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# **GI Bills Enacted Prior to 2008 and Related Veterans' Educational Assistance Programs: A Primer**

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## Summary

The U.S. Department of Veterans Affairs (VA), previously named the Veterans Administration, has been providing veterans educational assistance (GI Bill<sup>®</sup>) 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. In general, the benefits provide grant aid to eligible individuals enrolled in approved educational and training programs. Since three of the GI Bills have overlapping eligibility requirements and the United States is expected to wind down involvement in active conflicts, Congress may consider phasing out one or more of the overlapping programs.

This report describes the GI Bills enacted prior to 2008. Although participation in the programs has ended or is declining, the programs' evolution and provisions inform current policy. The Post-9/11 GI Bill (Title 38 U.S.C., Chapter 33), enacted in 2008, is described along with potential program issues in CRS Report R42755, *The Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill): Primer and Issues*, by Cassandra Dortch.

This report provides a description of the eligibility requirements, eligible programs of education, benefit availability, and benefits. The report also provides some summary statistics, comparisons between the programs (see **Table 2**), and brief discussions of related programs. Individuals currently participate in five GI Bills enacted prior to 2008:

- The most popular program prior to the Post-9/11 GI Bill was the Montgomery GI Bill-Active Duty (MGIB-AD), which provides a monthly allowance primarily to veterans and servicemembers who enter active duty after June 30, 1985.
- The Montgomery GI Bill-Selected Reserve (MGIB-SR) provides a lower monthly allowance than the MGIB-AD to reservists who enlist, re-enlist, or extend an enlistment after June 30, 1985.
- The Reserves Educational Assistance Program (REAP) provides a monthly allowance that is higher than the MGIB-SR but lower than the MGIB-AD to reservists with active duty service.
- The program with the fewest individuals receiving benefits is the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP), which provides a monthly allowance to veterans who first entered active duty service on or after January 1, 1977, and before July 1, 1985.
- The dependents of individuals with military service may be eligible for the Survivors' and Dependents' Educational Assistance (DEA) program, which provides benefits to the spouse and children of servicemembers who, as a result of service, are seriously disabled, die, or are detained.

Other educational support is available to veterans using these benefits. Participants may also request academic and vocational counseling before and while using their GI Bill benefits. Participants on a growing number of pilot campuses have access to the VetSuccess on Campus program, which provides on campus counseling and referral services. In addition to counseling support, some participants may participate in the Veterans Work Study Program to receive additional financial assistance in exchange for work while attending school.

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## Introduction

This report provides a detailed description of five of the six educational assistance programs (GI Bills®)<sup>1</sup> that are currently available to veterans or other eligible individuals through the U.S. Department of Veterans Affairs (VA). The GI Bills provide financial assistance while enrolled in approved programs of education or training programs to individuals whose eligibility is based on service in the uniformed services. The sixth program, which is the most recently enacted, is the Post-9/11 GI Bill (Title 38 U.S.C., Chapter 33). It is described along with potential program issues in CRS Report R42755, *The Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill): Primer and Issues*, by Cassandra Dortch.

Congress may consider consolidating, phasing out, or amending one or more of the educational assistance programs with overlapping eligibility requirements.<sup>2</sup> Individuals with active duty military service after September 10, 2001, may be eligible for three programs: the Montgomery GI Bill-Active Duty (MGIB-AD), the Reserves Educational Assistance Program (REAP), and the Post-9/11 GI Bill. Most Post-9/11 GI Bill-eligible veterans are expected to choose the Post-9/11 GI Bill, which generally provides more comprehensive benefits and higher payments in comparison to the other programs. There are five potential reasons for phasing out one or more of the overlapping programs.

- By statutory provisions, monetary contributions to secure MGIB-AD eligibility are automatically deducted from the pay of all new recruits to the regular Armed Forces unless they decline the benefit. This reduction in pay is a burden for some new enlistees, and the amount may never be recouped if individuals do not use MGIB-AD benefits or exhaust Post-9/11 GI Bill benefits.
- Potential eligibility for multiple programs has caused some participants confusion when trying to choose which program(s) will be the most advantageous to their situation.
- With the continued withdrawal of U.S. troops from active conflicts, Congress may consider offering future recruits a program of peacetime benefits.
- The administration of several GI Bills with different payment and eligibility structures is resource intensive.
- The resulting GI Bill(s) may balance recruitment, retention, and reward in a way that more aptly reflects Congressional policy objectives.

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<sup>1</sup> GI Bill® is a registered trademark of the United States Department of Veterans Affairs (VA).

<sup>2</sup> This issue has been raised during Congressional testimony: U.S. Congress, Senate Committee on Veterans' Affairs, Hearing: Legislative Presentation by AMVETS, National Association of State Directors of Veterans Affairs, Non Commissioned Officers Association, Gold Star Wives, The Retired Enlisted Association, Fleet Reserve Association, Vietnam Veterans of America, Iraq and Afghanistan Veterans of America, Testimony by Duane Miskulin, National Commander, AMVETS, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 18, 2010 and U.S. Congress, Senate Committee on Veterans' Affairs, Pending Legislation Hearing, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., May 19, 2010, S.Hrg. 111-623 (Washington: GPO, 2010), p. 57; and proposed in H.R. 6430 in the 111<sup>th</sup> Congress. Veterans' service organizations have made related recommendations at Military Officers Association of America, "Veterans Benefits Improvements," press release, July 1, 2014, [http://www.moaa.org/Main\\_Menu/Take\\_Action/Top\\_Issues/Enjoying\\_Retirement/Veterans\\_Benefits\\_Improvements.html](http://www.moaa.org/Main_Menu/Take_Action/Top_Issues/Enjoying_Retirement/Veterans_Benefits_Improvements.html).

Since the original World War II GI Bill, Congress has phased out each GI Bill by limiting the eligibility service period, establishing a final date for the receipt of program benefits, and/or limiting the period for individuals to receive benefits. As currently enacted, the MGIB-AD, REAP, and Post-9/11 GI Bill programs are permanently authorized because the periods of eligibility are unrestricted into the future, and Congress has not specified an end date after which benefits would not be paid.

Over the decades during which the GI Bill 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. 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 discussions have been related to how much eligible individuals should contribute to their education in time or money, which types of service warrant a benefit, and how liberal (i.e., valuable) the benefit should be.

All of the benefit programs provide eligible persons an *entitlement* to educational assistance. This entitlement is measured in dollars and/or time—months and days. A dollar value is also associated with each month and day of entitlement. Educational assistance payments may reduce the dollars of entitlement remaining or the remaining entitlement period at a rate of one month per payment or in proportion to a base payment amount. Eligible persons may run out of dollars of entitlement before running out of the entitlement period or vice versa. Once either runs out, the total *entitlement* is exhausted. In general, once the entitlement period or dollars of entitlement are exhausted eligible persons continue receiving educational assistance through the end of the academic term if more than halfway through, or for up to 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 and if, as a result, the individual must discontinue studies and fails to receive credit or training time.<sup>3</sup>

This report describes the five GI Bills with the lowest participation numbers and related veterans' educational assistance programs. It is organized into five sections. The first section provides an explanation of the rationale and impetus behind veterans' educational assistance programs. The second section describes the eligibility requirements and benefits of the GI Bills enacted prior to 2008. The GI Bills are discussed in descending order based on the number of current participants. The third section reviews the linkages and commonalities between the programs. A summary of selected characteristics of the various programs is presented in **Table 2**. 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 earlier GI Bills that are no longer available to participants and the lessons learned are available in the appendices.

## History of the Programs

Since the Revolutionary War, the United States has provided benefits to injured or disabled war veterans; however for much of this period, benefits were not provided to the same extent to able-bodied veterans. Prior to World War II (WWII), “poor, jobless, and disgruntled veterans ... had led to unrest and fear of revolt throughout American history.” In 1932, after World War I, the

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<sup>3</sup> Only active duty under sections 12301(a), 12301(d), 12301(g), 12302, or 12304 of Title 10 U.S.C. is applicable.

military was called in to forcibly remove 20,000 still unemployed and often homeless veterans and burn their encampment near the Capitol and White House.<sup>4</sup>

In early U.S. history, military service was thought of as “a fundamental obligation of [male] citizenship.”<sup>5</sup> Because the 16.1 million personnel<sup>6</sup> who served in the U.S. Armed Forces<sup>7</sup> during WWII accounted for over one-third of the 41.1 million<sup>8</sup> working-age males (between 20 and 64 years of age) in 1947, the consequences of mass unemployment were feared. Before the end of WWII, Congress and the American Legion<sup>9</sup> worked together to pass the original GI Bill, or Serviceman’s Readjustment Act of 1944 (P.L. 78-346).<sup>10</sup> The act provided a full range of resources to veterans including the construction of additional hospitals; educational assistance to non-disabled veterans; home, business, and farm loans; job counseling and employment placement services; and an unemployment benefit.

The original GI Bill was generally considered successful in averting unemployment, raising the educational level and thus the productivity of the U.S. workforce, and confirming the value that Americans place on those that provide military service.<sup>11</sup> Subsequent GI Bills providing educational assistance have been passed (**Table 1**).<sup>12</sup>

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

<sup>5</sup> Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005), p. 26.

<sup>6</sup> Facts for Features, U.S. Census Bureau, April 29, 2004, <http://www.census.gov/Press-Release/www/2004/cb04-ffse07.pdf>.

<sup>7</sup> The Armed Forces are the Army, Navy, Air Force, Marine Corps, and Coast Guard of the United States.

<sup>8</sup> U.S. Census Bureau, Table 1. Years of School Completed by Persons 14 Years Old and Over, by Age, Color, and Sex, for the United States: Civilian Population, April 1947, and Total Population, April 1940.

<sup>9</sup> The American Legion was chartered by Congress in 1919 as a patriotic wartime veterans organization devoted to mutual helpfulness. It is a not-for-profit community-service organization.

<sup>10</sup> Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005), pp. 18-22.

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

<sup>12</sup> This table includes legislation enacted through 2014.

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

Year Enacted	Common Name	Establishing Legislation	U.S. Code	Currently Paying Benefits
1944	Original GI Bill <sup>a</sup>	Serviceman’s Readjustment Act of 1944	Title 38, Chapter 12	No
1952	Korean Conflict GI Bill <sup>a</sup>	Veterans’ Readjustment Assistance Act of 1952	Title 38, Chapter 33 (repealed in 1966)	No
1956	DEA (Survivors’ and Dependents Educational Assistance) <sup>b</sup>	War Orphans’ Educational Assistance Act of 1956	Title 38, Chapter 35	Yes
1966	Post-Korean Conflict and Vietnam Era GI Bill <sup>a</sup>	Veterans Readjustment Benefits Act of 1966	Title 38, Chapter 34	No
1974	Veterans and Dependents Education Loan Program <sup>a</sup>	Veterans’ Readjustment Assistance Act of 1974	Title 38, Chapter 36 (repealed in 1981)	No
1976	VEAP (Post-Vietnam Era Veterans Educational Assistance) <sup>b</sup>	Veterans’ Education and Employment Assistance Act of 1976	Title 38, Chapter 32	Yes
1981	Educational Assistance Test Program (Sec. 901) <sup>c</sup>	Department of Defense Authorization Act, 1981	Title 10, Chapter 106A	Yes
1981	Educational Assistance Pilot Program (Sec. 903) <sup>d</sup>	Department of Defense Authorization Act, 1981	Title 10 U.S.C. §2141 (a)	No
1983	Veterans’ Job Training Act <sup>e</sup>	Emergency Veterans’ Job Training Act of 1983	Title 29 U.S.C. §1721 note (repealed in 2000)	No
1985	MGIB-AD (Montgomery GI Bill-Active Duty) <sup>b</sup>	Department of Defense Authorization Act, 1985	Title 38, Chapter 30	Yes
1985	MGIB-SR (Montgomery GI Bill-Selected Reserve) <sup>b</sup>	Department of Defense Authorization Act, 1985	Title 10, Chapter 1606	Yes
1990	Refunds for Certain Service Academy Graduates <sup>f</sup>	Department of Veterans Affairs Nurse Pay Act of 1990, Section 207	Title 38 U.S.C. §1622 note	No
1992	Service Members Occupational Conversion and Training Act of 1992 (SMOCTA) <sup>g</sup>	National Defense Authorization Act for Fiscal Year 1993 (P.L. 102-484)	Title 10 U.S.C. §1143 note	No
2005	REAP (Reserves Educational Assistance Program) <sup>b</sup>	Ronald W. Reagan National Defense Authorization Act for FY2005, Sec. 527	Title 10, Chapter 1607	Yes
2008	Post-9/11 GI Bill <sup>h</sup>	Post-9/11 Veterans Educational Assistance Act of 2008	Title 38, Chapter 33	Yes
2009	Marine Gunnery Sergeant John David Fry Scholarship <sup>h</sup>	Supplemental Appropriations Act of 2009 (P.L. 111-32)	Title 38, Chapter 33	Yes

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

- a. See **Appendix B** for a full program description.
- b. For a program description, see the entitled report section.



