benefits, perhaps because the DOD tuition assistance program allows many service members to achieve a college degree prior to release or discharge. The administration was interested in transferability as well, and President Bush advocated for transferability in his State of the Union address.⁶³

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 11, 2001. The program became effective August 1, 2009. The program is permanently authorized.

Eligible Individuals

Under the Post-9/11 GI Bill, veterans and service members 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. Service by National Guard members or Reservists under a call or order to active duty under Title 32,

⁶¹ Title IV of the Higher Education Act of 1965, as amended, authorizes several student aid programs: Pell Grant program, Federal Family Education Loan (FFEL) 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 RL34654, *The Higher Education Opportunity Act: Reauthorization of the Higher Education Act*, by David P. Smole et al.

⁶² U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Pending Montgomery GI Bill Legislation*, 110th Cong., 2nd 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*, 110th Cong., 2nd sess., May 7, 2008, S. Hrg. 110-675 (Washington: GPO, 2008), pp. 15, 21, 34, 49.

⁶³ U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Pending Montgomery GI Bill Legislation*, 110th Cong., 2nd 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*, 110th Cong., 2nd sess., May 7, 2008, S. Hrg. 110-675 (Washington: GPO, 2008), pp. 15, 21, 34, 49.

U.S.C. is not eligible. The active duty service period includes service on active duty in entry-level and skill training if the total active duty service period is at least 24 months.⁶⁴ The MGIB-AD and REAP require a certain period of *continuous* active duty service for eligibility; the Post-9/11 GI Bill uses *aggregate* active duty service. The active duty service period excludes time assigned to 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, and excludes service that is terminated because of a defective enlistment and induction. 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 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 individual 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 remain eligible for any supplemental assistance and Kickers; however, they lose any contributions to the MGIB-AD \$600 Buy-Up program.⁶⁵

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 service members, 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.⁶⁶

⁶⁴ 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.

⁶⁵ Department of Veterans Affairs, "Post-9/11 G.I. Bill: Final Rule," 74 *Federal Register* 14659, March 31, 2009. Under the MGIB-AD, service members 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.

⁶⁶ 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.

Eligible Programs of Education, Institutions, and Establishments

The list of eligible educational institutions and training establishments was narrowed from those in the MGIBs and REAP to include only institutions of higher learning (IHL).⁶⁷ The eligible programs of education are courses offered by an IHL and licensing and certification tests.

Benefit Payments

Instead of a single allowance for subsistence, tuition and fees, supplies, books, and equipment paid directly to recipients as in the other GI Bills, eight different payments are available under the Post-9/11 GI Bill:

1. *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 Rico⁶⁸ to a high of \$1,471 in Texas for the 2009-2010 academic year.⁶⁹

⁶⁷ An “institution of higher learning” is an institution offering postsecondary level academic instruction that leads to an associate or higher degree if the school is empowered by the appropriate state education authority under state law to grant an associate 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 which 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 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 which 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, as amended (HEA). 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.

⁶⁸ 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.

⁶⁹ U.S. Department of Veterans Affairs, 2009-10 Maximum In-State Tuition and Fees, available at http://www.gibill.va.gov/GI_Bill_Info/CH33/Tuition_and_fees.htm, last updated January 25, 2010.

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

Aggregate time served on active duty since 9/11/2001	Percentage of maximum benefit payable
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
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 is \$380 per credit hour for the 2009-2010 academic year. In the 2007-08 academic year, Centralia College charged \$74 per credit hour for in-state part-time undergraduate tuition.⁷⁰ 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 2007-08 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.
2. *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 \$245 in Guam to a high of \$63,576.50 in Utah⁷¹ for the 2009-2010 academic year.⁷²

⁷⁰ Tuition was reported to the U.S. Department of Education in the Integrated Postsecondary Education Data System (IPEDS).

⁷¹ High fees are often related to flight training.

⁷² U.S. Department of Veterans Affairs, 2009-10 Maximum In-State Tuition and Fees, available at http://www.gibill.va.gov/GI_Bill_Info/CH33/Tuition_and_fees.htm, last updated January 25, 2010.

