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# GI Bill Legislation Considered in the 114<sup>th</sup> Congress

**Cassandra Dortch**

Analyst in Education Policy

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## Summary

The GI Bills® provide financial assistance to individuals, whose eligibility is based on experience in the uniformed services, while they are enrolled in approved programs of education, including training programs. In FY2017, the GI Bills are estimated to provide over \$14 billion in benefits to over 1 million veterans and servicemembers and their dependents. The largest program, the Post-9/11 GI Bill, is estimated to account for approximately 93% of the benefits and 80% of the participants. This report provides a description of and background for selected provisions in bills that did and would amend the GI Bills and have been reported by a committee of the 114<sup>th</sup> Congress as of July 2016.

The National Defense Authorization Act for Fiscal Year 2016 (P.L. 114-92) was enacted on November 25, 2015. The bill effectively ends the Reserve Educational Assistance Program (REAP) on November 25, 2019. It also prohibits nonexempt individuals from receiving a Post-9/11 GI Bill allowance while receiving Unemployment Compensation for Ex-Servicemembers (UCX).

The Department of Veterans Affairs Expiring Authorities Act of 2016 (H.R. 5985) passed the House on September 13, 2016, and passed the Senate without amendment on September 19, 2016. Among other purposes, the bill authorizes the Department of Veterans' Affairs to continue to treat a program of education that was previously approved for GI Bill purposes, as approved for 18 months in the event that the Secretary of Education withdraws the recognition of the accrediting agency that accredited the educational institution at which the program of education is offered. This change is applicable to those programs of education that were approved for GI Bill purposes on the basis of being offered directly by an educational institution that is accredited by an ED-recognized entity.

The Veterans Employment, Education, and Healthcare Improvement Act (H.R. 3016) passed the House on February 9, 2016. The bill would include a controversial amendment reducing by half the Post-9/11 GI Bill housing allowance and books and supplies stipend for some children using transferred benefits. The bill would also reduce the maximum tuition and fees benefit for individuals pursuing flight training at or through a public institution of higher learning (IHL) to the same maximum benefit level at a private or foreign IHL. In juxtaposition to these reductions, the bill would expand benefits for individuals in the Post-9/11 GI Bill Marine Gunnery Sergeant John David Fry Scholarship program and expand eligibility for the Post-9/11 GI Bill. The bill would also authorize funding to more fully automate the Post-9/11 GI Bill claims processes, and it would amend the process and criteria by which programs of education gain and maintain approval for GI Bill purposes in an effort to increase the quality of such programs.

The Veterans First Act (S. 2921) was reported by the Senate Committee on Veterans' Affairs on May 11, 2016. The bill includes several provisions that are equivalent or similar to provisions in H.R. 3016 and H.R. 2360 but not the same provisions to reduce benefit levels. The bill would also allow eligible Post-9/11 GI Bill students who attend schools that permanently close to recover their entitlement for future use; allow Montgomery GI Bill-Selected Reserve (MGIB-SR) participants to extend their entitlement when called to active duty under specified orders; and allow eligible Reserve Educational Assistance Program (REAP) participants to retain their entitlement by electing the Post-9/11 GI Bill. Finally, the bill includes a savings provision that would reduce the annual increase in the Post-9/11 GI Bill housing allowance.

The Career-Ready Student Veterans Act (H.R. 2360) was agreed to in the House on February 9, 2016. The bill is intended to ensure that GI Bill approved programs of education meet the standards required for state licensure, certification, or employment. Some GI Bill participants

have indicated that they felt as though they wasted their benefits on programs of education that did not allow them to become employed in the occupation in which they were educated. This bill attempts to address this concern.

The 21<sup>st</sup> Century Veterans Benefits Delivery and Other Improvements Act (S. 1203) was agreed to in the Senate on November 10, 2015. Among other provisions, the bill would require educational institutions to report the academic progress of Post-9/11 GI Bill participants. The provision is intended to make data available on the outcomes and return on investment of the Post-9/11 GI Bill.