- c. Section 901 of the Department of Defense Authorization Act, 1981 (P.L. 96-342) authorized the Department of Defense to test the feasibility and effectiveness to recruitment and retention of a noncontributory educational assistance program, the Educational Assistance Test Program. The program was only eligible to individuals who enlisted or reenlisted for service on active duty after September 30, 1980, and before October 1, 1981. Certain individuals were permitted to transfer their entitlement to their spouses or children. The program is funded by DOD, but paid through the VA.
- d. Section 903 of the Department of Defense Authorization Act, 1981 (P.L. 96-342) authorized the Educational Assistance Pilot Program - Noncontributory VEAP to test the feasibility and effectiveness to recruitment and retention of offering the VEAP program without requiring a monetary contribution from servicemembers. The program was only eligible to individuals who enlisted or reenlisted in the Armed Forces after September 30, 1980, and before October 1, 1981. Certain individuals were permitted to transfer their entitlement to their spouses or children. The program is funded by DOD, but paid through the VA.
- e. The Emergency Veterans' Job Training Act of 1983 (P.L. 98-77) was enacted "to address the problem of severe and continuing unemployment among veterans." Unemployed Korean Conflict and Vietnam Era veterans were eligible for up to 15 months of assistance while training for high growth, high demand, or high technology occupations on or after October 1, 1983, and for programs beginning before April 1, 1990. The program paid to employers offering job training programs 50% of the veterans' wages, up to \$10,000.
- f. Section 207 of the Department of Veterans Affairs Nurse Pay Act of 1990 (P.L. 101-366) provided a one-year period during which eligible pre-1979 service academy graduates and Senior Reserve Officers' Training Corps completers could make an irrevocable election to disenroll from VEAP and receive the amount of educational assistance benefits the individual would have received under the Post-Korean Conflict and Vietnam Era GI Bill.
- g. SMOCTA was enacted to facilitate the drawdown of the Armed Forces by providing eligible individuals not less than 6 months or more than 18 months of job training in a field of employment providing a reasonable probability of stable, long-term employment. Eligible individuals were discharged on or after August 2, 1990, and were unemployed, had an occupational specialty that did not readily transfer to the civilian workforce, or were entitled to veterans' disability compensation. The program paid to employers offering job training programs 50% of the veterans' wages, up to \$12,000, and up to \$500 for tools and other work-related materials. Assistance was available beginning in December 1992, and for programs beginning before October 1, 1995.
- h. For a program description, see CRS Report R42755, *The Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill): Primer and Issues*, by Cassandra Dortch.

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.

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

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

Beginning with the Korean Conflict GI Bill, there has been much debate on the level of educational assistance that should be provided to veterans and servicemembers. Some believed that requiring individuals to make a monetary contribution in addition to their military service would increase their sense of responsibility and purpose. Some believed that the educational assistance benefits were a necessary compensation for compulsory service or reimbursement for voluntary service. Some believed that high levels of assistance promote attrition from the military. And some believed that the benefits are a necessary recruitment tool.

Congress allowed the compulsory military draft to expire on June 30, 1973. The educational assistance programs enacted subsequently were designed to encourage recruitment and retention of high-quality military personnel while still providing a considerable benefit to those who choose to leave active duty military service. Since 1973 upon initial enactment of new GI Bills, Congress has generally limited the approved programs of education to a more traditional college education. As the programs mature, other types of education and training such as apprenticeships and flight training are added.

Currently, there are several educational assistance programs available to veterans, servicemembers, and their spouses and children. The oldest of these programs for veterans and servicemembers is the Post-Vietnam Era GI Bill, enacted in 1976. About 60 individuals are still receiving benefits from this program, which provides educational assistance in direct proportion to contributions deducted from servicemembers' pay while on active duty. The Montgomery GI Bill-Active Duty (MGIB-AD) requires most servicemembers to contribute an established amount, although the eventual benefits are not related to the contribution. The Montgomery GI Bill-Selected Reserve (MGIB-SR) only provides educational assistance to those currently serving in the Selected Reserve.<sup>13</sup> Because reliance on the Reserves and National Guard increased after September 11, 2001, the Reserves Educational Assistance Program (REAP), enacted in 2005, allows reservists to receive an increased educational assistance benefit in comparison to the

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<sup>13</sup> The Selected Reserve contains those units and individuals most essential to wartime missions. They generally perform one weekend of training each month and two weeks of training each year for which they receive pay and benefits.

MGIB-SR after serving on active duty. The Survivors' and Dependents' Educational Assistance (DEA) program, previously War Orphans' Educational Assistance, provides benefits to the spouses and children of servicemembers who, as a result of service, are seriously disabled, die, or are detained. Finally in comparison to the MGIB-AD, the Post-9/11 GI Bill increased 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 sections describe the active programs in greater detail, in descending order based on the number of current participants. A description of the inactive programs is provided in the appendices.

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

The Survivors' and Dependents' Educational Assistance Program (DEA) was first established by the War Orphans' Educational Assistance Act of 1956 (P.L. 84-634). The DEA program is codified under Title 38 U.S.C., Chapter 35. The benefit allows eligible individuals to attain the education they would have or maintain the standard of living they would have if the servicemember had not become disabled or delayed,<sup>14</sup> or died as a result of military service.

### **Eligible Individuals**

Educational assistance benefits are available to

- the children and surviving spouse of a veteran who died of a service-connected disability;
- the children of a veteran who died while having a disability evaluated as a total permanent disability resulting from a service-connected disability;<sup>15</sup>
- the children and spouse of a veteran or servicemember who has a total permanent disability resulting from a service-connected disability;<sup>16</sup>
- the children and spouse of an active duty servicemember who is, and has been for more than 90 days, listed as missing in action, captured in the line of duty by a hostile force, or forcibly detained or interned in the line of duty by a foreign government or power; and
- the surviving spouse of a veteran who died while having a disability evaluated as a total permanent disability resulting from a service-connected disability, arising out of active military, naval, or air service.

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<sup>14</sup> A servicemember is *delayed* if the person is listed as missing in action, captured in the line of duty, or forcibly detained as a result of active duty service.

<sup>15</sup> A total permanent disability is any disability rated total for the purposes of disability compensation, which is based on an impairment reasonably certain to continue throughout the life of the disabled person.

<sup>16</sup> Children of Commonwealth Army veterans and New Philippine Scouts who meet the requirements of service-connected disability or death are also eligible.

Children must be under the age of 26 at the time of the above eligibility event. The military service of the person who was disabled or delayed, or died must not have terminated under dishonorable conditions. Children include acknowledged children born out of wedlock, children adopted legally, stepchildren who are members of the eligible individual's household, children of any marital status, and unmarried children who became permanently incapable of self-support before the age of 18. Neither the spouse nor child may receive educational assistance under DEA while in the Armed Forces or if released under dishonorable conditions.

An individual who is eligible for both the Post-9/11 GI Bill Marine Gunnery Sergeant John David Fry Scholarship (Fry Scholarship) and DEA benefits based on the death of the same parent must elect the program from which to receive a benefit. The Fry Scholarship 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.<sup>17</sup>

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

The eligible programs of education are

- courses at an *educational institution* (see below for the definition) that lead to a predetermined educational, vocational, or professional objective or objectives if related to the same career (this includes undergraduate and graduate certificate and degree programs);
- a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate school;<sup>18</sup>
- 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 IHLs or graduate schools (such as the Scholastic Aptitude Test (SAT));
- national tests providing an opportunity for course credit at IHLs (such as the Advanced Placement (AP) exam);
- cooperative programs;
- apprenticeship or other on-the-job training programs at a *training establishment* (see below for the definition);

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<sup>17</sup> For more information on the Fry Scholarship, see CRS Report R42755, *The Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill): Primer and Issues*, by Cassandra Dortch.

<sup>18</sup> The term institution of higher education (IHE) means either: (1) An educational institution located in a state that admits as regular students only persons who have a high school diploma, or its recognized equivalent, or persons who are beyond the age of compulsory school attendance in the state in which the educational institution is located; offers postsecondary level academic instruction that leads to an associate or baccalaureate degree; and is empowered by the appropriate state to grant such degrees, or in the absence of state law is accredited for such degree programs by a recognized accrediting agency; or (2) an educational institution, not located in a state, that offers a course leading to an undergraduate standard college degree or the equivalent and is recognized as an institution of higher education by the secretary of education (or comparable official) of the country or other jurisdiction in which the educational institution is located.

- secondary education for those without a high school diploma or its equivalent or in preparation for postsecondary education;
- specialized vocational courses required because of a mental or physical handicap; and
- special restorative training.<sup>19</sup>

The eligible programs of education must be approved by a state approving agency (SAA) or the VA, or must be deemed approved by statutory provisions. SAAs are federally authorized state entities that approve programs of education for the GI Bills. The VA provides some cost reimbursement of salaries and travel for the SAAs.

**Educational institutions** are defined as

- public or private elementary or secondary schools;
- vocational, correspondence,<sup>20</sup> business, normal, or professional schools;
- colleges or universities;
- scientific or technical institutions;
- other institutions offering education for adults;
- state-approved alternative teacher certification program providers;
- private entities that offer courses toward the attainment of a license or certificate generally recognized as necessary for a profession or vocation in a high technology occupation; and
- qualified providers of entrepreneurship courses.

A **training establishment** is defined as

- an establishment providing apprentice or other on-the-job training;
- an establishment providing self-employment on-the-job training consisting of full-time training for a period of less than six months that is needed or accepted for purposes of obtaining licensure to engage in a self-employment occupation or required for ownership and operation of a franchise that is the objective of the training;
- 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.

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<sup>19</sup> Special restorative training is used to overcome, or lessen, the effects of a physical or mental disability that would handicap an eligible person in the pursuit of a program of education.

<sup>20</sup> 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.

## Benefit Payments

Most DEA participants receive a monthly allowance. Special assistance is available to educationally disadvantaged individuals. Additional payments are available for tutorial assistance, licensing or certification tests, and national admissions and course credit tests.

For those children and spouses who may also be eligible for a VA-administered pension,<sup>21</sup> compensation,<sup>22</sup> or dependency and indemnity compensation,<sup>23</sup> legislation bars some recipients from accepting DEA and pension, compensation, or dependency and indemnity compensation. A spouse, a child under 18 years of age, and a helpless child may receive DEA and pension, compensation, or dependency and indemnity compensation concurrently. Once a child over 18 years of age begins receiving DEA, the child can no longer receive payment or increased rates, or additional amounts of pension, compensation, or dependency and indemnity compensation based on school attendance.<sup>24</sup>

## Monthly Allowance

A monthly 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, 2014, individuals receive up to \$1,018.00 monthly according to a schedule based on full-time, three-quarter-time, and half-time institutional enrollment. Individuals enrolled less than half-time at an institution receive no more than actual tuition and fees. For individuals in apprenticeship or on-the-job training, the monthly allowance is \$743.00, \$557.00, \$367.00, and \$186.00 for the first six months, second six months, third six months, and thereafter, respectively.<sup>25</sup> Individuals receive up to \$819.00 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 they receive 55% of the institution's established charges for completed courses.<sup>26</sup>

Participants may choose to receive the monthly allowance in the form of an advance payment or accelerated payment if they meet the following requirements:

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<sup>21</sup> Certain low-income dependent children of certain veterans may be eligible to receive a pension. For information on VA-administered pension programs, see CRS Report RS22804, *Veterans' Benefits: Pension Benefit Programs*, by Umar Moulta-Ali and Carol D. Davis.

<sup>22</sup> Disability compensation provides a monthly cash benefit to certain veterans who are at least 10% disabled from a service-connected disability. For information on the VA-administered compensation program, see CRS Report R41405, *Veterans Affairs: Presumptive Service Connection and Disability Compensation*, coordinated by Sidath Viranga Panangala.

<sup>23</sup> Certain surviving children of servicemembers killed while on active military duty may receive the monthly dependency and indemnity compensation (DIC) cash payment while under the age of 18, or between 18 and 23 while a student. For information on the VA-administered DIC program, see CRS Report R40757, *Veterans' Benefits: Dependency and Indemnity Compensation (DIC) for Survivors*, by Umar Moulta-Ali.

<sup>24</sup> 38 C.F.R. §21.3023.

<sup>25</sup> For apprentice or on-the-job training, an individual's entitlement period is reduced one month each time the collective amount paid is equal to the full-time institutional monthly benefit. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

<sup>26</sup> The individual's entitlement period is reduced one month each time the collective amount paid is equal to \$1,018.00.

### ***Advance Payments***

An advance payment is the first partial and first full month of the monthly allowance and is available to individuals who are planning to enroll more than half-time and who have not received educational assistance benefits in 30 days or more. Advance payments are sent to the educational institution for disbursement to the student within 30 days of the start of the academic term.

### ***Accelerated Payments***

An accelerated payment of the monthly allowance is available 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 in proportion to the amount that the payment is to the monthly assistance allowance to which the individual would have been entitled.

### **Special Assistance to the Educationally Disadvantaged**

Special assistance to the educationally disadvantaged allows individuals who do not have a high school diploma or its equivalent and who are in need of some secondary school preparation in order to pursue a postsecondary education to receive a monthly educational assistance allowance. Benefits do not reduce the basic entitlement period for the first five months. Individuals pursuing a high school diploma may receive the lesser of actual tuition and fees or the full-time institutional monthly rate.

### **Special Restorative Training**

Special restorative training is available 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 \$1,018.00 monthly for full-time<sup>27</sup> special restorative training and an increased amount equal to the amount that the tuition and fees for the training exceeds \$315 monthly.<sup>28</sup>

### **Tutorial Assistance**

An individual is entitled to payment for tutorial assistance, not to exceed \$100 monthly and up to a maximum of \$1,200 over the course of the entitlement period. 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. Entitlement is not charged for tutorial assistance under DEA.

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<sup>27</sup> Full-time training is determined by the capacities of the individual. Only full-time restorative training is eligible.

<sup>28</sup> An individual's entitlement period is reduced one day for each \$33.93 in increase.

## **Licensing and Certification Test Fees**

A fee of up to \$2,000 may be reimbursed for each approved licensing or certification test as long as the payment does not exceed the individual's remaining DEA entitlement. The benefit is available regardless of whether the individual passes the test. 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.

## **National Admissions and Course Credit Tests**

An individual may receive reimbursement for a national test for admissions to an IHL and a national test providing an opportunity for course credit at an IHL. 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.

## **Benefit Availability and Duration**

Educational benefits may be paid to the spouse for 10 years from the date of eligibility or from the date of VA notification of eligibility.<sup>29</sup> If the servicemember dies on active duty, or total permanent disability as a result of a service-connected disability is determined within three years of discharge, the spouse may use the benefits for 20 years. Generally, educational benefits may be paid to children after they achieve a high school diploma or its equivalent, or after they reach 18 years of age, but before they reach 26 years of age.<sup>30</sup> Special restorative or specialized vocational training may begin if the child is at least 14 years of age. Individuals are entitled to 45 months (or the equivalent in part-time attendance) of educational and training benefits.<sup>31</sup>

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

House hearings examining the possible need for a new GI Bill in the early 1980s focused on the difficulties the military was experiencing in recruiting and retaining a highly qualified all-volunteer force: active duty, Reserves, and National Guard.<sup>32</sup> Although recruiting problems were not uniformly distributed by branch, rank, grade, or military occupational specialty (MOS), some suggested reinstating the draft. DOD was concerned about the high cost of recruiting and training new servicemembers and the loss of experience and expertise when servicemembers leave the service. Some witnesses argued for the elimination of the servicemember's monetary contribution toward educational benefits because retention rates were not appreciably increased by the prior

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<sup>29</sup> A spouse who is incapable of beginning education as a result of a physical or mental disability, active duty service, or involuntary full-time National Guard duty may be granted an extension of the 10-year entitlement period.