3. *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).
4. *Housing Allowance.* Individuals who are on active duty, enrolled half-time or less, or in a program offered exclusively through distance learning⁷³ are not eligible for the Post-9/11 GI Bill housing allowance. Individuals not so excluded may directly receive a percentage of an amount which equals the monthly basic allowance for housing (BAH) for a member of the Armed Forces with dependents in pay grade E-5 in the military housing area in which the IHL is located.⁷⁴ 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 \$801 in the Mansfield, OH, area to a high of \$2,751 in the New York City area in 2009.⁷⁵
5. *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 \$41.67.⁷⁶ This stipend does not reduce the entitlement period and does not reduce other benefit payments.
6. *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 is available in the MGIBs and

⁷³ 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.

⁷⁴ BAH is a DOD benefit to uniformed service members 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.

⁷⁵ U.S. Department of Defense, 2010 BAH Rates—WITH DEPENDENTS, available at <http://www.defensetravel.dod.mil/pdc-archive/bah/acrobat/2010/FINAL%202010%20%27With%27%20Dependents%20BAH%20Rates.pdf> as of December 16, 2009.

⁷⁶ 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.

REAP; however, the tutorial assistance in the Post-9/11 GI Bill does not reduce the entitlement period and does not reduce other benefit payments.

7. *Testing and Certification Fees.* 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. Licensing and certification test fees are available under the MGIBs and REAP; however, the fee does not reduce the entitlement period and does not reduce other benefit payments under the Post-9/11 GI Bill. The REAP and MGIBs place no limit on the number of tests for which an allowance may be paid as long as each payment for each test does not exceed \$2,000.
8. *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.

Payments for individuals who are on active duty or enrolled half-time or less are slightly different. 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.⁷⁷ This amount could exceed the amounts charged by most expensive public institution in the state. Individuals on active duty may not receive the housing allowance or books and supplies stipend. 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.⁷⁸ Individuals enrolled half-time or less may not receive the housing allowance, but they may receive a books and supplies stipend reduced in proportion to the attendance rate. Individuals on active duty and those enrolled half-time or less may still be eligible to receive tutorial assistance, testing and certification fees, and relocation and travel assistance.

Individuals may be eligible for advance payments, supplemental assistance for additional years of service, Kickers, and Tuition Assistance Top-Up. Individuals who pursue all courses online are not eligible for 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.⁷⁹ Advance payment of the housing allowance (payable to the IHL) is available to individuals enrolled more than half-time, but tuition, fees, and books and supplies costs cannot be advanced.⁸⁰ 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.

⁷⁷ The entitlement period is reduced one month for each month enrolled.

⁷⁸ The entitlement period is reduced a fraction of a month for each month enrolled. The fraction is the ratio of the 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.

⁷⁹ 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>.

⁸⁰ 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.

Yellow Ribbon Program

The Yellow Ribbon GI 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.⁸¹ 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.⁸² 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 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 2007-08 academic year, Gonzaga University charged \$670 per credit hour for part-time graduate tuition and \$176 per year in full-time graduate student fees.⁸³ 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 \times 8 credit hours) in tuition and \$88 (\$176 fees per year \times $\frac{1}{2}$ 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% \times \$380 per credit hour \times 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

⁸¹ 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.

⁸² 38 CFR 21.9700 as of March 31, 2009.

⁸³ Tuition and fees were reported to the U.S. Department of Education in the Integrated Postsecondary Education Data System (IPEDS).

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.⁸⁴ The Armed Forces include the Reserves and National Guard. Scholarship recipients are eligible to receive all Post-9/11 GI Bill benefits for 36 months at the maximum 100% rate. No scholarship program benefits can be paid 15 years or more after the child's 18th birthday. Although the program took effect August 1, 2009, payments, including retroactive payments, will not be 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 service members on active duty.⁸⁵

Transferability to Dependents

The DOD allows the transfer of benefits from individuals eligible for the Post-9/11 GI Bill to certain family members.⁸⁶ 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. Three categories of individuals may transfer some or all of their benefits. The first category includes service members who have completed six years of service and agree to serve four additional years. The second category includes service members 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 service members who become retirement eligible between August 1, 2009, and August 1, 2013. Service members in the third category are required to serve an additional 0-3 years, depending on their retirement eligibility date.⁸⁷

⁸⁴ 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. Children must be legitimate children, acknowledged illegitimate children, legally adopted, or stepchildren who are members of the eligible individual's household.