## Contents

National Defense Authorization Act for Fiscal Year 2016 (P.L. 114-92) .....	4
Termination of Reserve Educational Assistance Program (REAP).....	4
Prohibition on Concurrent Receipt of Unemployment Insurance and Post-9/11 GI Bill Benefits .....	4
Department of Veterans Affairs Expiring Authorities Act of 2016 (H.R. 5985).....	5
Extension of the Veterans' Advisory Committee on Education.....	5
Extension of Reporting Fee Reduction .....	5
Authority to Maintain Approval of Courses Following Withdrawal of Recognition of Accrediting Agency.....	6
Veterans Employment, Education, and Healthcare Improvement Act (H.R. 3016) .....	6
Reduction in Post-9/11 GI Bill Benefit Levels for Child Transferees.....	6
Equitable Access to Fry Scholarship Entitlement .....	7
Expansion of Post-9/11 GI Bill Yellow Ribbon Program to Fry Scholarship Recipients.....	8
Updated Process for Irrevocably Electing the Post-9/11 GI Bill.....	8
Reduction in Flight Training Tuition and Fees Benefit under the Post-9/11 GI Bill.....	8
Expansion of Post-9/11 GI Bill Qualifying Active Duty.....	9
Allowance of Joint Enrollment Certifications.....	10
Increased Transparency of GI Bill Entitlement.....	10
Expanded Role of State Approving Agencies in the Process for Approving Programs of Education .....	11
Update of Compliance Survey Requirements .....	12
Reporting on Perceptions of GI Bill Participants.....	12
Improving Post-9/11 GI Bill IT Processing Systems .....	12
Clarifying In-State Tuition Eligibility .....	13
Veterans First Act (S. 2921).....	13
Equitable Access to Fry Scholarship Entitlement .....	14
Expansion of Post-9/11 GI Bill Yellow Ribbon Program to Fry Scholarship Recipients.....	14
Relief for Post-9/11 GI Bill Students Who Attend Schools that Close .....	14
Expansion of Post-9/11 GI Bill Qualifying Active Duty.....	14
Updated Process for Irrevocably Electing the Post-9/11 GI Bill.....	15
Expansion of MGIB-SR Entitlement Preservation for Participants Called to Active Duty.....	15
Eligibility to Elect the Post-9/11 GI Bill in Lieu of REAP .....	16
Required Reporting of Post-9/11 GI Bill Participant Academic Progress.....	16
Allowance of Joint Enrollment Certifications.....	16
Increased Transparency of GI Bill Entitlement.....	17
Expanded Role of SAAs in the Process for Approving Programs of Education.....	17
Strengthened Requirements for Programs of Education that Lead to Licensed Occupations.....	17
Update of Compliance Survey Requirements .....	18
Reporting on Perceptions of GI Bill Participants.....	18
Clarifying In-State Tuition Eligibility .....	18
Reduced Annual Increase in Post-9/11 GI Bill Housing Allowance.....	19
Career-Ready Student Veterans Act (H.R. 2360) .....	19

Strengthened Requirements for Programs of Education that Lead to Licensed Occupations.....	20
21 <sup>st</sup> Century Veterans Benefits Delivery and Other Improvements Act (S. 1203) .....	20
Expansion of MGIB-SR Entitlement Preservation for Participants Called to Active Duty.....	21
Required Reporting of Post-9/11 GI Bill Participant Academic Progress.....	21
Reporting on the Educational Attainment of Transferors of Post-9/11 GI Bill Benefits.....	21
Reduction in GI Bill Reporting Fee .....	21

## **Tables**

Table 1. Comparison of Key GI Bill Provisions in Legislation: 114 <sup>th</sup> Congress .....	2
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## **Contacts**

Author Contact Information .....	22
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The GI Bills®<sup>1</sup> provide financial assistance to individuals, whose eligibility is based on experience in the uniformed services, while enrolled in approved programs of education or training programs. In FY2017, the GI Bills are estimated to provide over \$14 billion in benefits to over 1 million veterans and servicemembers and their dependents.<sup>2</sup> The largest program, the Post-9/11 GI Bill, is estimated to account for approximately 93% of the benefits and 80% of the participants.<sup>3</sup>

Throughout the 114<sup>th</sup> Congress, the House and the Senate committees on veterans' affairs have held several GI Bill oversight and legislative hearings. Congress has shown an interest in ensuring the GI Bills help veterans and their dependents realize the goal of attaining successful careers. The hearings have explored a variety of subjects, including, but not limited to, the adequacy of the Post-9/11 GI Bill information technology (IT) claims processing system; the adequacy of the process and criteria for programs of education to gain and maintain approval for GI Bill purposes; the adequacy and equity of GI Bill benefit levels; the applicability of benefit eligibility requirements; abuse of the GI Bill programs; and the return on the GI Bill investment.<sup>4</sup>

This report provides a description of and background for selected provisions in bills that did or would amend the GI Bills and have been reported by a committee of the 114<sup>th</sup> Congress as of September 2016. Several provisions would expand eligibility for the Post-9/11 GI Bill or for some payments within the bill. Several provisions are designed to improve the efficiency of the GI Bill application and claims processes, including the related IT systems. A few provisions are designed to curtail perceived abuses related to unacceptable programs of education or excessive benefit levels, or to reduce some benefit costs in order to help pay for the provisions that would increase other benefit costs. See **Table 1** for a side-by-side summary of the provisions that have not been enacted.