<sup>30</sup> There are several allowable exceptions. See 38 U.S. Code § 3512.

<sup>31</sup> VA may provide special restorative training in excess of 45 months where an additional period of time is needed to complete the training.

<sup>32</sup> Honorable Bob Edgar indicated in his prepared statement that "up to an estimated one-third of active duty male first term enlistees from fiscal year 1976 to fiscal year 1978 failed to complete three years of initial service." U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> and 2<sup>nd</sup> sess., June 24, September 10, 16, 17, 24, 30, October 1, 7, 21, 28, November 17, 1981, and March 11, 1982, HRG-1981-ASH-0030 (Washington: GPO, 1982).



GI Bill, VEAP, which required a contribution from servicemembers. Only 20-25% of new recruits contributed to VEAP, and 40% had disenrolled from the program to recoup their contribution, which equaled 5% to 20% of the after-tax pay for some enlisted members. Despite a strong desire to increase retention by allowing universal transfer of dollars of entitlement and the entitlement period to spouses and children after ten years of service, such a proposal was deemed too expensive.<sup>33</sup>

The Montgomery GI Bill-Active Duty (MGIB-AD)—originally called the All-Volunteer Force Educational Assistance Program—was initially enacted as Title VII of the Department of Defense Authorization Act, 1985 (P.L. 98-525), as a three-year pilot program.<sup>34</sup> The program was finally codified in Title 38, U.S.C., Chapter 30. The original purpose of the permanent program was to provide educational readjustment assistance and to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces. It was also expected to promote and assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces<sup>35</sup> based upon service on active duty or a combination of service on active duty and in the Selected Reserve, including the National Guard. To ensure the recruitment of highly capable individuals who were more likely to stay in the military, the program requires that all individuals complete a high school diploma, its equivalent, or 12 credit hours of postsecondary education in order to be eligible for benefits.<sup>36</sup>

## Eligible Individuals

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

- **Category 1** individuals entered active-duty for the first time after June 30, 1985, as well as Commissioned officers of the Public Health Service (PHS) and the National Oceanic Atmospheric Association (NOAA). Category 1 individuals must meet one of three service requirements. The first requires that individuals serve 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. The second requires that individuals serve a minimum of 30 months on active duty, or 20 months if the initial obligated period of active duty was less than three years, before being 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. The third requires that Selected Reservists and

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<sup>33</sup> U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> and 2<sup>nd</sup> sess., June 24, September 10, 16, 17, 24, 30, October 1, 7, 21, 28, November 17, 1981, and March 11, 1982, HRG-1981-ASH-0030 (Washington: GPO, 1982).

<sup>34</sup> The New GI Bill Continuation Act (P.L. 100-48) permanently authorized the All-Volunteer Force Educational Assistance Program and the Selected Reserve Component. It also changed the name of the program to the Montgomery GI Bill.

<sup>35</sup> Secretary of Defense Melvin Laird introduced the Total Force Concept of the Armed Forces in 1970 to reduce military expenditures by calling on the Reserves and National Guard to serve an increased active duty role.

<sup>36</sup> U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military to Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> and 2<sup>nd</sup> sess., June 24, September 10, 16, 17, 24, 30, October 1, 7, 21, 28, November 17, 1981, and March 11, 1982, H.A.S.C. 97-45 (Washington: GPO, 1982).

National Guard members serve two continuous years of honorable active duty service upon first entry into the military after June 30, 1985, and serve a minimum of four continuous years of service in the Reserves beginning within a year of completing the active duty service. For reservists and National Guard members, the active duty service period includes only duty under Title 10 U.S.C. and certain full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the National Guard under Title 32 U.S.C. However, individuals who receive an officer's commission after December 31, 1976, following graduation from one of the service academies<sup>37</sup> or following graduation as a Reserve Officer Training Corps (ROTC) scholarship recipient are not eligible.<sup>38</sup>

- **Category 2** individuals had a remaining period of entitlement under the Post-Korean Conflict GI Bill (see **Appendix C**) as of December 31, 1989, and were on active duty after June 30, 1985.<sup>39</sup> Category 2 individuals exclude individuals who receive an officer's commission after December 31, 1976, following graduation from one of the service academies or following graduation as a Reserve Officer Training Corps (ROTC) scholarship recipient are not eligible.<sup>40</sup>
- **Category 3** individuals elected MGIB-AD before receiving an involuntary separation, voluntary separation incentive, or special separation benefit.
- **Category 4** individuals are VEAP participants who either had a remaining period of entitlement; were on active duty on October 9, 1996; or elected to transfer to the MGIB-AD by October 9, 1997; and made the requisite \$1,200 contribution. VEAP participants who served on active duty from October 9, 1996, through April 1, 2000; elected to transfer to the MGIB-AD by October 31, 2001; and made a \$2,700 contribution are also in Category 4. A small group of National Guard members who first served on full-time National Guard active duty under Title 32 U.S.C. between June 30, 1985, and November 29, 1989, were eligible to make the requisite \$1,200 contribution during an open period from October 9, 1996, to June 8, 1997.

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<sup>37</sup> The applicable service academies are the United States Military Academy (USMA), the United States Naval Academy (USNA), the United States Air Force Academy (USAFSA), or the Coast Guard Academy (USCGA).

<sup>38</sup> Reserve Officer Training Corps (ROTC) scholarship recipients are not eligible if they enter active duty before October 1, 1996, and they are not eligible if they enter active duty after September 30, 1996, and received more than \$3,400 for each year as a scholarship recipient.

<sup>39</sup> Individuals eligible for the Post-Korean Conflict GI Bill who have been on continuous active duty since October 19, 1984, and served at least three years of continuous active duty after June 30, 1985, or were discharged or released from active duty after June 30, 1985, for a service-connected disability or hardship, or were discharged for the government's convenience after serving a minimum of 30 months active duty after June 30, 1985, are also eligible to MGIB-AD educational benefits. Category 2 individuals also include reservists eligible for the Post-Korean Conflict GI Bill who serve two continuous years of honorable active duty service in the military after June 30, 1985, and who serve a minimum of four continuous years of service in the Reserves immediately following the active duty service. Category 2 includes individuals eligible for the Post-Korean Conflict GI Bill who were not on active duty on October 19, 1984, but re-enlisted and served three continuous years on active duty or were discharged or released for reasons similar to those of other individuals eligible for the Post-Korean Conflict GI Bill.

<sup>40</sup> Reserve Officer Training Corps (ROTC) scholarship recipients are not eligible if they enter active duty before October 1, 1996, and they are not eligible if they enter active duty after September 30, 1996, and received more than \$3,400 for each year as a scholarship recipient.

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

To become eligible for MGIB-AD benefits, Category 1 individuals must not decline the benefit in writing, and must allow the first 12 months of their military pay to be reduced by \$100 per month.<sup>41</sup> This is in contrast to the VEAP, which required servicemembers to elect to participate by making contributions. In certain circumstances, servicemembers who initially declined the benefit were allowed to enroll in the program.<sup>42</sup> To discourage experienced personnel from leaving the military, servicemembers remaining in service are eligible to receive educational benefits after serving two continuous years on active duty.

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

MGIB-AD benefits can be used to support students pursuing approved programs of education at a variety of training establishments and educational institutions, including institutions of higher learning (IHLs).<sup>43</sup> The eligible programs of education are

- courses at an educational institution that lead to a predetermined educational, vocational, or professional objective or objectives if related to the same career (this includes traditional undergraduate and graduate programs);

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<sup>41</sup> Selected Reservists may make a one-time lump-sum contribution or 12-monthly contributions totaling \$1,200 after completing two years of active duty service. In the event of an individual's service-connected death while on active duty, the designated beneficiary, surviving spouse, children, or parents will be reimbursed any contribution by the servicemember that had not already been used.

<sup>42</sup> Servicemembers were allowed to withdraw their election to not enroll in the program during an open period between December 1, 1988, and June 30, 1989; before being involuntarily separated; and before separating from the active service with an honorable discharge and receiving certain voluntary separation incentives.

<sup>43</sup> An institution of higher learning (IHL) is an institution offering postsecondary level academic instruction that leads to an associate's or higher degree if the school is empowered by the appropriate state education authority under state law to grant an associate's or higher degree, or in the absence of a state education authority, if the school is accredited for degree programs by a recognized accrediting agency. Institutions of higher learning are also hospitals offering educational programs at the postsecondary level and foreign educational institutions that offer courses leading to a standard college degree, or the equivalent, and that are recognized as such by the secretary of education (or a comparable official) of the country or other jurisdiction in which the institution is located. A standard college degree is an associate's or higher degree awarded by (1) an IHL that is accredited as a collegiate institution by a recognized regional or national accrediting agency; (2) an IHL that is a "candidate" for accreditation as that term is used by the regional or national accrediting agencies; or (3) an IHL upon completion of a course that is accredited by an agency recognized to accredit specialized degree-level programs.

- courses required by the Administrator of the Small Business Administration as a condition for obtaining financial assistance under the provisions of section 7(i)(1) of the Small Business Act (15 U.S.C. 636(i)(1));
- licensing or certification tests for a predetermined vocation or profession, provided such tests and the licensing or credentialing organizations or entities that offer such tests are approved;
- courses offered by a qualified provider of entrepreneurship courses;
- national tests for admission to IHLs or graduate schools (such as the Scholastic Aptitude Test (SAT));
- national tests providing an opportunity for course credit at IHLs (such as the Advanced Placement (AP) exam);
- a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate school;
- full-time programs of apprentice or other on-the-job training at a training establishment, for individuals not on active duty;
- cooperative programs<sup>44</sup> for individuals not on active duty;
- a refresher, remedial, or deficiency course;<sup>45</sup>
- preparatory or special education or training courses necessary to enable the individual to pursue another approved program of education; and
- a course for which the individual is receiving Tuition Assistance from DOD (see the section entitled Tuition Assistance “Top-Up” Program).

## **Benefit Payments**

Several types of benefit payments are available to MGIB-AD participants depending on the type of education and training, other benefits received, and decisions made while serving in the Armed Forces. MGIB-AD participants, like DEA participants, are eligible for benefit payments for licensing or certification tests, national tests for admission to an IHL, and a national test providing an opportunity for course credit at an IHL.

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<sup>44</sup> A cooperative program is a full-time program of education, which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in a business or industrial establishment being strictly supplemental.

<sup>45</sup> A refresher course is a course at the elementary or secondary level that reviews or updates material previously covered in a course that has been satisfactorily completed, or a course which permits an individual to update knowledge and skills or be instructed in the technological advances which have occurred in the individual's field of employment during and since the period of the individual's active military service. A remedial course is a course designed to overcome a deficiency at the elementary or secondary level in a particular area of study, or a handicap, such as in speech. A deficiency course is any secondary level course or subject not previously completed satisfactorily, which is specifically required for pursuit of a postsecondary program of education.

## Monthly Allowance

Most MGIB-AD participants receive a monthly allowance for subsistence, tuition and fees, supplies, books, and equipment. The monthly allowance is paid directly to recipients. Beginning in FY2010, and unless Congress changes the amount, the maximum monthly benefit amount is adjusted annually based on the annual percentage increase in the average cost of undergraduate tuition in the United States, as determined by the National Center for Education Statistics (NCES).<sup>46</sup> Effective October 1, 2014, veterans may receive up to \$1,717.00 monthly for full-time training.<sup>47</sup> A reduced allowance is provided for less than full-time training and for those who served less than three continuous years on active duty. Individuals on active duty and those training less than half-time receive actual tuition and fees or the monthly allowance, whichever is less. For an individual in apprenticeship or on-the-job training, the monthly allowance is 75%, 55%, and 35% of the monthly benefit otherwise payable to that individual for the first six months, second six months, and thereafter, respectively.<sup>48</sup> Individuals in cooperative training receive 80% of the monthly allowance.<sup>49</sup> Individuals pursuing education exclusively by correspondence receive 55% of the institution's established charges for completed courses, and individuals pursuing education consisting exclusively of flight training receive 60% of the institution's established charges for completed courses.<sup>50</sup> MGIB-AD participants, like DEA participants, may choose to receive the monthly allowance in the form of an advance payment or accelerated payment.

## Tuition Assistance "Top-Up" Program

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 (TA) programs, military service branches may pay a certain amount of tuition and expenses for the off-duty education and training of active duty personnel. Under Tuition Assistance Top-Up, MGIB-AD servicemembers who have served for at least two years on active duty and who are approved for TA 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

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<sup>46</sup> Prior to FY2010, the maximum monthly benefit amounts could be adjusted at any time by Congress or be adjusted annually according to the consumer price index for all urban consumers (CPI-U).

<sup>47</sup> The benefit payment has been increased several times since the program's enactment. When the MGIB-AD program was enacted in 1985, the maximum monthly benefit was \$300. The maximum monthly benefit was increased to \$400 by the Veterans' Benefits Act of 1992 (P.L. 102-568), to \$528 by the Transportation Equity Act for the 21<sup>st</sup> Century (P.L. 105-178) in 1998, and to \$650 by the Veterans Benefits and Health Care Improvement Act of 2000 (P.L. 106-419). The Veterans Education and Benefits Expansion Act of 2001 (P.L. 107-103) provided three increases: \$800 for months beginning on or after January 1, 2002; \$900 for months occurring during FY2003; and \$985 for months occurring during FY2004. For FY2009, the monthly benefit amount was increased to \$1,321 by the Supplemental Appropriations Act, 2008 (P.L. 110-252).

<sup>48</sup> For apprentice or on-the-job training, an individual's entitlement period is respectively reduced 0.75, 0.55, or 0.35 months for each month of educational assistance received, depending on the payment. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

<sup>49</sup> The individual's entitlement period is reduced at 0.8 months for each month of cooperative educational assistance received.