⁸⁵ 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.

⁸⁶ 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>.

⁸⁷ Service members 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. Service members who become (continued...)

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.⁸⁸ The family members must be enrolled in the DOD Defense Eligibility Enrollment Reporting System and be eligible for benefits at the time the transfer is designated. The eligible service member can 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 service member 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 service member 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 service member 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.

Survivors' and Dependents' Educational Assistance Program

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 service member had not become disabled, delayed,⁸⁹ or died as a result of military service.

(...continued)

eligible for retirement after August 1, 2009, and before August 1, 2010, are required to serve one additional year of service. Service members 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. Service members 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.

⁸⁸ The transferred benefits could not be considered marital property in divorce proceedings.

⁸⁹ A service member 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.

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 disability⁹⁰ as a result of an active duty service-connected disability, or died while the active duty service-connected disability was being evaluated;⁹¹
- 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.⁹² Neither the spouse nor child may receive educational assistance under DEA while in the armed forces or if released under dishonorable conditions.

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.⁹³ If the service member 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.⁹⁴ Individuals are entitled to 45 months (or the equivalent in part-time attendance) of educational and training benefits.

⁹⁰ 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.

⁹¹ Children of Commonwealth Army veterans and New Philippine Scouts who meet the requirements of service-connected disability or death are also eligible.

⁹² 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.

⁹³ 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.

⁹⁴ 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.

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 training⁹⁵ 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, 2009, individuals receive up to \$925 monthly according to a schedule based on full-time, three-quarter-time, and half-time institutional enrollment and \$925 monthly for cooperative training. Individuals enrolled less than half-time but more than quarter-time at an institution receive the lesser of actual tuition and fees or \$461 monthly, and individuals enrolled quarter-time or less receive the lesser of actual tuition and fees or \$231.25 monthly. Individuals receive up to \$745 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.⁹⁶ For individuals in apprentice or on-the-job training, the monthly allowance is \$674, \$505, \$333, and \$168 for the first six months, second six months, third six months, and thereafter, respectively.⁹⁷ 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.⁹⁸

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

⁹⁵ 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.

⁹⁶ The individual's entitlement period is reduced one month each time the collective amount paid is equal to \$925.

⁹⁷ 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.

⁹⁸ 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.

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 \$925 monthly for full-time⁹⁹ special restorative training and an increased amount equal to the amount that the tuition and fees for the training exceeds \$287 monthly.¹⁰⁰

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.¹⁰¹

Summary and Comparison of Programs

VEAP, MGIB-AD, MGIB-SR, REAP, and the Post-9/11 GI Bill programs are available as of August 1, 2009. Many service members 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 service members 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.

Transferability of Benefits Between Programs

Veterans and service members, many of whom will be eligible for more than one program, can combine benefit programs administered by the VA to receive up to 48 months of educational benefits; however, benefits under more than one program cannot be received concurrently.¹⁰² An

⁹⁹ Full-time training is determined by the capacities of the individual. Only full-time restorative training is eligible.

¹⁰⁰ An individual's entitlement period is reduced one day for each \$30.83 in increase.

¹⁰¹ 38 C.F.R. § 21.3023.

¹⁰² 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 (continued...)

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. 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.

Reserves and National Guard Eligibility

Program eligibility for Reservists and National Guard members is variable across the programs. Reservists who made contributions to their educational fund while on active duty, excluding active duty for training, for at least 180 days are eligible for VEAP. Three groups are eligible under the MGIB-AD:

- Selected Reservists and National Guard members who serve two continuous years of honorable active duty service under Title 10 U.S.C. § 12103(d);
- individuals serving on 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.; and
- 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, and who made the requisite \$1,200 contribution during the open period from October 9, 1996, to June 8, 1997.