For more detailed information on the GI Bills referenced and additional background on current law, see

- CRS Report R42755, *The Post-9/11 Veterans' Educational Assistance Act of 2008 (Post-9/11 GI Bill): A Primer*, by Cassandra Dortch; and
- CRS Report R42785, *GI Bills Enacted Prior to 2008 and Related Veterans' Educational Assistance Programs: A Primer*, by Cassandra Dortch.

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

<sup>2</sup> President's Budget Request, FY2017.

<sup>3</sup> Ibid.

<sup>4</sup> See for example, U.S. Congress, Senate Committee on Veterans' Affairs, *Pending Health and Benefits Legislation*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., September 16, 2015; and U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Examining VA's Information Technology Systems that Provide Economic Opportunities for Veterans*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., November 3, 2015.

**Table I. Comparison of Key GI Bill Provisions in Legislation: 114<sup>th</sup> Congress**

<b>Provision</b>	<b>H.R. 3016<sup>a</sup></b>	<b>S. 2921<sup>b</sup></b>	<b>H.R. 2360<sup>c</sup></b>	<b>S. 1203<sup>d</sup></b>
<b>Program Eligibility</b>				
Expansion of Post-9/11 GI Bill Qualifying Active Duty	Sec. 307 <sup>e</sup>	Sec. 403 <sup>f</sup>		
Eligibility to Elect the Post-9/11 GI Bill in Lieu of REAP		Sec. 409		
<b>Benefit Levels</b>				
Reduction in Post-9/11 GI Bill Benefit Levels for Child Transferees	Sec. 301			
Reduction in Flight Training Tuition and Fees Benefit under the Post-9/11 GI Bill	Sec. 306			
Reduced Annual Increase in Post-9/11 GI Bill Housing Allowance		Sec. 903		
<b>Benefit Eligibility</b>				
Equitable Access to Fry Scholarship Entitlement	Sec. 302 <sup>f</sup>	Sec. 401 <sup>f</sup>		
Expansion of Post-9/11 GI Bill Yellow Ribbon Program to Fry Scholarship Recipients	Sec. 302 <sup>a</sup>	Sec. 401 <sup>f</sup>		
Clarifying In-State Tuition Eligibility	Sec. 408 <sup>e</sup>	Sec. 428 <sup>e</sup>		
Relief for Post-9/11 GI Bill Students who Attend Schools that Close		Sec. 402		
Expansion of MGIB-SR Entitlement Preservation for Participants Called to Active Duty		Sec. 408 <sup>f</sup>		Sec. 301 <sup>f</sup>
<b>Claims Processing</b>				
Updated Process for Irrevocably Electing the Post-9/11 GI Bill	Sec. 305 <sup>f</sup>	Sec. 406 <sup>f</sup>		
Allowance of Joint Enrollment Certifications	Sec. 401 <sup>f</sup>	Sec. 421 <sup>f</sup>		
Improving Post-9/11 GI Bill IT Processing Systems	Sec. 407			
Reduction in GI Bill Reporting Fee				Sec. 703
<b>Program of Education Approval</b>				
Expanded Role of SAAs in the Process for Approving Programs of Education	Secs. 403 <sup>e</sup> , 404 <sup>f</sup>	Sec. 423 <sup>e</sup> , 424 <sup>f</sup>		
Update of Compliance Survey Requirements	Sec. 405 <sup>f</sup>	Sec. 426 <sup>f</sup>		
Strengthened Requirements for Programs of Education that Lead to Licensed Occupations		Sec. 425 <sup>e</sup>	Sec. 2 <sup>e</sup>	

Provision	H.R. 3016 <sup>a</sup>	S. 2921 <sup>b</sup>	H.R. 2360 <sup>c</sup>	S. 1203 <sup>d</sup>
<b>Information and Transparency</b>				
Increased Transparency of GI Bill Entitlement	Sec. 402 <sup>f</sup>	Sec. 422 <sup>f</sup>		
Reporting on Perceptions of GI Bill Participants	Sec. 406 <sup>f</sup>	Sec. 427 <sup>f</sup>		
Required Reporting of Post-9/11 GI Bill Participant Academic Progress		Sec. 410 <sup>f</sup>		Sec. 302 <sup>f</sup>
Reporting on the Educational Attainment of Transferors of Post-9/11 GI Bill Benefits				Sec. 303, 304

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

- a. The Veterans Employment, Education, and Healthcare Improvement Act (H.R. 3016) as passed by the House with an amendment in February 2016.
- b. The Veterans First Act (S. 2921) as reported by the Senate Committee on Veterans' Affairs in May 2016.
- c. The Career-Ready Student Veterans Act (H.R. 2360) as agreed to by the House in February 2016.
- d. The 21<sup>st</sup> Century Veterans Benefits Delivery and Other Improvements Act (S. 1203) as agreed to by the Senate with an amendment in November 2015.
- e. This provision is similar to the provision in another bill, but there are notable differences.
- f. This provision is substantially equivalent to the provision in another bill.