<sup>50</sup> The individual's entitlement period is reduced one month for each educational assistance payment that equals the monthly assistance allowance to which the individual would have been entitled. Individuals may only receive payment for the minimum number of solo flying hours required by the Federal Aviation Administration for the desired flight rating or certification.

the Top-Up benefit reduces the individuals' MGIB-AD entitlement period at a rate determined by dividing the amount of the Top-Up payment by the individuals' full-time monthly rate.

### **Tutorial Assistance**

Unlike DEA, the first \$600 does not reduce the entitlement period; however, any amount in excess of \$600 reduces the individual's entitlement period by one month for each amount paid that is equal to the amount of monthly educational assistance the individual is otherwise eligible to receive for full-time pursuit of a residence course.

### **Supplemental Assistance**

Military service branches use *supplemental assistance for additional years of service* and *supplemental assistance for critical skills (Kickers)* to recruit and retain highly capable individuals in the armed forces. The promised and expected benefit amount is deposited into the DOD Educational Benefits Trust Fund until the individuals take advantage of the benefit, at which time the benefit amount is transferred to the VA for payment.<sup>51</sup> The supplemental assistance, up to \$950, is added to the individuals' monthly housing allowance. The amount may be reduced in proportion to the enrollment rate and the type of training.

Supplemental assistance for additional years of service may be offered to either an individual in the active component who agrees to remain on active duty for at least five additional continuous years, or to an individual in the Selected Reserve who agrees to serve at least two additional consecutive years on active duty and at least four additional consecutive years in the Selected Reserve.<sup>52</sup> Supplemental assistance for critical skills may be offered either to recruit into the regular armed forces an enlistee with critical skills or to gain agreement from an individual with critical skills to serve in the Selected Reserve after separating honorably from the regular Armed Forces. A critical skill is a skill or specialty in which there is a critical shortage or for which it is difficult to recruit or, in the case of critical units, retain personnel.

### **Increase for Post-Korean Conflict GI Bill-Eligible Participants**

Category 2 individuals 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, 2014, an individual in full-time institutional training with two dependents may receive a total monthly allowance of \$1,972.00.

### **Buy Up Program**

Servicemembers may also contribute up to an additional \$600 while on active duty in \$20 monthly increments and receive up to an additional \$5 monthly for each \$20 contributed over the

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<sup>51</sup> Funding may also be paid from Department of Homeland Security (DHS) appropriations.

<sup>52</sup> Upon completing the additional years of active duty service and Selected Reserve 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.

life of their entitlement period under what is known as the \$600 Buy Up Program. In other words, each dollar contributed by an individual is matched by the federal government with an additional \$9 in benefits. This benefit could equal up to \$5,400 over 36 months for a \$600 investment.

## **Benefit Availability and Duration**

For members of the active component, no educational benefits under the MGIB-AD can be paid after the delimiting date—more than ten years after discharge or release from active duty. For members of the Selected Reserve, no educational benefits under the MGIB-AD can be paid more than ten years after completing the required four-year Selected Reserve duty.<sup>53</sup> Most individuals are entitled to 36 months (or the equivalent in part-time attendance) of educational assistance. Category 1 active duty servicemembers discharged or released (other than for the convenience of the government) before serving the minimum two or three years of active duty service are entitled to educational benefits for a period equal to one month for each month of active duty service, but no more than 36 months. Reservists are entitled to one month for each month of active duty service and one month for each four months served in the Selected Reserves, but no more than 36 months.<sup>54</sup>

## **MGIB-AD Death Benefit**

The MGIB-AD death benefit is available to certain beneficiaries of an MGIB-AD-eligible individual and to certain beneficiaries of an individual who served after June 30, 1985, and who died for service-connected reasons while on active duty or who died for service-connected reasons within one year of discharge or release from active duty. The beneficiaries are the beneficiaries of the individual's Servicemembers' Group Life Insurance policy. If the life insurance beneficiaries are no longer living, the death benefit is paid to the surviving spouse. If the spouse is no longer living, the death benefit is split between the individual's surviving children. If the children are no longer living, the death benefit is split between the individual's surviving parents. The benefit, up to \$1,200, is equal to the amount the servicemember contributed in order to be eligible for the MGIB-AD less the proportion of entitlement used by the servicemember.

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<sup>53</sup> There are exceptions to the ten-year benefit availability period. Veterans who were ineligible for the program on discharge or release but whose discharge status was later amended to make them eligible for the program are allowed benefits for up to 10 years after the discharge status was amended. The 10-year period excludes periods detained by a foreign government or power and any recovery period in a hospital. Veterans who were incapable of beginning education as a result of a physical or mental disability can be granted an extension for the period of incapacity. Individuals who were the primary caregiver according to the family caregiver assistance program (38 U.S.C. §1720G(a)) after July 31, 2011, can extend the 10-year period of benefit availability for as long as they were incapable of pursuing their chosen program of education as a result of being the primary caregiver. The 10-year period is reduced for individuals eligible for the Post-Korean Conflict GI Bill by the length of time not on active duty service between January 1, 1977, and October 18, 1984. Also, the 10-year period begins after discharge or release from active duty or on January 1, 1990, whichever is later, for Post-Korean Conflict GI Bill participants who were on active duty after October 18, 1984. For Post-Korean Conflict GI Bill participants who were not on active duty on October 19, 1984, the 10-year period begins on December 27, 2001.

<sup>54</sup> Reservists who are discharged or released with a service-connected disability or pre-existing medical condition during the four-year Reserve period are eligible for 36 months of educational assistance.

## Transferability to Dependents

Each DOD service branch is authorized to allow eligible individuals to transfer up to 18 months of their MGIB-AD educational assistance benefits to family members. Both the Army and Air Force offered pilot programs to test how effective transferability could be in increasing the retention of highly qualified, specialized, and experienced servicemembers. Both branches have discontinued the pilots. Therefore, transferability is not currently available to new individuals under the MGIB-AD.

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

The Montgomery GI Bill-Selected Reserve<sup>55</sup> (MGIB-SR), passed under section 705 of the same legislation as the MGIB-AD, is a Title 10 U.S.C. DOD program administered by the VA.<sup>56</sup> Each service component of the Selected Reserve is required to establish an educational assistance program to encourage membership in the Selected Reserve: Army, Navy, Air Force, Marine Corps, and Coast Guard Reserve; Army National Guard; and the Air National Guard. The benefit is an incentive to stay in the Reserves and was established in recognition of the fact that many states offer educational assistance to reservists.<sup>57</sup>

## Eligible Individuals

The MGIB-SR program is available to individuals serving in the Selected Reserve, including the National Guard, who agree to a six-year service obligation. Educational assistance benefits are available to Selected Reservists who enlist, re-enlist, or extend an enlistment for six years after June 30, 1985, and reserve officers who agree to serve an additional six years above any existing obligation.<sup>58</sup> The reservists also have to complete the initial period of active duty for training, complete 180 days of service in the Selected Reserve, have a high school diploma or its equivalent, and satisfactorily meet the necessary training requirements of the Selected Reserve. Individuals who fail to satisfactorily meet the training requirements of the Selected Reserve may be ordered to active duty or required to repay some or all of the educational assistance including interest. The service requirement excludes full-time active duty or full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components in a position which is included in the end strength.<sup>59</sup>

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<sup>55</sup> Members of the Selected Reserve are generally required to participate in at least 48 scheduled drills or training periods during each year and serve on active duty for training for at least 14 days annually. See CRS Report RL30802, *Reserve Component Personnel Issues: Questions and Answers*, by Lawrence Kapp and Barbara Salazar Torreón.

<sup>56</sup> The MGIB-SR program is codified under Title 10 U.S.C., Chapter 1606 (10 U.S.C. §16131 et seq.).

<sup>57</sup> U.S. Congress, House Committee on Armed Services, Subcommittee on Military Personnel and Compensation, *New Educational Assistance Program for the Military To Assist Recruiting*, 97<sup>th</sup> Cong., 1<sup>st</sup> sess., June 24, 1981, HRG-1981-ASH-0030, p. 70.

<sup>58</sup> Individuals receiving financial assistance under the Senior Reserve Officers' Training Corps are not eligible.

<sup>59</sup> Section 115(a) of Title 10 U.S.C. authorizes the number of military members in every branch and component. This number is known as *end strength*.



## 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.<sup>60</sup>

## Benefit Payments

Most MGIB-SR participants receive a monthly allowance. Similar to the MGIB-AD, additional payments are available for certain purposes, and the monthly allowance may be increased under certain circumstances (see **Table 2**).

The educational assistance allowance, paid directly to recipients, is lower than that under the MGIB-AD. Many states offer educational benefits to National Guard members. Reservists called to active duty for extended periods may be eligible for increased benefits under the MGIB-AD, Reserve Educational Assistance Program (discussed later), or Post-9/11 GI Bill. Maximum monthly benefit amounts may be adjusted at any time by Congress and are adjusted annually according to the consumer price index for all urban consumers (CPI-U). Effective October 1, 2014, reservists receive up to \$367.00 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. MGIB-SR participants are not eligible for Tuition Assistance Top-Up. For an individual in apprenticeship or on-the-job training, the monthly allowance is 75%, 55%, and 35% of the monthly benefit otherwise payable to that individual for the first six months, second six months, and thereafter, respectively.<sup>61</sup> Individuals pursuing education exclusively by correspondence receive 55% of the institution's established charges for completed courses, and individuals pursuing education consisting exclusively of flight training receive 60% of the institution's established charges for completed courses.<sup>62</sup>

## 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). In general, no educational benefits can be paid after separation from the Selected Reserve unless the separation is involuntary or the result of a disability.<sup>63</sup>

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<sup>60</sup> Effective August 1, 2014, section 542 of the National Defense Authorization Act for Fiscal Year 2014 (P.L. 113-66) limits programs of education to eligible programs at Title IV-participating institutions of higher education, as defined in the Higher Education Act; licensure or certification programs that meet state requirements; and state approved or licensed programs leading to state licensure or certification.

<sup>61</sup> For apprenticeship or on-the-job training, an individual's entitlement period is respectively reduced 0.75, 0.55, or 0.35 months for each month of educational assistance, depending on the payment. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

<sup>62</sup> The entitlement period is reduced one month for every amount paid that is equal to the regular full-time monthly allowance. Individuals may only receive payment for the minimum number of solo flying hours required by the Federal Aviation Administration for the desired flight rating or certification.

<sup>63</sup> 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.

## **Transferability to Dependents**

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

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

The Reserve Educational Assistance Program (REAP) was enacted by section 527 of the Ronald W. Reagan National Defense Authorization Act for FY2005 (P.L. 108-375). It is codified in Title 10 U.S.C., Chapter 1607.<sup>64</sup> Passage of the program was a direct reaction to the increased number and length of calls to active duty of reservists that occurred as a result of operations in Afghanistan and Iraq. Reservists must serve at least two continuous years on active duty to receive the MGIB-AD, and the benefits under the MGIB-SR are lower than under the MGIB-AD. REAP sought to provide reservists with benefits proportional to their active duty service and commensurate with the benefits of the regular Armed Forces.

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

## **Eligible Individuals**

Educational assistance benefits are available to reservists who have served on active duty in support of a contingency operation for at least 90 consecutive days after September 10, 2001.<sup>65</sup> Benefits are also available to Army National Guard or Air National Guard members who have served on full-time National Guard duty under section 502(f) of Title 32 U.S.C. for at least 90 consecutive days after September 10, 2001, when authorized by the President or Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by federal funds. The 90-day service requirement is waived for individuals released from duty because of an injury, illness, or disease incurred or aggravated in the line of duty. Increased benefits are available to individuals who serve at least one continuous year, two continuous years, or three aggregate years.

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

The eligible programs of education, educational institutions, and training establishments are the same as under the MGIB-AD.<sup>66</sup>

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<sup>64</sup> 10 U.S.C. §16161 et seq.

<sup>65</sup> Individuals receiving financial assistance under the Senior Reserve Officers' Training Corps are not eligible.

<sup>66</sup> Effective August 1, 2014, section 542 of the National Defense Authorization Act for Fiscal Year 2014 (P.L. 113-66) limits programs of education to eligible programs at Title IV-participating institutions of higher education, as defined in the Higher Education Act; licensure or certification programs that meet state requirements; and state approved or licensed programs leading to state licensure or certification.

## **Benefit Payments**

Most REAP participants receive a monthly allowance. Similar to the MGIB-AD, additional payments are available for certain purposes, and the monthly allowance may be increased under certain circumstances (see **Table 2**).

The monthly educational allowance for REAP is a percentage of the allowance provided under the MGIB-AD. Reservists who serve on active duty for at least two continuous years or three aggregate years may receive 80% of the maximum MGIB-AD allowance for that type of education or training, and those serving at least one continuous year may receive 60%. Reservists serving at least 90 consecutive days or released from active duty for an injury, illness, or disease incurred or aggravated as a result of active duty service before serving 90 consecutive days may receive 40% of the maximum MGIB-AD allowance for that type of education or training. Effective October 1, 2014, the maximum allowance for at least two continuous or three aggregate years of active duty service under REAP, \$1,373.60, 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, \$1,395.00.

## **Benefit Availability and Duration**

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.

In general, no educational benefits can be paid after separation from the reserves.<sup>67</sup> Individuals called or ordered to active service while serving in the Selected Reserve must remain in the Selected Reserve. Individuals called or ordered to active service while a member of the Ready Reserve, excluding the Selected Reserve, must remain in the Ready Reserve. The Ready Reserve is one of the three major reserve components along with the Standby Reserve and Retired Reserve. The Ready Reserve is the primary manpower pool of the Reserves. Ready Reservists will usually be called to active duty before the other components and include Selected Reservists.<sup>68</sup> 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 Reserve (separation from other reserve types does not qualify).<sup>69</sup> Also, individuals separated from the Ready Reserve because of a disability which was not the result of the individual's own willful misconduct have ten years from becoming eligible for benefits before the benefits expire.

## **Transferability to Dependents**

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

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<sup>67</sup> Individuals who were incapable of beginning education as a result of a physical or mental disability or as a result of being a primary caregiver to a veteran or servicemember could be granted an extension for the period of incapacity.