The MGIB-SR does not require any active duty service. All members of the Selected Reserves, including National Guard, are eligible if they agree to a six-year service obligation.

Two groups are eligible under REAP:

- Reservists, including National Guard, who have served on active duty in support of a contingency operation for at least 90 consecutive days after September 10, 2001; and
- National Guard members who have served on full time National Guard duty under Title 32 U.S.C. § 502(f) for at least 90 consecutive days after September 10, 2001, when authorized by the President or Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by federal funds.

Reservists, including National Guard, who are called or ordered to active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of Title 10 U.S.C. for an aggregate minimum of 90 days after September 10, 2001, are eligible for the Post-9/11 GI Bill.

(...continued)

period for educational assistance in combination with the vocational rehabilitation and employment program (Chapter 31 of Title 38).

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 service members 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.

Comparison of Educational Assistance Programs

Table 3 provides a summary of some of the key characteristics of the active programs.

Table 3. 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
Eligible Individuals						
Period of qualifying service	12/31/1976 to 7/1/1985	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

Characteristic	VEAP	MGIB-AD	MGIB-SR	REAP	Post-9/11 GI Bill	DEA
Minimum required length of service	181 continuous days of active duty service, if entered before October 16, 1981 24 months of continuous active duty service if 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	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 Reserves	Honorable discharge or further service in 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
Benefit Availability and Duration						
Period of use	1/1/1977 to present	7/1/1985 to present	7/1/1985 to present	12/9/2001 to present	Starting 8/1/2009	1956 to present
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

Characteristic	VEAP	MGIB-AD	MGIB-SR	REAP	Post-9/11 GI Bill	DEA
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
Benefit Payments						
Maximum standard benefit as of October 1, 2008	\$300 per month ^a for subsistence, tuition and fees, supplies, books, and equipment	\$1,321 per month ^b for subsistence, tuition and fees, supplies, books, and equipment	\$329 per month ^b for subsistence, tuition and fees, supplies, books, and equipment	\$1,057 per month ^c for subsistence, tuition and fees, supplies, books, and equipment	\$2,751 per month for subsistence ^d Up to \$1,471 tuition per credit hour per academic term ^d Up to \$63,576.50 for fees per academic term ^d	\$915 per month for subsistence, tuition and fees, supplies, books, and equipment

Characteristic	VEAP	MGIB-AD	MGIB-SR	REAP	Post-9/11 GI Bill	DEA
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
Admissions or course credit test	Actual cost	Actual cost	Eligible	Eligible	Not 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 ^e for recruitment Up to \$350 per month for retention	Not eligible
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
Transferability to dependents						
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 service member 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 (service member contribution plus government share) is then divided by the number of months the service member 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. 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 2009-2010 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.

The active duty eligibility requirements between the three main programs that offer benefits for active duty service (MGIB-SR does not offer benefits for active duty service and VEAP participation is low) create some differences in benefits (see **Table 4**). Comparing benefits is complicated by the fact that MGIB-AD and REAP only take into account consecutive or continuous periods of service; while the Post-9/11 GI Bill computes aggregate periods of service. Also, estimating payments under the Post-9/11 GI Bill is complicated by the fact that some of the published maximum fees for each state are inflated by small programs at a small number of institutions in the state. For instance, the Post-9/11 GI Bill 2008-2009 maximum total fees per term for Colorado are \$43,035, but the maximum in-state required fees for most full-time undergraduates in the 28 public two- and four-year IHEs in the state of Colorado is \$1,379 for the full 2007-2008 academic year.¹⁰³ Students who attended the helicopter pilot training program at Aims Community College in Colorado were charged \$43,035 in fees per term during the 2008-2009 academic year.¹⁰⁴

¹⁰³ The value of \$1,379 was calculated by CRS. It is the maximum amount of in-state required fees for full-time undergraduate students for the full academic year 2007-2008 for all 28 public two- and four-year colleges and universities in Colorado as reported in the U.S. Department of Education's Integrated Postsecondary Data System under the variable labeled *IC2007_AY.FEE2:VL-In-state required fees for full-time undergraduates*. The fees represent the fixed sum charged to students for items not covered by tuition and required of such a large proportion of all students that the student who does not pay the charge is an exception.