## National Defense Authorization Act for Fiscal Year 2016 (P.L. 114-92)

The FY2016 National Defense Authorization Act (NDAA; P.L. 114-92) was enacted on November 25, 2015. The bill authorizes the Department of Defense (DOD) base budget, including such items as procurement, research and development, operation and maintenance, military personnel, and other activities such as atomic energy defense activities and overseas contingency operations. The NDAA often includes GI Bill-related provisions.

### Termination of 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). Prior to enactment of the FY2016 NDAA, educational assistance benefits were available to eligible reservists and Guard members who served after September 10, 2001. 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. Because the Post-9/11 GI Bill, as passed in 2008, also provides benefits to REAP-eligible individuals, the two bills have been considered duplicative.

Section 555 of P.L. 114-92 effectively ends REAP on November 25, 2019. In general, no educational benefits can be paid after November 25, 2015, although individuals who received REAP benefits for the enrollment period immediately preceding November 25, 2015, may receive benefits through November 25, 2019, or until exhausting their entitlement.

### Prohibition on Concurrent Receipt of Unemployment Insurance and Post-9/11 GI Bill Benefits

Unemployment Compensation for Ex-Servicemembers (UCX)<sup>5</sup> provides income support to former active duty military personnel or reservists, who were recently released from active duty, while they search for work. Prior to enactment of the FY2016 NDAA, individuals were not entitled to UCX for any period with respect to which the individual received a subsistence allowance under the Vocational Rehabilitation and Employment (VR&E) program or an educational assistance allowance under the Survivors' and Dependents' Educational Assistance program (DEA).<sup>6</sup>

Section 560 of P.L. 114-92 also prohibits individuals receiving a Post-9/11 GI Bill allowance from receiving UCX, unless the individuals

- are otherwise entitled to UCX;
- are receiving Post-9/11 GI Bill benefits based on their own service or through the Fry Scholarship;
- are not receiving Title 10 retired pay; and

<sup>5</sup> Established by the Ex-servicemen's Unemployment Act of 1958 (P.L. 85-848, 5 U.S.C. §§8521-8525) in 1958.

<sup>6</sup> For more information on unemployment benefits for ex-servicemembers, see CRS Report RS22440, *Unemployment Compensation (Insurance) and Military Service*, by Julie M. Whittaker.

- were discharged from the Armed Forces or Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) under honorable conditions, but did not voluntarily separate.<sup>7</sup>

The exemption from the prohibition excludes individuals using transferred Post-9/11 GI Bill benefits and individuals discharged from the Commissioned Corps of the Public Health Service (PHS).

The prohibition on concurrent receipt of Post-9/11 GI Bill benefits and UCX was only written into UCX law—and not into any federal law for regular state unemployment compensation (UC) benefits (or other types of unemployment benefits). Therefore, there is no federal law prohibiting the concurrent receipt of Post-9/11 GI Bill benefits and UC (or other types of unemployment benefits aside from UCX). At the same time, states can generally set their own state law provisions concerning receipt of UC and other types of income/benefits.

## **Department of Veterans Affairs Expiring Authorities Act of 2016 (H.R. 5985)**

The Department of Veterans Affairs Expiring Authorities Act of 2016 (H.R. 5985) passed the House on September 13, 2016, and passed the Senate without amendment on September 19, 2016. The bill primarily extends certain provisions of law administered by the Department of Veterans' Affairs (VA) and related to health care, homeless veterans, and other matters.

### **Extension of the Veterans' Advisory Committee on Education**

The Veterans' Advisory Committee on Education (VACOE) provides advice to the VA and makes recommendations to improve the administration of the GI Bills. VACOE is currently authorized until December 31, 2016.

Section 201 of the bill extends VACOE until December 31, 2017.

### **Extension of Reporting Fee Reduction**

The VA is authorized to pay educational institutions and training establishments a reporting fee based on the number of GI Bill participants enrolled or pursuing training. The fee is intended to offset the costs of the institution and establishment for administering GI Bill benefits and supporting veterans. Through amendments adopted in P.L. 113-377, the fee was increased from \$7 to \$12 for each GI Bill participant enrolled in a program of education or pursuing training, and from \$11 to \$15 for each GI Bill participant for whom the institution received an advanced GI Bill payment, effective October 1, 2011.<sup>8</sup> Through further amendments, the fee was reduced to \$9 and \$13, respectively, for the two-year period beginning on September 26, 2014.<sup>9</sup>

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<sup>7</sup> The Department of Labor published guidance on the amendment at [http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_14-16.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_14-16.pdf).