<sup>68</sup> See CRS Report RL30802, *Reserve Component Personnel Issues: Questions and Answers*, by Lawrence Kapp and Barbara Salazar Torreon.

<sup>69</sup> Between October 28, 2004, and January 27, 2008, completion under other than dishonorable conditions qualified.

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

The Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) was established under Title IV of the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94-502) and codified in Title 38, U.S.C., Chapter 32. The program was established to make education affordable and recruit qualified servicemembers. VEAP was designed as a recruitment incentive for the Armed Forces during peacetime.<sup>70</sup>

### Eligible Individuals

VEAP was the first GI Bill to make educational benefits available to both active duty and reserve components simultaneously from the outset.<sup>71</sup> Under VEAP, educational assistance benefits are available to individuals who entered active duty on or after January 1, 1977, and before July 1, 1985. To be eligible for benefits, veterans must have been discharged or released other than dishonorably after meeting the active duty service requirement, or they must have been discharged or released for a service-connected disability. The active duty service requirement was a minimum of 24 continuous months or the obligated period of active duty for individuals who enlist in a regular component of the Armed Forces after September 7, 1980, or who enter on active duty after October 16, 1981,<sup>72</sup> or a minimum of 181 days of continuous service for other individuals. Servicemembers remaining in service must have completed their first obligated period of active duty<sup>73</sup> or six years of active duty, whichever is less. The 180-day active duty service period excludes time assigned to a civilian institution for an education or training program similar to those offered to civilians, excludes time spent as a cadet or midshipman at one of the service academies, and excludes periods of receiving an allowance from the College First Program (10 U.S.C. §511(d)) for a delayed enlistment in the Army National Guard or the Air National Guard or while a member of the Reserves.

Individuals eligible for the prior GI Bill, the Post Korean Conflict GI Bill (see **Appendix C**), are not eligible under VEAP, with one exception. Members of the National Guard<sup>74</sup> or the Reserves who participated in the College First Program and who served at least one consecutive year of active duty after completing the period of active duty for training are eligible. The individual must make an irrevocable decision to receive benefits under VEAP.

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<sup>70</sup> U.S. Congress, Senate Committee on Veterans' Affairs, *Veterans Education and Employment Assistance Act of 1976*, Hearings before the Subcommittee on Readjustment, Education, and Employment of the Committee on Veterans Affairs on S. 969 and Related Bills, 94<sup>th</sup> Cong., 1<sup>st</sup> sess., October 1, 1975, S. Rept 761-4.

<sup>71</sup> The Post-Korean Conflict GI Bill (see **Appendix C**) was amended to include reservists who served on active duty for over a year.

<sup>72</sup> An individual is exempt from the 24 month active duty requirement if the individual is discharged or released from active duty under a hardship discharge (10 U.S.C. 1173), early-out discharge (10 U.S.C. 1171), disability incurred in or aggravated in line of duty, or service-connected disability. An individual is exempt from the 24 month active duty requirement if the individual who enters on a period of active duty after October 16, 1981, previously completed 24 continuous months of active duty or received an early-out discharge from a previous period of active duty.

<sup>73</sup> Certain individuals in the Armed Forces who receive educational assistance or other benefits are required to serve an obligated period of active duty or repay a portion of the benefit.

<sup>74</sup> The National Guard includes the Army National Guard and Air National Guard.

Since the benefit was established for an all-volunteer force serving during peacetime, it was deemed appropriate to require participants to contribute to their educational fund during their period of service in the military. Program participants had to agree to monthly pay deductions of at least \$25, but not more than \$100, during the initial tour of obligated service or six years of active duty service for a total contribution of up to \$2,700.<sup>75</sup> After making at least 12 contributions, individuals could withdraw from the program, receiving their contributions in return and making them ineligible for program benefits.<sup>76</sup>

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

The eligible programs of education are

- courses which lead to the attainment of a predetermined educational, vocational, or professional objective or objectives if related to the same career (this includes traditional undergraduate and graduate programs);
- courses which lead to a high school diploma;
- courses required by the Administrator of the Small Business Administration as a condition to obtaining financial assistance under the provisions of section 7(i)(1) of the Small Business Act (15 U.S.C. 636(i)(1));
- licensing or certification tests for a predetermined vocation or profession, provided such tests and the licensing or credentialing organizations or entities that offer such tests are approved;
- courses offered by a qualified provider of entrepreneurship courses;
- national tests for admission to institutions of higher learning or graduate schools (such as the Scholastic Aptitude Test (SAT));
- national tests providing an opportunity for course credit at institutions of higher learning (such as the Advanced Placement (AP) exam);
- full-time programs of apprentice or other on-the-job training; and
- cooperative programs<sup>77</sup> for individuals not on active duty.<sup>78</sup>

## **Benefit Payments**

Most VEAP participants receive a monthly allowance. Similar to the MGIB-AD, additional payments are available for certain purposes, and the monthly allowance may be increased under certain circumstances (see **Table 2**).

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<sup>75</sup> In certain circumstances, individuals on active duty could make a lump-sum contribution in lieu of or in addition to the monthly payments. The lump-sum payment is counted as if the individual made \$100 monthly contributions.

<sup>76</sup> Individuals on active duty could re-enroll at any time before July 1, 1985.

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

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

The VEAP benefit consists of a monthly allowance for subsistence, tuition and fees, supplies, books, and equipment paid directly to recipients while enrolled in training or a program of education. Individuals are entitled to three times their contribution plus any DOD contributions. The maximum monthly basic educational benefit may not exceed \$300.<sup>79</sup> The entitlement period of individuals taking correspondence courses is reduced one month for each month of assistance regardless of the rate of attendance. Individuals incarcerated for a felony conviction in a federal, state, local, or other penal institution or correctional facility may only receive an allowance to cover actual tuition and fees and necessary supplies, books, and equipment.<sup>80</sup> Individuals in a program of education consisting exclusively of flight training receive 60% of the program's established charges.<sup>81</sup> For an individual in apprentice or on-the-job training, the monthly allowance is 75%, 55%, and 35% of the monthly benefit otherwise payable to that individual for the first six months, second six months, and thereafter, respectively.<sup>82</sup>

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

Veterans and servicemembers must use their educational assistance benefits within ten years of discharge or release from active duty.<sup>83</sup> 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.

## **Combination and Comparison of GI Bill Programs**

In general, veterans and servicemembers, many of whom will be eligible for more than one program, can combine benefit programs administered by the VA to receive no more than 48 months of educational benefits.<sup>84</sup> However, a servicemember who is eligible for two or more of the GI Bill programs: VEAP, MGIB-AD, MGIB-SR, REAP, or the Post-9/11 GI Bill, based on the

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<sup>79</sup> To calculate an individual's monthly allowance, the individual's contributions are multiplied by three, the DOD contributions are added to the result, and the sum is divided by the lesser of the number of months of contributions or 36.

<sup>80</sup> Veterans benefits cannot duplicate those paid under any other federal, state, or local program.

<sup>81</sup> Established charges are the lesser of the charge for the course(s) determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State Approving Agency or the tuition and fees or charges that similarly circumstanced nonveterans enrolled in the same course(s) are required to pay. Individuals may only receive payment for the minimum number of solo flying hours required by the Federal Aviation Administration for the desired flight rating or certification. For exclusive flight training, an individual's entitlement period is reduced one month for each amount paid that is equal to the monthly benefit otherwise payable to such individual.

<sup>82</sup> For apprentice or on-the-job training, an individual's entitlement period is respectively reduced 0.75, 0.55, or 0.35 months for each month of educational assistance, depending on the payment. Individuals working/training fewer than 120 hours monthly have their payment and entitlement period usage proportionately reduced.

<sup>83</sup> Veterans who are incapable of beginning education as a result of a physical or mental disability can be granted an extension for the period of incapacity.

<sup>84</sup> Aggregate educational assistance may not exceed 48 months under the following programs: Parts VII or VIII, Veterans Regulation numbered 1(a), as amended; Title II of the Veterans' Readjustment Assistance Act of 1952; the War Orphans' Educational Assistance Act of 1956; Chapters 30, 32, 33, 34, and 36 of Title 38 U.S.C. and the former chapter 33; Chapters 106a, 1606, and 1607 of Title 10 U.S.C.; section 903 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note); the Hostage Relief Act of 1980 (5 U.S.C. 5561 note); and the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4801). The VA may extend the aggregate entitlement period for educational assistance in combination with the vocational rehabilitation and employment program (Chapter 31 of Title 38).

same period of military service must elect the program to which such service is to be credited. In addition, benefits under more than one program cannot be received concurrently.

DEA-eligible individuals can combine benefits with other VA administered educational assistance programs to receive up to 81 months of education benefits, but the eligibility events cannot be duplicative.

**Table 2** provides a summary of some of the key characteristics of the active programs. Although the Post-9/11 GI Bill is not described in this report, the characteristics have been included in the table for the reader's reference. The Post-9/11 GI Bill is described in CRS Report R42755, *The Post-9/11 Veterans Educational Assistance Act of 2008 (Post-9/11 GI Bill): Primer and Issues*, by Cassandra Dortch.

**Table 2. Selected Characteristics of Veterans' Educational Assistance Programs**

Sorted by Participation Level, in Descending Order

Characteristic	Post-9/11 GI Bill	MGIB-AD	DEA	MGIB-SR	REAP	VEAP
Year enacted	2008	1984	1956	1984	2004	1976
Initial authorization	P.L. 110-252	P.L. 98-525	P.L. 84-634	P.L. 98-525	P.L. 108-375	P.L. 94-502
<b>Eligible Individuals</b>						
Period of qualifying service	After 9/10/2001 to present	Entered active duty after 6/30/1985	After the beginning of the Spanish American War	7/1/1985 to present	After 9/10/2001 to present	On or after January 1, 1977, and before July 1, 1985
Minimum required length of service	90 aggregate days of active duty service or service-connected disability after 30 continuous days	181 continuous days of active duty service; 24 months of active duty if enlisted after September 7, 1980	None	Accepted 6-year reserve obligation after June 30, 1985	90 days of consecutive service in a contingency operation or three aggregate years of active duty service	181 continuous days of active duty service, or 24 continuous months of active duty service, if enlisted after September 7, 1980, or entered after October 16, 1981
Discharge status	Honorable discharge or on active duty	Honorable discharge or on active duty	Other than dishonorable or on active duty	Must remain with reserve unit	Honorable separation or serving in the reserves	Other than dishonorable or on active duty

<b>Characteristic</b>	<b>Post-9/11 GI Bill</b>	<b>MGIB-AD</b>	<b>DEA</b>	<b>MGIB-SR</b>	<b>REAP</b>	<b>VEAP</b>
Monetary Contribution	None	Pay reduction of \$100 per month for the first 12 months of pay	None	None	None	\$25 to \$100 per month; \$2,700 maximum

**Benefit Availability and Duration**

Period of use	8/1/2009 to present	7/1/1985 to present	1956 to present	7/1/1985 to present	12/9/2001 to present	1/1/1977 to present
Duration of benefits	36 months	Lesser of 36 months or number of months of active duty and one-quarter number of months of reserve duty	45 months	36 months	36 months	Lesser of 36 months or number of months of contributions
Delimiting Date (General time limitation on use of benefits)	Within 15 years of discharge or release from active duty  For the child: after finishing high school or reaching age 18, but before age 26 for transferred benefits or 33 for the Marine Gunnery Sergeant John David Fry Scholarship	Within 10 years of discharge or release from active duty or required reserve 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	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 10 years of discharge or release from active duty

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

College or university	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
High school	Not eligible	Not Eligible	Eligible	Not eligible	Not eligible	Eligible
Apprentice and on-the-job training	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Entrepreneurship training	Eligible	Eligible	Not Eligible	Eligible	Eligible	Eligible



Characteristic	Post-9/11 GI Bill	MGIB-AD	DEA	MGIB-SR	REAP	VEAP
Cooperative training	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
<b>Benefit Payments</b>						
Maximum standard benefit for AY2012-13	\$3,744.00 per month for housing  At a public IHL, <sup>a</sup> "actual net cost for in-state tuition and fees" less certain student aid  At a private or foreign IHL, up to \$20,235.02 <sup>b</sup>	\$1,717.00 per month <sup>c</sup> for subsistence, tuition and fees, supplies, books, and equipment	\$1,018.00 per month for subsistence, tuition and fees, supplies, books, and equipment	\$367.00 per month <sup>c</sup> for subsistence, tuition and fees, supplies, books, and equipment	\$1,373.60 per month <sup>d</sup> for subsistence, tuition and fees, supplies, books, and equipment	\$300.00 per month <sup>e</sup> for subsistence, tuition and fees, supplies, books, and equipment
Books and supplies	Up to \$1,000 annually	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible
Relocation allowance	Up to \$500 once	Not eligible	Not eligible	Not eligible	Not eligible	Not eligible
Maximum tutorial assistance	\$1,200	\$1,200	\$1,200 <sup>f</sup>	\$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 per test	\$2,000 per test
Admissions or course credit test	Eligible	Actual cost	Eligible	Eligible	Eligible	Actual cost
Advance payments	Eligible <sup>g</sup>	Eligible	Eligible	Eligible	Eligible	Eligible
Accelerated payments	Not eligible	Eligible	Not eligible	Eligible	Eligible	Not eligible
Tuition Assistance Top Up Program	Eligible	Eligible	Not eligible	Not eligible	Not eligible	Not eligible
\$600 Buy Up Program	Not eligible	Eligible	Not eligible	Eligible	Eligible	Not eligible
Supplemental assistance	Up to \$950 per month	Up to \$950 per month	Not eligible	Up to \$350 per month	Up to \$350 per month	Not eligible
<b>Transferability to Dependents</b>						
Transferability to dependents	Authorized and available	Authorized, not available <sup>h</sup>	Not authorized	Authorized, not available <sup>h</sup>	Authorized, not available <sup>h</sup>	Not authorized

**Source:** Prepared by CRS based on data available from the VA; Title 38 U.S.C., Chapters 30, 32, 33, and 35; and Title 10 U.S.C., Chapters 1606 and 1607.