¹⁰⁴ Elizabeth Redden, "GI Bill Lets Veterans Take Flight," *Inside Higher Ed*, July 10, 2009.

Table 4. Annual payments for the MGIB-AD, REAP, and Post-9/11 GI Bill based on Length of Active Duty Service Requirement

Full-time enrollment at an IHL for nine months

Active duty service requirement	MGIB-AD maximum standard annual payment (\$) ^{ab}		REAP maximum standard annual payment (\$) ^a	Post-9/11 GI Bill estimated median annual payment (\$) ^{ac}
	Reservists	Regular		
90 days	—	—	4,756	12,936
6 months	—	—	4,756	16,170
12 months	—	—	7,133	19,404
18 months	—	—	7,133	22,638
2 years ^d	9,657	9,657	9,511	25,872
2 ½ years ^d	9,657	9,657	9,511	29,107
3 years	11,889	11,889	9,511	32,341

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

- a. The annual payments exclude additional allowances for tutorial assistance, licensing and certification fees, kickers, the \$600 Buy-Up Program, additional assistance for additional service, and additional payments for critical skills.
- b. The MGIB-AD maximum standard annual payment does not reflect the allowance received by Post-Korean Conflict GI Bill recipients who transfer to the program.
- c. The Post-9/11 GI Bill estimated median annual payment is the un-weighted median annual payment of all 50-state basic allowance for housing (BAH) areas. The annual payment was calculated to estimate full-time IHL attendance for an academic year by a veteran by summing for each BAH within a state the 2009 monthly housing allowance times nine months, the 2008-2009 maximum charge per credit hour for the state times 24 credit hours, and the 2008-2009 maximum total fees per term times two terms. The estimated median annual payment is the average of the two values in the middle of the distribution—the Rockford, IL, area with a BAH of \$965, maximum charge per credit hour of \$558.08, and maximum total fees per term of \$5,126.50 and the Ocala, FL, area with a BAH of \$1,070, maximum charge per credit hour of \$682.23, and maximum total fees per term of \$3,172.86. Using this methodology, benefit recipients in the Denver, CO, area with a BAH of \$1,531, maximum charge per credit hour of \$419, and maximum total fees per term of \$43,035 could receive the highest estimated annual payment of up to \$109,905. Benefit recipients in the Fort Chaffee/Fort Smith, AR, area with a BAH of \$776, maximum charge per credit hour of \$167, and maximum total fees per term of \$751.46 could receive the lowest estimated annual payment of up to \$12,494.92. The estimate does not include possible participation in the Yellow Ribbon Program, a books and supplies stipend, and relocation and travel assistance.
- d. Reservists must fulfill an additional four years of Reserve duty in addition to the active duty requirements to receive the MGIB-AD payment.

For an eligible Reservists who has 90 consecutive days of active duty service and attends an IHL full-time for nine months, the estimated median annual benefit under the Post-9/11 GI Bill (\$12,936) is almost triple the benefit under REAP (\$4,756). A member of the regular armed forces who serves two continuous years on active duty may be eligible to receive double the benefit under the Post-9/11 GI Bill (\$19,629) compared to MGIB-AD (\$9,657). A Reservist who serves two continuous years on active duty may be eligible to receive an estimated median annual benefit of \$25,872 under the Post-9/11 GI Bill without the MGIB-AD requirement of an additional four years in the Selected Reserves in order to be eligible to receive a maximum standard annual MGIB-AD benefit of \$9,657.

Related Department of Veterans Affairs Programs

Vocational Rehabilitation and Employment Program

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.¹⁰⁵ 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.¹⁰⁶ 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, 2009, the allowance for full-time training at an IHL is \$800.36 monthly for an individual with two dependents. 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

¹⁰⁵ For additional information, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Christine Scott and Carol D. Davis.

¹⁰⁶ The program of independent living services and assistance may be 24 months.

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 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 compensation¹⁰⁷ 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

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 rating¹⁰⁸ 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,

¹⁰⁷ 38 U.S.C. § 3108 et seq.