<sup>8</sup> Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377). An advance payment is the first partial and first full month of the housing allowance, 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, and is sent to the educational institution for disbursement to the student.

<sup>9</sup> Department of Veterans Affairs Expiring Authorities Act of 2014 (P.L. 113-175), as amended by the Department of Veterans Affairs Expiring Authorities Act of 2015 (P.L. 114-58).

Section 413 of the bill extends the recent fee reduction for the three-year period beginning on September 26, 2014. The extension is estimated to save \$3 million in FY2017.<sup>10</sup>

## **Authority to Maintain Approval of Courses Following Withdrawal of Recognition of Accrediting Agency**

In order to receive GI Bill benefits, an eligible individual must be pursuing an approved program of education. Statutory provisions establish the approval criteria depending on the type of program of education (e.g., accredited, nonaccredited, or flight). Programs of education offered directly by an educational institution that is accredited by an agency recognized by the U.S. Department of Education (ED) are required to meet a shorter list of approval criteria than programs of education offered directly by an educational institution that is not accredited by an ED-recognized entity.

Section 415 of the bill authorizes the VA to continue to treat a program of education that was previously approved on the basis of being offered directly by an educational institution that is accredited by an ED-recognized entity, as approved for 18 months in the event that the Secretary of Education withdraws the recognition of the accrediting agency. Despite this authority, such a program of education may be disapproved if it fails to meet other approval criteria. In addition, the VA is required to notify GI Bill participants of the status of the program of education.

If a program of education is disapproved, there are several possible ramifications for the affected GI Bill participants. GI Bill benefits are immediately discontinued. In addition, the GI Bill participants may be required to return GI Bill payments for which they are no longer eligible. Finally, there are no statutory provisions that permit the individual to regain GI Bill entitlement used at a disapproved institution.

## **Veterans Employment, Education, and Healthcare Improvement Act (H.R. 3016)**

H.R. 3016 was introduced by Representative Brad R. Wenstrup on July 9, 2015. The House Committee on Veterans' Affairs (HVAC) reported the bill with an amendment and accompanying report in December 2015. The House passed the bill with an amendment on February 9, 2016. The bill would, among other purposes, aim to improve the administration of health care to veterans by the VA, establish the Veterans Economic Opportunity and Transition Administration within the VA, and modify the GI Bills and their administration.<sup>11</sup> Major GI Bill proposals in the bill are summarized below.

### **Reduction in Post-9/11 GI Bill Benefit Levels for Child Transferees**

Under current law, children who use transferred Post-9/11 GI Bill benefits are eligible to receive the same benefit payments and amounts as the qualifying individual would, provided they were not on active duty.

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<sup>10</sup> Congressional Budget Office, Estimate of Direct Spending for H.R. 5985, the Department of Veterans Affairs Expiring Authorities Act of 2016 as Transmitted to CBO on September 12, 2016, September 13, 2016.

<sup>11</sup> U.S. Congress, House Committee on Veterans' Affairs, *Veterans Employment, Education, and Healthcare Improvement Act*, To accompany H.R. 3016, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., December 1, 2015.

Section 301 of H.R. 3016 would cut in half

- the child's housing allowance and books and supplies stipend for those children pursuing a program of education leading to a degree at an institution of higher learning (IHL) on a more than half-time basis, and
- the child's housing allowance for those children pursuing a program of education leading to a certificate or other non-college degree.<sup>12</sup>

Section 301 would not modify the housing allowance or books and supplies stipend for children in the Post-9/11 GI Bill Marine Gunnery Sergeant John David Fry Scholarship (Fry Scholarship) program or children using transferred benefits while pursuing a program of apprenticeship or other on-the-job training. The amendment would apply to children to whom benefits are transferred on or after 180 days after enactment.