- a. IHL is an institution of higher learning.
- b. The Restoring GI Bill Fairness Act (P.L. 112-26) allows certain individuals through July 31, 2014, to receive a tuition and fees benefit equal to the greater of \$17,500, reduced according to the length of time served on active duty, or the amount the individual would have been entitled to in academic year (AY) 2010-2011 before the Improvements Act became effective. To be eligible, the individual must have been enrolled in the same private or foreign IHL since January 4, 2011, in a state in which the Post-9/11 GI Bill maximum in-state tuition per credit hour exceeded \$700 in AY2010-2011 and the combined amount of tuition and fees for full-time attendance in the program of education in AY2010-2011 exceeded \$17,500.
- c. Amounts shown are for full-time institutional training, and for individuals who completed a minimum of three years of service. The amounts are less for individuals who served less than three years and who attend less than full-time. The educational benefits payment rate schedule is available at [http://www.gibill.va.gov/GI\\_Bill\\_Info/rates.htm](http://www.gibill.va.gov/GI_Bill_Info/rates.htm). The MGIB-AD maximum payment does not reflect the allowance received by Post-Korean Conflict GI Bill recipients who transfer to the program.
- d. 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.
- e. Government matches every \$1 the servicemember contributes with \$2. The maximum benefit available under the program is \$8,100 (\$5,400 federal contribution and \$2,700 individual contribution). The total contribution (servicemember contribution plus government share) is then divided by the number of months the servicemember contributed to VEAP.
- f. Unlike the other GI Bills, entitlement is not charged for tutorial assistance under DEA.
- g. Although regulations clarify the eligibility requirements for advance payments of the monthly housing allowance, VA guidance and policy documents indicate that advance payments are not available under the Post-9/11 GI Bill.
- h. Although the branches of the uniformed services are authorized to permit the transfer of benefits to dependents, none of the branches are currently permitting the transfer of benefits.

## Related Department of Veterans Affairs Programs

### Veterans Counseling

For the most part, individuals receiving educational assistance under the VEAP, MGIBs, REAP, or DEA may request educational and vocational 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.

### VetSuccess on Campus

In an effort to ameliorate the transition from military service to civilian education and ensure GI Bill participants achieve their educational and employment objectives, the VA initiated the VetSuccess on Campus program in June 2009. Services are targeted to servicemembers, veterans,

and their family members who use VA education programs. Each college campus participating in the VetSuccess on Campus program is assigned a full-time VA Vocational Rehabilitation and Employment Program (see program description in subsequent section) counselor and a part-time VA outreach coordinator. The coordinator and counselor ensure veterans are aware of the services offered, which include career and academic counseling, adjustment counseling, vocational testing, awareness of and access to VA benefits and services, referral services, and other services.

The VA chooses campuses to participate that have high veteran populations. Participating campuses enter into an agreement with the VA to work directly with the on-campus VA representatives to coordinate service delivery. The number of participating campuses has increased from three in 2009 to eight in 2011 and 94 in 2014 and 2015. The initiative was estimated to expend \$9.0 million in FY2015.<sup>85</sup>

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

Vocational Rehabilitation and Employment (VR&E) is an entitlement program administered by the VA that provides job training and other employment-related services to veterans with service-connected disabilities.<sup>86</sup> To be entitled to VR&E services, a veteran must be found to have either (1) a 20% service-connected disability and an employment handicap, or (2) a 10% service-connected disability and a serious employment handicap.<sup>87</sup> After veterans are found to be entitled to VR&E benefits, a program counselor helps the veteran identify a suitable employment goal and determines what services (including postsecondary education) will be necessary to achieve that goal.<sup>88</sup>

Services and benefits under the VR&E programs may include (but are not limited to) tuition, fees, books, supplies, tutorial assistance, counseling, and other services necessary to meet the veteran's employment objective. VR&E beneficiaries may also receive a subsistence allowance while they are enrolled in the program.<sup>89</sup> Typically, VR&E benefits are limited to 48 months, though entitled veterans may receive benefits longer under certain circumstances.

As discussed earlier, statutory provisions generally prohibit individuals from receiving benefits under more than one program concurrently. Two partial exceptions to this non-duplication rule exist:

- Veterans who are eligible for VR&E as well as the Post-9/11 GI Bill may elect to receive services and benefits under the VR&E program but receive the Post-9/11 GI Bill housing allowance in lieu of the VR&E subsistence allowance. This policy was designed to prevent disabled veterans from having to choose between

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<sup>85</sup> President's Budget Request, FY2013-FY2015.

<sup>86</sup> For more detailed information on the VR&E program, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Benjamin Collins.

<sup>87</sup> For an in-depth discussion of the VA's disability evaluation process and policies, see CRS Report RL33991, *Disability Evaluation of Military Servicemembers*, by Christine Scott and Don J. Jansen.

<sup>88</sup> VR&E programs could have an employment or independent living objective that would not require the veteran to pursue additional education.

<sup>89</sup> The subsistence allowance varies by enrollment status and whether or not the veteran has dependents. For fiscal year 2014, the monthly subsistence allowance for a VR&E beneficiary enrolled full-time at an institution of higher learning with two dependents was \$868.96.

the more intensive VR&E services and higher housing allowance of the Post-9/11 GI Bill.<sup>90</sup>

- Veterans who are eligible for VR&E as well as MGIB-AD may begin a rehabilitation program under VR&E and may subsequently elect to receive MGIB-AD payments while enrolled in a program that meets the MGIB-AD criteria. VR&E beneficiaries who subsequently elect to receive MGIB-AD payments may not receive tuition, fees, books, supplies, handling charges, licensing fees, equipment, or individualized tutorial assistance through the VR&E program. They are also ineligible for a subsistence allowance or loans under the VR&E program. VR&E participants who elect to receive MGIB-AD payments remain eligible for educational, vocational, psychological, employment, and personal adjustment counseling and other disability-related benefits and services under the VR&E program.<sup>91</sup>

A veteran who is also eligible to receive disability compensation<sup>92</sup> as a result of hospital treatment or observation may not receive the total VR&E or MGIB-AD allowance and disability compensation in excess of the greater of 100% disability compensation or the sum of the VR&E or MGIB-AD allowance and the amount of disability compensation that would be paid to the veteran if he or she was not receiving compensation at such a rate as the result of that hospital treatment or observation.

## **Veterans Work Study Program**

The Veterans Work Study Program allows VEAP, MGIB-AD, MGIB-SR, DEA, Post-9/11 GI Bill, and VR&E participants to receive additional financial assistance through the VA. The program is codified in Title 38 U.S.C. Section 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 the 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 the work-study program. Although veterans with at least a 30% disability rating<sup>93</sup> receive priority in the selection of program participants, the VA also considers the individuals' need for additional educational assistance, whether the individuals have the necessary access to transportation to and from the work site, the individuals' motivation, and the individuals' 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

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<sup>90</sup> See 38 U.S.C. 3108(b)(4).

<sup>91</sup> More information on the election to receive MGIB-AD payments by VR&E beneficiaries is at 38 U.S.C. 3104(f) and 38 C.F.R. 21.264 and 21.334.

<sup>92</sup> 38 U.S.C. §3108 et seq.

<sup>93</sup> The VA conducts disability evaluations and assigns disability ratings to servicemembers and veterans. An individual's disability rating describes the impact of a disability on gainful employment in the civilian economy. The lower the rating, the more capable an individual is of maintaining gainful employment. For more information, see CRS Report RL33991, *Disability Evaluation of Military Servicemembers*, by Christine Scott and Don J. Jansen.

- VA outreach services programs under the supervision of a VA employee;
- 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;
- any other activity of the VA as the Secretary determines appropriate;
- activities related to the administration of MGIB-SR and REAP at DOD, Coast Guard, or National Guard facilities (for reservists only);
- activities of a state veterans agency related to providing assistance to veterans in obtaining state and VA benefits;
- a position working in a cooperative program carried out jointly by the VA and an IHL; and
- any other veterans-related position in an IHL.

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

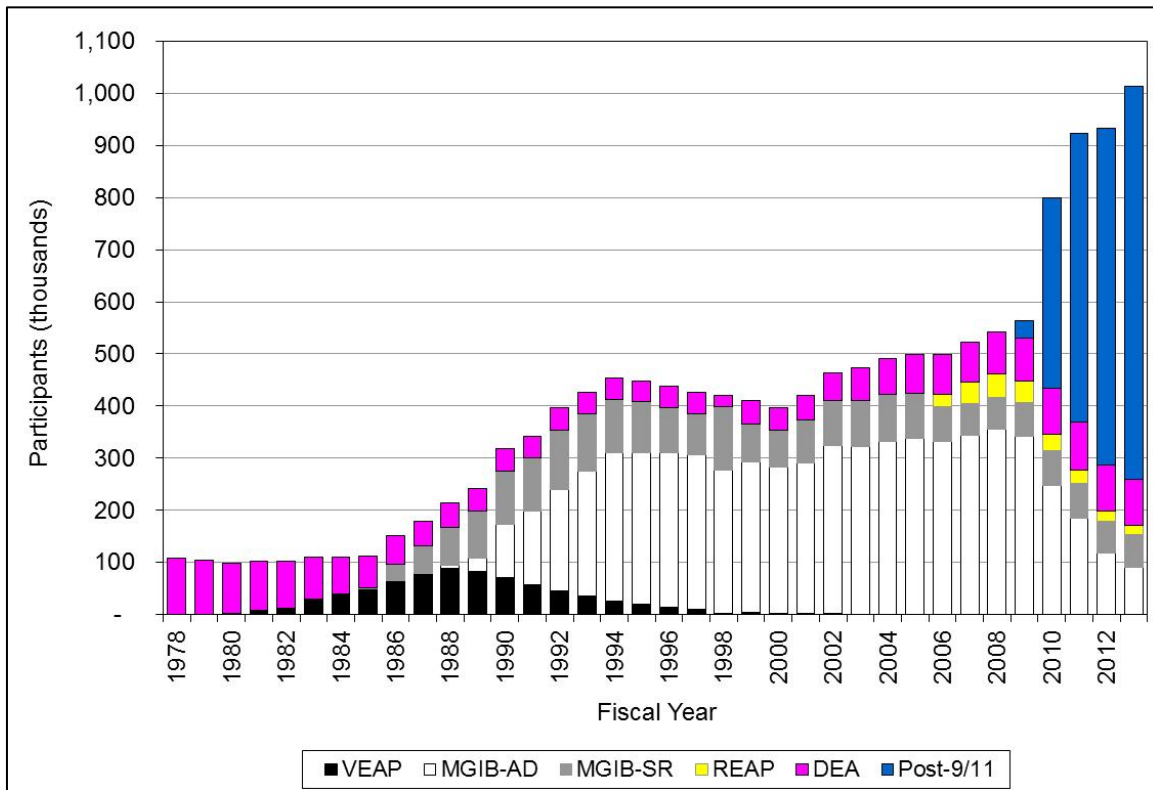
## Participation and Cost

Participation in VEAP, MGIBs, REAP, Post-9/11 GI Bill, and DEA is exhibited in **Figure 1**. The following are among the highlights of the figure:

- Combined participation in VEAP, MGIBs, REAP, Post-9/11 GI Bill, and DEA increased 48% from 541,439 in FY2008 to 800,369 in FY2010, due in large part to the Post-9/11 GI Bill.
- Participation in the Post-9/11 GI Bill exceeded 350,000 in FY2010, the first full year of implementation, and increased to over 750,000 in FY2013.
- The number of participants in the MGIB-AD was moderately stable from 1994 through 2001 at around 290,000 participants; increased from 2002 through 2008—peaking at 354,284 participants; and began to decline in 2009 following the implementation of the Post-9/11 GI Bill to fewer than 100,000 in FY2013.
- Likewise REAP participation peaked in 2008—within three years of implementation—at 44,014 before beginning to decline in 2009, corresponding to the implementation of the Post-9/11 GI Bill.
- Participation in VEAP peaked in 1988 at 88,964 and is slowly declining as the eligible individuals become older, disenroll, or transfer to other programs. The VA projects that participation will end in 2025.
- MGIB-SR participation exceeded 100,000 from 1990 through 1994, fell to more than 80,000 annually from 2001 through 2005, and fell again to more than 60,000 from 2006 through 2013.

- Participation cycles in DEA mirror major conflicts with greater participation around the Vietnam Conflict, 1978-1982, and around the conflicts in Iraq and Afghanistan, 2004-2013.

**Figure I. Total Veterans, Active-Duty Servicemembers, Reservists, and Dependents Receiving VEAP, MGIB-AD, MGIB-SR, REAP, DEA, and Post-9/11 GI Bill Education Benefits each Year (1978-2013)**



**Source:** Department of Veterans Affairs' Annual Reports 1978-1997; data provided to CRS by the Department of Veterans Affairs, 1998-2008; Department of Veterans Affairs' Veterans Benefits Administration Annual Benefits Report FY2010; and the President's Annual Budget Request, FY2013-FY2015.

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

**Table 3** compares participation and cost of selected programs administered by the VA. The program with the largest participation and obligations in FY2013 was the Post-9/11 GI Bill, with over 750,000 participants and total obligations of over \$10 billion. The program with the smallest participation was VEAP, with 78 participants and total obligations of less than \$1 million. The MGIB-AD program provided benefits averaging \$8,551 per participant compared to \$13,465 for the Post-9/11 GI Bill.