¹⁰⁸ The VA conducts disability evaluations and assigns disability ratings to service members 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.

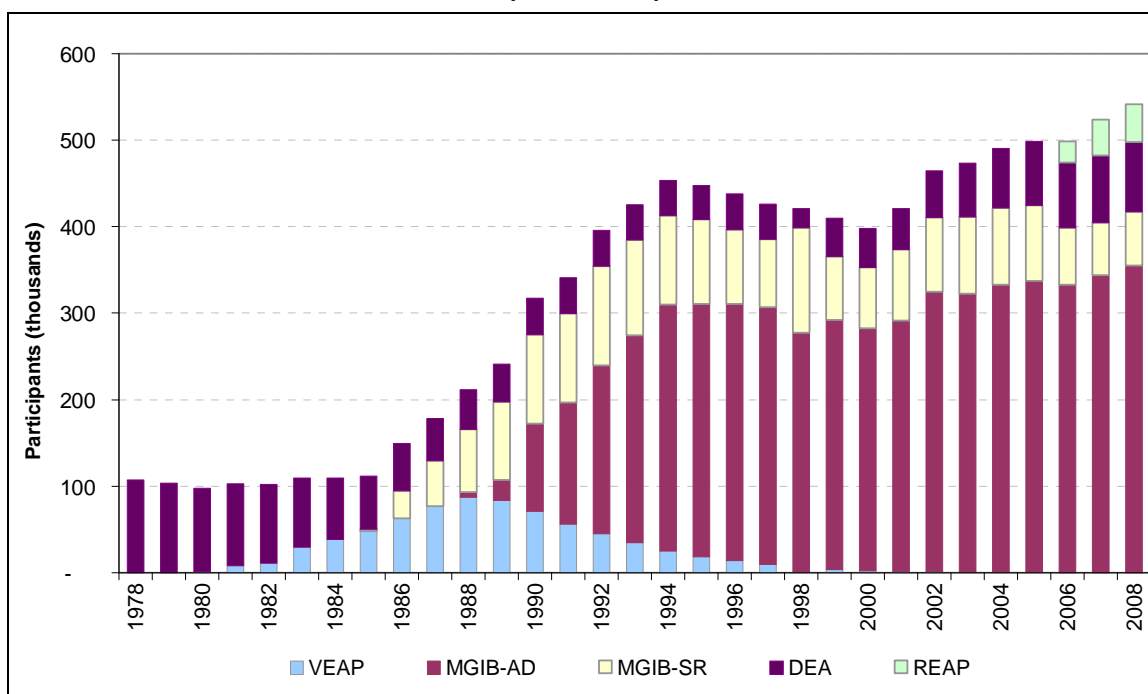
- preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the VA,
- hospital and domiciliary care and medical treatment at VA facilities,
- activities related to the administration of MGIB-SR at DOD, Coast Guard, or National Guard facilities (for Reservists only), 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, and DEA is exhibited in **Figure 1**. Participation in VEAP peaked in 1988 at 88,964 and is slowly declining as the eligible individuals become older or transfer to other programs. The number of participants in the MGIBs has been moderately stable since 1994 for MGIB-AD, nine years after implementation, and since 1989 for MGIB-SR, four years after implementation. Since individuals eligible to receive benefits under the MGIB-SR cannot receive benefits after separating from the Selected Reserves, it may be more important to initiate use of the benefits as soon as possible after initial eligibility. Also, the Reserve population may be more mature than the population first entering active duty such that their long-term plans are more likely to have been determined. MGIB-AD participation has averaged 310,000 since 1994. MGIB-SR participation has averaged 88,000 since 1989. Participation in REAP has increased in each of its three years, 2006 through 2008. Participation cycles in DEA mirror major conflicts with greater participation around the Vietnam Conflict, 1978-1982, and around the conflict in Iraq, 2004-2008.

Figure 1. Total Veterans, Active-Duty Service Members, Reservists and Dependents Receiving VEAP, MGIB-AD, MGIB-SR, REAP, and DEA Education Benefits each Year (1978-2008)



Source: Department of Veterans Affairs' Annual Reports 1978-1997 and data provided to CRS by the Department of Veterans Affairs, 1998-2008.