The amendment is controversial. Several veterans' service organizations (VSOs) oppose the reduction of any Post-9/11 GI Bill benefits because of the potential effect on recruitment and retention and because the benefits have been promised.<sup>13</sup> Several Members of Congress and VSOs held a protest against the provision on the Capitol grounds on April 14, 2016. The Military Compensation and Retirement Modernization Commission recommended eliminating the housing allowance for dependents because the commission found that the allowance "often" exceeded the actual costs for on-campus room and board."<sup>14</sup> The HVAC has proposed the reduction to pay for other provisions in the bill. The Congressional Budget Office (CBO) estimates that this provision would save \$773 million over 10 years.<sup>15</sup>

## **Equitable Access to Fry Scholarship Entitlement**

The Veterans Access, Choice, and Accountability Act of 2014 (P.L. 113-146) expanded eligibility for the Fry Scholarship program to the spouse of an individual who, on or after September 11, 2001, dies in the line of duty while serving on active duty as a member of the Armed Forces. P.L. 113-146 entitled a spouse to the Fry Scholarship until the earlier of 15 years following the servicemember's death or remarriage, effective for academic terms beginning after December 31, 2014. Because the effective date of P.L. 113-146 was almost 15 years after the beginning of the eligibility period, some spouses would have an abbreviated period to use the Fry Scholarship. Finally, P.L. 113-146 required each dually eligible spouse to make an irrevocable election to receive benefits under either the Fry Scholarship or the Survivors' and Dependents' Educational Assistance program (DEA).

Section 302 of H.R. 3016 would provide special consideration for the spouses of individuals who died in the line of duty while serving on active duty during the period beginning on September 11, 2001, and ending on December 31, 2005. It would entitle such spouses to the Fry Scholarship until the earlier of 15 years following January 1, 2006, or remarriage. This change would allow such spouses additional time to use the benefit. The section would also allow such spouses to

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<sup>12</sup> A non-college degree is a diploma, certificate, or other endorsement for the completion of a postsecondary education program.

<sup>13</sup> George Altman, "Troops' kids face deep cut in GI Bill housing stipend," *Military Times*, February 9, 2016.

<sup>14</sup> Military Compensation and Retirement Modernization Commission, *Final Report*, January 29, 2015.

<sup>15</sup> Congressional Budget Office, H.R. 3016 *Veterans Employment, Education, and Healthcare Improvement Act*, As ordered reported by the House Committee on Veterans' Affairs on September 17, 2015, November 19, 2015.

change a previously irrevocable election for either the Fry Scholarship or DEA. CBO estimates that the provision would cost \$25 million over 10 years.<sup>16</sup>

## **Expansion of Post-9/11 GI Bill Yellow Ribbon Program to Fry Scholarship Recipients**

The Yellow Ribbon Program pays a portion of the tuition and fees that exceed the base Post-9/11 GI Bill tuition and fees benefit. Under current law, the Post-9/11 GI Bill Yellow Ribbon program is only available to individuals at the 100% benefit level and the dependents to whom they have transferred benefits. Fry scholars are not currently eligible for the Yellow Ribbon program despite being at the 100% benefit level. Members of Congress have indicated that this ineligibility was unintended.<sup>17</sup>

Section 302 of H.R. 3016 would expand the Yellow Ribbon program to Fry scholars. The amendment is designed to correct what some consider to be a currently perverse situation where a lower level of benefits is provided to dependents of servicemembers who have died in the line of duty while serving on active duty than to dependents to whom Post-9/11 GI Bill benefits have been transferred.<sup>18</sup> CBO estimates that the provision would cost \$25 million over 10 years.<sup>19</sup>

## **Updated Process for Irrevocably Electing the Post-9/11 GI Bill**

As originally enacted, the Post-9/11 GI Bill included several provisions establishing the rules for individuals to irrevocably elect the Post-9/11 GI Bill when also entitled to benefits under another GI Bill.<sup>20</sup>

Section 305 of H.R. 3016 would codify the original provisions with a minor amendment. The bill would authorize the VA, beginning January 1, 2016, to make an irrevocable election decision on behalf of an individual who fails to do so and would authorize the VA to change an election it deems to be contrary to the individual's interests. Individuals would have 30 days after notification by the VA to change such an alternative election. This provision was recommended by VA staff to streamline claims processing.

## **Reduction in Flight Training Tuition and Fees Benefit under the Post-9/11 GI Bill**

Under current law, a Post-9/11 GI Bill participant pursuing flight training is eligible to receive a tuition and fees benefit of up to the amount of in-state tuition and fees at or through a public IHL,

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<sup>16</sup> Congressional Budget Office, H.R. 3016 *Veterans Employment, Education, and Healthcare Improvement Act*, As ordered reported by the House Committee on Veterans' Affairs on September 17, 2015, November 19, 2015.

<sup>17</sup> U.S. Congress, House Committee on Veterans' Affairs, *Veterans Employment, Education, and Healthcare Improvement Act*, To accompany H.R. 3016, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., December 1, 2015, H.Rept. 114-358.

<sup>18</sup> U.S. Congress, Senate Committee on Veterans' Affairs, *Hearing on Pending Health and Benefits Legislation*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., September 16, 2015, S.Hrg. 114-212, pp. 2, 27.