**Table 3. Obligations and Participation of Selected Programs Administered by the VA: FY2013**

<b>Program</b>	<b>2013 Obligation (\$ thousand)</b>	<b>Participation</b>	<b>2013 Obligation per Participant (\$)</b>
DEA <sup>a</sup>	483,281	89,160	5,420
MGIB-AD <sup>b</sup>	775,382	90,678	8,551
MGIB-SR <sup>c</sup>	153,465	62,656	2,449
REAP <sup>d</sup>	69,670	17,297	4,028
VEAP <sup>e</sup>	160	78	2,051
Post-9/11 GI Bill <sup>f</sup>	10,184,499	754,529	13,465

**Source:** Department of Veterans Affairs, *FY2015 Budget Submission*.

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

## **Appendix A. Educational Assistance Under the Original GI Bill of Rights<sup>94</sup>**

The original GI Bill, the Servicemen's Readjustment Act of 1944 (P.L. 78-346), was intended to help veterans returning from World War II (WWII). The original GI Bill provided unprecedented benefits: funds to the VA to build and administer additional hospital facilities; extension of vocational rehabilitation and employment services; educational assistance to non-disabled veterans; loans for the purchase or construction of homes, farms, and business property at advantageous terms to veterans; employment services to returning veterans; and unemployment benefits to veterans. The purpose of the educational assistance program was to avoid high levels of unemployment as had occurred following World War I, to help servicemembers readjust to civilian life, and to afford returning veterans an opportunity to receive the education and training missed while providing compulsory service in the military.<sup>95</sup> From December 1, 1941, through December 31, 1946, 16.1 million personnel served in the U.S. Armed Forces in WWII.<sup>96</sup> The U.S. population in 1946 is estimated at 141,388,566.<sup>97</sup>

### **Eligible Individuals**

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

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

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

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<sup>94</sup> Description prepared by CRS based on a historical review of legislation and other reports.

<sup>95</sup> The draft age was lowered from 20 to 18 years when President Roosevelt signed the Selective Service Act of 1942 (P.L. 77-772).

<sup>96</sup> Facts for Features, U.S. Census Bureau, April 29, 2004, <http://www.census.gov/Press-Release/www/2004/cb04-ffse07.pdf>.

<sup>97</sup> Historical National Population Estimates: July 1, 1900, to July 1, 1999, Source: Population Estimates Program, Population Division, U.S. Census Bureau, Internet Release Date: April 11, 2000, Revised date: June 28, 2000, <http://www.census.gov/popest/archives/1990s/popclockest.txt>.



which provided no more than one year of educational benefits to certain veterans, was later removed to provide the same benefits to all veterans.<sup>98</sup> By law, no educational benefits under the original GI Bill could be paid seven years after the end of WWII, or July 25, 1956.<sup>99</sup>

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

Initially, the eligible educational institutions were almost any institutions providing education: public or private elementary, secondary, and other schools furnishing education for adults; business schools; scientific and technical institutions; colleges and universities; vocational schools; junior colleges; teachers' colleges; professional schools; and other educational institutions. The eligible training establishments were businesses or other establishments offering apprentice or on-the-job training. Because the quality of some training programs was poor, laws were enacted establishing approval criteria for training institutions and for-profit schools.<sup>100</sup> Stricter criteria were prescribed for on-the-job and on-the-farm training programs and vocational schools.<sup>101</sup> Also, avocational and recreational training programs, such as nonvocational flight training, were eventually prohibited.<sup>102</sup>

## **Benefit Payments**

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

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

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<sup>98</sup> P.L. 79-268, enacted in 1945, removed the restriction limiting benefits beyond the first year to those whose education had been impaired, delayed, interrupted, or interfered with; those under 25 years of age; or those not pursuing refresher or retraining courses, thus opening the full program to all veterans.

<sup>99</sup> P.L. 85-807, enacted in 1958, extended benefits for veterans who through 1956 were ineligible for the program but whose discharge status was later amended to make them eligible for the program, allowing those veterans to begin a program of education within four years of the amended discharge status but before August 28, 1962, and allowing them no more than five years of benefits before January 31, 1965.

<sup>100</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 28-29.

<sup>101</sup> On-the-job training programs were required to gain approval from a state approving agency according to specific criteria under P.L. 79-679 enacted in 1946. Requirements for on-the-farm training programs were established in P.L. 80-377, enacted in 1947. With regard to vocational schools, P.L. 81-610, enacted in 1950, (1) authorized the VA to disapprove payment of benefits for training in for-profit vocational schools that had been in existence for less than one year, (2) prescribed stricter criteria for approval of for-profit schools with fewer than 25 students or one-fourth of the students enrolled (whichever was larger) paying their own tuition, (3) provided that no new courses could be approved in for-profit schools where the state approving agency determined that the occupation for which the course was intended to provide training was crowded in the state and that existing training facilities were adequate, and (4) set minimum attendance requirements for veterans pursuing trade or technical courses below college level.

<sup>102</sup> P.L. 80-262, enacted in 1949, and P.L. 81-266 and P.L. 81-610, enacted in 1950.

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

## Lessons Learned

Some important lessons were learned in the implementation of the original GI Bill, and as the result of several studies.<sup>103</sup> Paying tuition and fees directly to educational institutions led to overpayments and excessive payments to for-profit vocational training programs in particular.<sup>104</sup> Some institutions were created solely to profit from the program.<sup>105</sup> It was necessary to define and establish standards for the eligible training establishments and educational institutions to ensure adequate quality of the educational programs and to define and remunerate responsibility for evaluating them.<sup>106</sup> There was considerable objection to the use of the GI Bill for avocational and recreational purposes since one of the stated purposes of the program was workforce preparation.<sup>107</sup> The third mechanism for ensuring proper use of the GI Bill educational assistance was the importance placed on veterans' identifying and adhering to an educational objective. Finally, it was necessary to increase the benefits as the cost of living and education increased.

## Participation and Costs

In the end, the nation spent \$14.5 billion (\$114.7 billion in 2008 inflation adjusted dollars) to provide education and training to 7.8 million WWII veterans (**Table A-1**).<sup>108</sup> The total expenditure per participant was \$1,859 (\$14,700 in 2008 inflation adjusted dollars).

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<sup>103</sup> The studies include a February 1950 joint report by the VA and the Bureau of the Budget, two reports issued in January 1951 and February 1952, by a House Select Committee to Investigate the Educational and Training Program under the GI Bill and a survey by the General Accounting Office of the education and training operations of the VA in seven states issued in July 1951.

<sup>104</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

<sup>105</sup> U.S. Congress, House Committee of the Whole House on the State of the Union, *Education and Other Benefits for Veterans of Service After January 31, 1955*, Report to accompany H.R. 12410, 89<sup>th</sup> Cong., 2<sup>nd</sup> sess., February 3, 1966, Report No. 1258, p. 3.

<sup>106</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: Education and Training, and Employment and Unemployment, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 12, 1956, H.Prt. 291 (Washington: GPO, 1956), pp. 55-59.

<sup>107</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 29.

<sup>108</sup> The 2008 inflation adjusted number for total expenditures was calculated by inflating \$14.5 billion in 1956 dollars to 2008 using the U.S. Department of Labor's Bureau of Labor Statistics' Consumer Price Index-All Urban Consumers - (CPI-U) U.S. city average as reported at <ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>.

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

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

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

## **Appendix B. Korean Conflict GI Bill<sup>109</sup>**

The Veterans' Readjustment Assistance Act of 1952 (P.L. 82-550, also known as the Korean Conflict GI Bill) was authorized to help veterans returning from the Korean Conflict adjust to civilian life. The program was codified in Title 38 U.S.C., Chapter 33, before its subsequent repeal. The expected number of Korean Conflict veterans—less than 6 million (or 4%) of a national population of 157,552,740 in 1952<sup>110</sup>—was lower than the number of WWII veterans, reducing the risk of high national unemployment in comparison to the post-WWI and post-WWII eras. The Korean Conflict GI Bill was intended to provide veterans the education forestalled by compulsory service and provide equitable benefits, as had been afforded the WWII veterans. The bill was also written in an effort to avoid many problems encountered in the implementation of the original GI Bill.<sup>111</sup>

### **Eligible Individuals**

Veteran eligibility was essentially the same for the Korean GI Bill as the original GI Bill except that only those members of the Armed Forces who served on active duty during the Korean Conflict (on or after June 27, 1950, and before the termination of hostilities on January 31, 1955<sup>112</sup>) were eligible. Veterans still had to be discharged other than dishonorably and serve a minimum of 90 days, or be discharged or released for a service-incurred injury or disability. The 90-day service period excluded time assigned to an education or training program similar to those offered to civilians and excluded time spent as a cadet or midshipman at one of the service academies.

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

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

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

<sup>110</sup> Historical National Population Estimates: July 1, 1900, to July 1, 1999, Source: Population Estimates Program, Population Division, U.S. Census Bureau, Internet Release Date: April 11, 2000, Revised date: June 28, 2000, <http://www.census.gov/popest/archives/1990s/popclockest.txt>.

<sup>111</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1965), p. 30.

<sup>112</sup> The January 31, 1955, termination date for eligibility was established by P.L. 84-7 enacted in 1955.

years after discharge or release or upon the termination of hostilities, whichever was earlier.<sup>113</sup> This was later extended to eight years after discharge or release or January 31, 1965, by P.L. 84-7, enacted in 1955.

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

The list of eligible educational institutions and training establishments did not change from the original GI Bill except that institutions listed on the Attorney General's List of Subversive Organizations<sup>114</sup> were not eligible. States were requested to create state approving agencies (SAAs) to approve educational courses and provide lists of eligible institutions. The VA provided some cost reimbursement of salaries and travel for these state agencies.

To ensure the benefits were used for workforce preparation and to avoid some of the misuse experienced under the original GI Bill, several provisions were added or changed from the original GI Bill. Veterans were required to declare an educational objective or certificate/degree. They were allowed to change their educational objective only once, only if not making satisfactory progress by no fault of misconduct, neglect, or lack of application, and if the new program fit their aptitude or previous education or the new program was a normal progression from the existing program. The legislation specifically prohibited veterans from receiving benefits for avocational and recreational courses in bartending, dance, photography, music, sports, and personal development.<sup>115</sup>

The criteria and standards for approving training establishments and educational institutions were bolstered in comparison to the original GI Bill. As originally enacted, the Korean GI Bill disapproved new enrollments of veterans in non-accredited courses below the college level offered by a private for-profit or nonprofit educational institution if more than 85% of the enrolled students had all or part of their educational charges paid to or for them by the educational institution, VR&E, or the original GI Bill. The act included an additional provision disapproving the enrollment of veterans in any course that was offered by an educational institution that had not been in operation for at least two years unless either the educational institution was public, the educational institution had been in operation for more than two years and the course was similar to instruction previously given, or the institution relocated locally and had offered the course for more than two years. 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.

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<sup>113</sup> P.L. 85-807 enacted in 1958 extended benefits for veterans who through 1956 were ineligible for the program but whose discharge status was later amended to make them eligible for the program allowing those veterans to begin a program of education within three years of the amended discharge status but before August 28, 1961, and allowing them no more than five years of benefits.

<sup>114</sup> The Attorney General's List of Subversive Organizations was prepared according to section three of part III of Executive Order 9835, which established a loyalty program to the federal government to thwart communism.

<sup>115</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 28-31, 153-154.

## 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.<sup>116</sup> A 1956 House Report determined that because the original GI Bill was generous, some veterans used the benefits for income rather than to achieve an employment goal.<sup>117</sup> It was also believed that if veterans were responsible for paying a portion of the cost of their own education that this, in combination with the payment of benefits directly to veterans, would encourage more careful spending.<sup>118</sup>

Since maximum benefits were offered to veterans in full-time study, the legislation provided a uniform definition of full-time for below college-level trade, technical, and institutional courses offered on the clock-hour basis and for undergraduate courses offered at colleges and universities. The benefit provided an allowance for subsistence, tuition, fees, supplies, books, and equipment of up to \$110 monthly to single veterans, \$135 monthly to veterans with one dependent, and \$160 monthly to veterans with more than one dependent. Veterans who attended institutional training less than full-time, attended on-the-farm training at least half-time, or attended cooperative training full-time received a lower allowance. As a result of the determination that some veterans were overpaid from the original GI Bill,<sup>119</sup> veterans who attended apprentice or on-the-job training received an allowance, which could not exceed \$310 monthly in combination with the veterans' employment compensation. Veterans completing all coursework through correspondence courses or on a less-than-half-time basis were only reimbursed for the cost of completed courses. Veterans in flight training received 75% of the cost of flight training unless the program of education combined flight training with other coursework.<sup>120</sup>

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

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<sup>116</sup> Starr, Paul, *The Discarded Army*, p. 237.

<sup>117</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), pp. 37-40.

<sup>118</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 154.

<sup>119</sup> U.S. Congress, House Committee on Veterans' Affairs, *Readjustment Benefits: General Survey and Appraisal, A Report on Veterans' Benefits in the United States*, committee print, prepared by The President's Commission on Veterans' Pensions, 84<sup>th</sup> Cong., 2<sup>nd</sup> sess., September 11, 1965, H.Prt. 289 (Washington: GPO, 1956), p. 30.

<sup>120</sup> Veterans pursuing programs of education that combined flight training and other coursework could be reimbursed for 75% of the cost of flight training and receive a monthly allowance. Their entitlement period was reduced at a rate of one day for every \$1.25 in payments.

## 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).

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

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

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

## Appendix C. Post-Korea Conflict and Vietnam Era GI Bill<sup>121</sup>

Once fighting and ground troop deployment escalated in Vietnam, the Veterans Readjustment Benefits Act of 1966 (P.L. 89-358), better known as the Post-Korean Conflict and Vietnam Era<sup>122</sup> GI Bill, was passed. The program is codified in Title 38 U.S.C., Chapter 34. Congress passed the bill unanimously despite reservations by President Lyndon B. Johnson that the cost was too high.<sup>123</sup> The benefits were designed to help recruit new servicemembers, extend benefits to all who fulfilled their compulsory service, and afford returning veterans an opportunity to receive the education and training missed while providing compulsory service in the military. Although the benefits were initially intended to provide “considerably less liberal treatment” to non-war veterans,<sup>124</sup> over time Congress expanded the benefits and liberalized eligibility. Incidentally, these veterans were eligible for other federal education benefits available to the general public and passed through the recently enacted Higher Education Act of 1965.

### Eligible Individuals

The minimum active duty eligibility period was 180 days. Educational assistance benefits were available to all veterans who served on active-duty after January 31, 1955 and entered military service before January 1, 1977, who were discharged other than dishonorably and served a minimum of 180 days, or were discharged or released for a service-connected disability. The 180-day service period excluded time assigned to an education or training program similar to those offered to civilians, time spent as a cadet or midshipman at one of the service academies, time spent in college for a delayed enlistment in the Army National Guard or Air National Guard, and service in the National Guard and the Reserves. The program was later amended by P.L. 93-508, enacted in 1974, so that members of the National Guard and the Reserves were eligible if the active duty period after the initial active duty training period was at least one year.