Notes: Beneficiaries may receive benefits in more than one year. The figure excludes concurrent participation in the Post-Korea and Vietnam Era GI Bill and the Veterans and Dependents Education Loan Program.

Although the educational assistance programs administered by the VA provide a significant benefit to veterans and service members, the programs have very little impact on the total undergraduate population (**Table 5**). The programs served fewer than half of all veterans and service members in undergraduate postsecondary education in the 2007-2008 academic year. Fewer than 3% of undergraduates and about one-third of undergraduate veterans and active duty military personnel receive any veterans' educational assistance. The small percentage, less than 1%, of undergraduates with no military service who receive veterans' benefits may be in the DEA program, the MGIB-AD Army pilot program allowing the transfer of benefits to dependents, or a DOD program.

Table 5. Undergraduate Veterans' Educational Assistance Recipients and Average Amount of Aid by Type of Military Service
2007-08 Academic year

	Percentage of undergraduates	Percentage receiving veterans' educational assistance	Average veterans' educational assistance (\$)
Total undergraduates	100	2.3	5,573
Veterans	3.1	38.3	6,138
Active duty military	0.7	38.5	4,167

	Percentage of undergraduates	Percentage receiving veterans' educational assistance	Average veterans' educational assistance (\$)
Reservists	0.4	56.6	5,009
No military service	95.8	0.6	5,241

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 and DOD educational benefits during the 2007-2008 academic year are based on institutional records and self-reported information on federal financial aid applications and student interviews.

Table 6 compares participation and cost of selected programs administered by the VA. The program with the largest participation and obligations in FY2008 was the MGIB-AD, with almost 350,000 participants and total obligations of over \$2.1 billion. The program with the smallest participation was VEAP, with 560 participants and total obligations of less than \$1 million. The MGIB-AD program was more expensive at \$5,984 per participant. In the FY2010 Budget, the VA estimates that participation in the Post-9/11 GI Bill will reach almost half of a million, at an average cost of \$16,164 per participant, while the MGIB-AD participation will decrease to less than 50,000 as most participants transfer to the new program.

Table 6. Obligations and Participation of Selected Programs Administered by the VA: FY2008

Program	2008 Obligation (\$ thousand)	Participation	2008 Appropriation per participant (\$)
VEAP	746	560	1,333
MGIB-AD	2,112,635	354,284	5,984
MGIB-SR	149,344	62,403	2,393
REAP	148,580	44,025	3,375
DEA	434,715	80,191	5,421
VR&E Subsistence Allowance	238,131	55,059	4,325
VR&E Books, Tuition, Supplies, Fees, etc.	377,796	16,231	5,299

Source: Department of Veterans Affairs, *FY2010 Budget Submission*, pp. 2b-3 and 2d-4, http://www.va.gov/budget/summary/2010/Volume_3-Benefits_and_Burial_and_Dept_Admin.pdf.

Appendix A. Educational Assistance Under the Original GI Bill of Rights¹⁰⁹

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 service members 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.¹¹⁰ From December 1, 1941, through December 31, 1946, 16.1 million personnel served in the U.S. armed forces in WWII.¹¹¹ The U.S. population in 1946 is estimated at 141,388,566.¹¹²

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,

¹⁰⁹ Description prepared by CRS based on a historical review of legislation and other reports.

¹¹⁰ The draft age was lowered from 20 to 18 years when President Roosevelt signed the Selective Service Act of 1942 (P.L. 77-772).

¹¹¹ Facts for Features, U.S. Census Bureau, April 29, 2004, <http://www.census.gov/Press-Release/www/2004/cb04-ffse07.pdf>.

¹¹² 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.¹¹³ By law, no educational benefits under the original GI Bill could be paid seven years after the end of WWII, or July 25, 1956.¹¹⁴

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.¹¹⁵ Stricter criteria were prescribed for on-the-job and on-the-farm training programs and vocational schools.¹¹⁶ Also, avocational and recreational training programs, such as nonvocational flight training, were eventually prohibited.¹¹⁷

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

¹¹³ 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.

¹¹⁴ 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.