<sup>19</sup> Congressional Budget Office, H.R. 3016 *Veterans Employment, Education, and Healthcare Improvement Act*, As ordered reported by the House Committee on Veterans' Affairs on September 17, 2015, November 19, 2015.

<sup>20</sup> Proposed Section 3326(f)(3) would provide the MGIB-AD contribution to individuals regardless of the type of program of education and active duty status.

up to \$21,970.46 per academic year at a private or foreign IHL, and up to \$12,554.54 per academic year at a vocational flight school.<sup>21</sup>

Because there was no cap on flight training tuition and fees at public IHLs, some public IHLs and flight training schools were entering into contractual agreements and recruiting Post-9/11 GI Bill eligible individuals in order to take advantage of the unlimited payment rate. For example, in FY2014 the VA paid over \$534,000 in tuition and fees payments for one student pursuing flight training at a public IHL.<sup>22</sup> The VA and VSOs generally agree that limitations are necessary to avoid further abuse.<sup>23</sup>

Section 306 of H.R. 3016 would reset the maximum tuition and fees benefit for individuals pursuing programs of education that require flight training at or through a public IHL to be equal to the benefit at a private or foreign IHL. The bill would also similarly limit the tuition and fees benefit at a public IHL for any program of education that includes coursework contracted by the public IHL. The provision would go into effect on or after the date of enactment for new enrollees in flight or contracted programs at public IHLs, and two years after enactment for students enrolled in such programs on the day of enactment. CBO has estimated that this provision would save \$203 million over 10 years.<sup>24</sup>

## Expansion of Post-9/11 GI Bill Qualifying Active Duty

The types of active duty that qualify toward an individual's eligibility for the Post-9/11 GI Bill are defined in statutory provisions. In the *Eleventh Quadrennial Review of Military Compensation*, the most recent review, DOD noted inequities in the types of active duty service that qualify for the Post-9/11 GI Bill.<sup>25</sup> DOD recommended expanding the definition of qualifying active duty service to include several authorities:

- voluntary orders for authorized health care by reservists (10 U.S.C. §12301(h));
- involuntary orders to respond to major disasters or emergencies by reservists (10 U.S.C. §12304a);
- involuntary orders by reservists for preplanned missions in support of combatant commands (10 U.S.C. §12304b);
- voluntary orders to receive treatment for or recover from an injury or illness incurred or aggravated while performing inactive duty ("drill") for more than 30 days by reservists (10 U.S.C. §12322);
- involuntary orders to respond full-time to major disasters or emergencies by National Guard members under the command of the governor (32 U.S.C. §501(f)(1)(A));

<sup>21</sup> The maximum benefit levels are in effect August 1, 2016, through July 31, 2017.

<sup>22</sup> U.S. Congress, House Committee on Veterans' Affairs, *Veterans Employment, Education, and Healthcare Improvement Act*, To accompany H.R. 3016, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., December 1, 2015, H.Rept. 114-358.

<sup>23</sup> U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Legislative Hearing on H.R.456; H.R.473; H.R. 474; H.R.475; H.R.476; H.R.643; H.R.1038; H.R.1141; H.R.1187; H.R. 1313; H.R. 1382*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., March 24, 2015.

<sup>24</sup> Congressional Budget Office, *H.R. 3016 Veterans Employment, Education, and Healthcare Improvement Act*, As ordered reported by the House Committee on Veterans' Affairs on September 17, 2015, November 19, 2015.

<sup>25</sup> Department of Defense, *Report of the Eleventh Annual Quadrennial Review of Military Compensation*, June 2012, pp. 199-201.

- voluntary orders by National Guard members to perform DOD missions, such as drug interdiction and counter drug activities, or to maintain programs, such as the National Guard youth challenge program (32 U.S.C. §502(f)); and
- voluntary orders by National Guard members at the request of the President under the command of the governor to assist federal agencies when the country is not under a national emergency and when the national emergency does not cover the duty's purpose (Title 32 of the U.S. Code).

Section 307 of H.R. 3016 would expand the types of qualifying active duty service for reservists to include 10 U.S.C. §12301(h). The provision would apply to service under §12301(h) on or after 180 days following enactment of the bill. CBO estimates that the provision would cost \$40 million over 10 years.<sup>26</sup>

## **Allowance of Joint Enrollment Certifications**

Under current law, educational institutions must certify and recertify, as necessary, the enrollment of participants under Vocational Rehabilitation & Employment (VR&E), the Post-Korean Conflict and Vietnam Era GI Bill (Korean GI Bill), and Survivors' and Dependents Educational Assistance (DEA). Under current regulations, educational institutions must also certify and recertify, as necessary, the enrollment of Post-9/11 GI Bill and Post-Vietnam Era Veterans Educational Assistance Program (VEAP) participants. The certifications are used to determine benefit payment amounts.