Servicemembers that otherwise met the eligibility requirements were also eligible for benefits while on active duty after serving two continuous years on active duty. This provision responded to concerns by the DOD that benefits available to veterans only would be counter to retention efforts.<sup>125</sup>

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<sup>121</sup> Description prepared by CRS based on a historical review of legislation and other reports.

<sup>122</sup> By presidential proclamation, the Vietnam Era began on February 28, 1961, and terminated on May 7, 1975, for veterans who served in the Republic of Vietnam during that period, and the Vietnam Era began on August 5, 1964, and ended on May 7, 1975, in all other cases.

<sup>123</sup> John T. Woolley and Gerhard Peters, *The American Presidency Project* [online], Santa Barbara, CA: University of California (hosted), Gerhard Peters (database). <http://www.presidency.ucsb.edu/ws/?pid=27461>.

<sup>124</sup> U.S. Congress, Senate Committee on Labor and Public Welfare, *Cold War Veterans' Readjustment Assistance Act*; report to accompany S. 9. Senate Report No. 89-269, 89<sup>th</sup> Congress, 1<sup>st</sup> Session, (Washington: GPO, 1965), p. 15.

<sup>125</sup> U.S. Congress, Senate Committee on Labor and Public Welfare, Subcommittee on Veterans' Affairs, *Cold War GI Bill - 1965*, S. 9: A Bill to Provide Readjustment Assistance to Veterans who Serve in the Armed Forces During the Induction Period, 89<sup>th</sup> Cong., 1<sup>st</sup> sess., February 8, 18, 19, 24, 26, March 1, 9, 1965, (Washington: GPO, 1965), pp. 66-67.



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

Although the bill was not passed until 1966, the benefits retroactively covered active duty servicemen since 1955 such that there would be no period of ineligibility of educational assistance benefits since September 16, 1940. However, no educational benefits were paid until June 1, 1966.

Initially, the Post-Korean Conflict GI Bill provided one month of entitlement for each month of active duty service, up to 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. 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.

By law, no educational benefits under the Post-Korean Conflict GI Bill could be paid eight years (later extended to ten years by P.L. 93-337, enacted in 1974) after discharge or release or eight years after the Bill's enactment, whichever was later.<sup>126</sup> P.L. 94-502, enacted in 1976 provided that no educational benefits could be paid after December 31, 1989.

As originally enacted, Post-Korean Conflict GI Bill veterans could combine benefits with other educational benefit programs administered by the VA to receive up to 36 months of educational benefits. P.L. 90-631, enacted in 1968, increased this allowance to 48 months.

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

Upon initial enactment, the eligible programs of education were courses pursued at an educational institution—secondary school, vocational school, college or university, scientific or technical institution, or any other institution offering education at the secondary school level or above. For example, 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). The list of eligible educational institutions and training establishments was later expanded:

- Elementary schools, other schools furnishing education for adults, and businesses or other establishments offering apprenticeships or on-the-job training were later added.
- Farm cooperative training requiring 12 weekly hours of institutional agricultural courses and relevant agricultural employment became eligible under P.L. 90-77.
- Apprenticeship programs that met Department of Labor published standards were allowed under P.L. 90-77.

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<sup>126</sup> Veterans who were ineligible for the program on discharge or release but whose discharge status was later amended to make them eligible for the program were allowed benefits for up to eight years (later extended to 10 years by P.L. 93-337, enacted in 1974) after the discharge status was amended. Veterans who were incapable of beginning education as a result of a physical or mental disability could be granted an extension for the period of incapacity according to P.L. 95-202, enacted in 1977. P.L. 97-72, enacted in 1981, authorized the VA to provide educational assistance through December 31, 1983, to Vietnam Era veterans whose 10-year delimiting date had expired but who had remaining dollars of entitlement and entitlement period, if the extended eligibility were used for apprentice or on-the-job training, a program with a vocational objective, or a program of secondary education, and if the VA determined that the veteran was in need of such a program to achieve a suitable occupational or vocational objective.

- On-the-job training programs were allowed under P.L. 90-77 if the programs provided progression and appointment to the next highest level based on the skills learned as opposed to length of service; compensation that matched non-veterans; initial compensation of not less than 50% of the final, full wage; a reasonable guarantee that the job would be available upon completion of the training period; at least six months of training but no more than two years; and adequate resources for the training and if the programs qualified the trainee for the job.
- Flight training at a non-IHL flight school was added by P.L. 90-77 if the flight school was approved by the state approving agency (SAA) and Federal Aviation Administration; if the training was necessary for the attainment of a vocational objective in aviation; if the individual had 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).
- Courses required by the Small Business Administration as a condition for obtaining financial assistance became eligible under P.L. 91-584, enacted in 1970.

Educational institutions received an annual reporting fee for each eligible person<sup>127</sup> receiving educational benefits from the VA to facilitate reporting of enrollment, enrollment interruptions, and enrollment terminations to the VA.

## **Lessons Learned**

Based on the experiences with prior GI Bills and early experience under the Post-Korean Conflict GI Bill, several provisions were included to ensure benefits were used to promote quality workforce preparation. Many of the provisions have been incorporated into all subsequent GI Bills. These provisions include the following:

- Benefit recipients were only allowed to take courses necessary to fulfill their declared educational, professional, or vocational objective. Individuals were allowed to change the objective if not making or likely to not make satisfactory progress or if the new program better fit their aptitudes.<sup>128</sup>
- Avocational and recreational courses were disallowed.<sup>129</sup>

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<sup>127</sup> Eligible individuals include veterans, servicemembers, and surviving spouses and children eligible to receive benefits under the War Orphans Educational Assistance Program (Title 38 U.S.C., Chapter 35).

<sup>128</sup> Veterans were allowed one change of their educational objective if not making satisfactory progress (by no fault of misconduct, neglect, or lack of application) and allowed one additional change if the new program fit their aptitude or if there was a reduced likelihood of not making satisfactory progress as a result of their own misconduct, neglect, or lack of application.

<sup>129</sup> P.L. 91-219, enacted in 1970, added provisions allowing the disapproval of bartending, personal development, and sales courses, which do not provide specialized training in a specific vocation. P.L. 96-466, enacted in 1980, further clarified that over the preceding two years at least 50% of the graduates of vocational programs of education who were available for employment had to be employed in that vocational area for an average of 10 hours weekly for the educational program to gain approval. This provision was repealed by P.L. 97-306, enacted in 1982, because it was determined to no longer be necessary to prevent abuse.

- No allowance was paid if veterans were absent for more than 30 days from courses that did not lead to a standard college degree.
- Substantially new courses at private for-profit institutions that had been offered for fewer than two years were not eligible.
- 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.
- To fight low completion rates, various disclosure and refund requirements for correspondence schools were prescribed by P.L. 92-540, enacted in 1972.
- 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, as enacted in 1982 by P.L. 97-306.
- Programs of education outside the United States were allowed only if offered at approved IHLs.
- Based on poor employment outcomes and overuse, Congress limited benefits for flight training. In 1970, Congress limited flight training at a non-IHL flight school to individuals with a valid private pilot's license. Finally, flight training at a non-IHL flight school was terminated for new enrollees by P.L. 97-35, enacted in 1981.<sup>130</sup>

## **Benefit Payments**

An allowance for subsistence, tuition and fees, supplies, books, and equipment was paid directly to recipients. Veterans and servicemembers received up to \$150 monthly (eventually increased to \$510 for individuals with two dependents) according to a schedule based on full-time,<sup>131</sup> three-quarter-time, or half-time or cooperative program enrollment and the number of dependents. Active duty servicemembers and students pursuing education on a less-than-half-time basis were only reimbursed for the cost of completed courses, but no more than \$100 monthly (eventually increased to \$376 by P.L. 98-543, enacted in 1984). Students completing all coursework through correspondence courses were only reimbursed for the cost (eventually reduced to 55% of cost by P.L. 97-35, enacted in 1981) of completed courses, and their entitlement period was reduced by

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<sup>130</sup> A 1979 report by the Government Accountability Office (GAO) concurred with a Department of Veterans Affairs (VA) proposal by recommending that Congress terminate GI Bill benefits for flight training. GAO found poor employment outcomes for GI Bill participants in flight training.

<sup>131</sup> Full-time attendance required a minimum of 30 hours per week for trade or technical courses below college level involving mostly shop practice, required a minimum of 25 hours per week for institutional courses below college level involving mostly theoretical classroom instruction, required a minimum of four units per year for academic high school courses, required a minimum of 14 credit hours (or less if certified by the institution according to P.L. 91-219, enacted in 1970) for institutional undergraduate courses, and required a 30-hour work week or the minimum established by the training establishment for apprentice and on-the-job training according to P.L. 91-584, enacted in 1970.

one quarter of the time in the program (eventually changed to one month of entitlement for each \$376 reimbursed by P.L. 98-543, enacted in 1984). Veterans in full-time on-the-farm, apprentice, or on-the-job training received a reduced allowance.<sup>132</sup> In general, veterans and servicemembers and their institutions were required to certify actual attendance, lessons completed, and/or satisfactory progress before payments were made. Veterans and servicemembers were allowed to receive an advance payment for the first month of enrollment (P.L. 91-219 in 1970).

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.

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.

## **Predischarge Education Program**

The Predischarge Education Program (PREP) allowed servicemembers who completed 180 days of active duty and were still on active duty to receive an allowance for non-correspondence courses leading to a high school diploma or any deficiency, remedial, or refresher course in preparation for enrollment in an approved educational institution or training establishment. The monthly allowance was the lesser of actual tuition, fees, books, and supplies or \$175 (eventually increased to \$270 by P.L. 93-602, enacted in 1975). Allowances received while on active duty did not reduce the regular entitlement period upon discharge or release.<sup>133</sup>

## **Training for the Educationally Disadvantaged**

The Post-Korean Conflict GI Bill was later amended to provide special assistance and training for the educationally disadvantaged. First, P.L. 90-77, enacted in 1967, allowed veterans and servicemembers without a high school diploma or its equivalent or who needed additional secondary school courses to receive the regular allowance for these courses without the payments reducing their regular entitlement period. Second, P.L. 91-219, enacted in 1970, provided tutorial assistance of \$50 monthly for nine months (eventually increased to \$84 monthly for a maximum of 12 months, or \$1,008, by P.L. 98-543, enacted in 1984) to veterans and servicemembers enrolled in postsecondary education at least half-time. The tutorial assistance had to be for a deficiency in a course required for the educational objective, and the educational institution had

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<sup>132</sup> P.L. 90-77, enacted in 1967, provided a payment schedule based on the first through fourth and succeeding six month periods of full-time apprentice or on-the-job training and the number of dependents. The maximum monthly payment was up to \$100 monthly for the first six months of training if the student had two or more dependents (eventually increased to \$336 by P.L. 98-543, enacted in 1984). P.L. 90-77 also allowed cooperative farm trainees \$80 per month (eventually increased to up to \$404 monthly for two dependents based on full-, three-quarter- and half-time status and the number of dependents by P.L. 98-543, enacted in 1984).

<sup>133</sup> P.L. 91-219, enacted in 1970, created the PREP, and P.L. 94-502, enacted in 1976, terminated the PREP.

to certify the need for assistance, the qualifications of the tutor, and the customary nature of the charges. Receipt of tutorial assistance did not reduce their regular entitlement period under the Post-Korean Conflict GI Bill.

## Work-Study

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

## Participation and Cost

In the end, the Post-Korea and Vietnam Era GI Bill provided education and training to almost 1.4 million individuals who were servicemembers during the Post-Korean Conflict era and almost 6.8 million individuals who were servicemembers during the Vietnam era (**Table B-1**). In total, about 60% of individuals eligible for benefits under the program took advantage of the program. By the end of FY1990, cumulative program expenditures exceeded \$41.5 billion<sup>134</sup> (\$72.1 billion in 2008 inflation adjusted dollars) or \$5,089 per participant (\$8,836 per participant in 2008 inflation adjusted dollars).

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

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

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

<sup>134</sup> Department of Veterans Affairs, *Annual Report of the Secretary of Veterans Affairs: Fiscal Year 1990*, Washington, DC, March 1991, pp. 24-25.

## Appendix D. Veterans and Dependents Education Loan Program<sup>135</sup>

The Veterans and Dependents Education Loan Program was established by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (P.L. 93-508) in Chapter 36 of Title 38 U.S.C. to provide additional support to veterans attending high-cost institutions. Veterans who served on active duty after January 31, 1955, and before January 1, 1977 (later modified to active duty after January 31, 1955, by P.L. 94-502, enacted in 1976), and their spouses, widows, and children were eligible to borrow. Eligible individuals also had to be enrolled at least half-time in a program of education leading to a standard college degree or a six-month non-college degree. Loans were not eligible for correspondence courses or apprentice and on-the-job training. Veterans who were full-time students were allowed loans for another two years of their remaining dollars of entitlement once the VEAP entitlement period ended. Repayment began nine months after enrollment dropped below half-time and was completed within 10 years.

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

There were several problems with the program's administration. The majority of loans were initially made to individuals at no- or low-cost institutions until P.L. 95-476 specified high-cost institutions. The loans were made without regard to other financial assistance such as Department of Education student financial assistance programs. The financial needs of 99% of recipients could have been covered through Department of Education student financial assistance programs. The default rate increased from 44% as of December 31, 1997, to 65% as of September 30, 1980. It also cost the VA 70 times more to administer the program than the Department of Education. P.L. 97-35 repealed the VA education loan program as of September 30, 1981, with some exceptions.<sup>136,137</sup>

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<sup>135</sup> Description prepared by CRS based on a historical review of legislation and other reports.

<sup>136</sup> The exceptions to the September 30, 1981, end date were Vietnam Era veterans who were continuing full-time training in the first two years following the expiration of their entitlement period or who were already pursuing flight training courses when flight training benefits were eliminated.

<sup>137</sup> U.S. General Accounting Office, *Veterans Administration Education Loan Program Should Be Terminated: Legislative Action Taken*, HRD-81-128, August 28, 1981, <http://archive.gao.gov/f0102/116325.pdf>.