¹¹⁵ 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 28-29.

¹¹⁶ 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.

¹¹⁷ 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.¹¹⁸ Paying tuition and fees directly to educational institutions led to overpayments and excessive payments to for-profit vocational training programs in particular.¹¹⁹ Some institutions were created solely to profit from the program.¹²⁰ 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.¹²¹ 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.¹²² 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**).¹²³ The total expenditure per participant was \$1,859 (\$14,700 in 2008 inflation adjusted dollars).

¹¹⁸ 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.

¹¹⁹ 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

¹²⁰ 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, 89th Cong., 2nd sess., February 3, 1966, Report No. 1258, p. 3.

¹²¹ 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, 84th Cong., 2nd sess., September 12, 1956, H.Prt. 291 (Washington: GPO, 1956), pp. 55-59.

¹²² 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 29.

¹²³ 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

	Number
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 Bill¹²⁴

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 six million (or 4%) of a national population of 157,552,740 in 1952,¹²⁵ 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.¹²⁶

Eligible Individuals

Veteran eligibility was essentially the same for the Korean GI Bill as the original GI Bill except that only those 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, 1955¹²⁷) 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 years after discharge or release or upon the termination of hostilities, whichever was earlier.¹²⁸

¹²⁴ Description prepared by CRS based on a historical review of legislation and other reports.

¹²⁵ 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>.

¹²⁶ 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

¹²⁷ The January 31, 1955, termination date for eligibility was established by P.L. 84-7 enacted in 1955.

¹²⁸ 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 (continued...)

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 Organizations¹²⁹ 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.¹³⁰

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 led to abuse.¹³¹ A 1956 House Report determined that because the original GI Bill was generous,

(...continued)

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.

¹²⁹ 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.

¹³⁰ 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 28-31, 153-154.

¹³¹ Starr, Paul, *The Discarded Army*, p. 237.

some veterans used the benefits for income rather than to achieve an employment goal.¹³² 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.¹³³

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,¹³⁴ 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.¹³⁵

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).

¹³² 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 37-40.

¹³³ 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 154.

¹³⁴ 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, 84th Cong., 2nd sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

¹³⁵ 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

	Number
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 Bill¹³⁶

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 Era¹³⁷ 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.¹³⁸ The benefits were designed to help recruit new service members, 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,¹³⁹ 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 service members 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 Reserves. The program was later amended by P.L. 93-508, enacted in 1974, so that members of the National Guard and Reserves after the initial active duty training period were eligible if the active duty period was at least one year.

Service members 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.¹⁴⁰

¹³⁶ Description prepared by CRS based on a historical review of legislation and other reports.

¹³⁷ 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.

¹³⁸ 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>.

¹³⁹ 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, 89th Congress, 1st Session, (Washington: GPO, 1965), p. 15.

¹⁴⁰ 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, 89th Cong., 1st 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.¹⁴¹

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.¹⁴² Avocational and recreational courses were still disallowed.¹⁴³ No

¹⁴¹ 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.

¹⁴² 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.

¹⁴³ 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 person¹⁴⁴ 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.

¹⁴⁴ Eligible individuals include veterans, service members, 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 service members received up to \$150 monthly (eventually increased to \$510 for individuals with two dependents) according to a schedule based on full-time,¹⁴⁵ three-quarter-time, or half-time or cooperative program enrollment and the number of dependents. Active duty service members 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.¹⁴⁶ In general, veterans and service members 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 service members 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.

¹⁴⁵ 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.

¹⁴⁶ 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 service members 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.¹⁴⁷

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 service members 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 service members 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.

¹⁴⁷ P.L. 91-219, enacted in 1970, created the PREP, and P.L. 94-502, enacted in 1976, terminated the PREP.

Appendix D. Veterans and Dependents Education Loan Program¹⁴⁸

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.^{149,150}

Author Contact Information

Cassandra Dortch
Analyst in Education Policy
cdortch@crs.loc.gov, 7-0376

¹⁴⁸ Description prepared by CRS based on a historical review of legislation and other reports.

¹⁴⁹ 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.

¹⁵⁰ 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>.