Section 401 of H.R. 3016 would allow a group, district, or consortium of separately accredited educational institutions to certify the enrollment of GI Bill participants as if the group were a single educational institution. To be eligible, all of the educational institutions in the group, district, or consortium would have to be located in the same state and be organized in a manner that facilitates the centralized reporting of the enrollments. The section would further codify the requirement that educational institutions also certify and recertify, as necessary, the enrollment of Post-9/11 GI Bill and VEAP participants. This provision would go into effect upon enactment of the bill.

The provision is intended to simplify GI Bill administration for educational institutions, such as a community college district. The VA and VSOs have generally supported it.<sup>27</sup> The same provision passed the House in Section 9 of the Veterans G.I. Bill Enrollment Clarification Act of 2013 (H.R. 2481, 113<sup>th</sup> Congress).

## **Increased Transparency of GI Bill Entitlement**

It has been reported that GI Bill claimants and school certifying officials (SCOs) would like easily accessible real-time information on the status of entitlement, claims, eligible benefit amounts, expected payment dates, or pending issues. It has also been reported that SCOs would like better access to such information to help counsel GI Bill participants in the use of their

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<sup>26</sup> Congressional Budget Office (CBO), H.R. 3016 *Veterans Employment, Education, and Healthcare Improvement Act*, As ordered reported by the House Committee on Veterans' Affairs on September 17, 2015, November 19, 2015.

<sup>27</sup> U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Legislative Hearing on H.R. 331, H.R. 821, H.R. 1357, H.R. 1796, H.R. 1842, H.R. 2011, H.R. 2150, H.R. 2210, H.R. 2327, and draft Legislation "To amend title 38, United States Code, to codify and improve the election requirements for the receipt of educational assistance under the Post-9/11 Educational Assistance program of the Department of Veterans Affairs,"* 113<sup>th</sup> Cong., 1<sup>st</sup> sess., June 26, 2013.

benefits. The information may be obtained by calling the VA call center. GI Bill participants may also retrieve some information through eBenefits, a web portal for veterans, servicemembers, and their families to research, find, access, and eventually manage their benefits. eBenefits provides some information on entitlement and school enrollment.

Section 402 of H.R. 3016 would require the VA provide benefit entitlement information for Post-9/11 GI Bill, DEA, MGIB-AD, and VEAP participants to educational institutions through a secure information technology system.

## Expanded Role of State Approving Agencies in the Process for Approving Programs of Education

Since the 1940s, most programs of education have been approved for GI Bill purposes by state approving agencies (SAAs). Although the approval criteria have been specified in statutory provisions, SAAs have had the authority to apply additional criteria to non-accredited courses. In 2011, Congress reduced the approval responsibilities of SAAs by deeming approved

- accredited standard college degree programs offered at public or private not-for-profit educational institutions that are accredited by an agency or association recognized by the Secretary of Education, and
- other programs of education approved by other federal agencies or states.<sup>28</sup>

This change was intended to (1) free SAAs to conduct more compliance and oversight of approved programs of education, and (2) reduce duplicative approval efforts by multiple federal agencies.<sup>29</sup> The change resulted in the immediate approval of some non-college degree programs (NCDs) and third-party contracted training programs at accredited public and private not-for-profit educational institutions. The National Association of State Approving Agencies expressed concern “with the recent proliferation of transition and training programs at accredited institutions of higher learning, particularly community colleges, as well as certifications that may or not meet industry standards or have real earning power.”<sup>30</sup>

Section 403 of H.R. 3016 would require that SAAs determine which programs meet the statutory definition of deemed approved, and it would authorize SAAs<sup>31</sup> to approve accredited programs that are not deemed approved.

Section 404 of H.R. 3016 would limit the ability of SAAs to apply additional criteria unless the Secretary of Education approves such criteria as necessary and equitable to all institutions regardless of control (public, private not-for-profit, or private for-profit) in accordance with regulations. Furthermore, the section would require that both accredited courses that are not deemed approved and non-accredited courses meet any additional SAA criteria. The new limitations would go into effect for additional criteria developed on or after January 1, 2013.

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<sup>28</sup> The Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377).

<sup>29</sup> U.S. Congress, Senate Committee on Veterans’ Affairs, *Post-9/11 Veterans Educational Assistance Improvements Act of 2010*, To accompany S.3447, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., October 26, 2010, S.Rept. 111-346.

<sup>30</sup> U.S. Congress, House Committee on Veterans’ Affairs, Subcommittee on Economic Opportunity, *Legislative Hearing on H.R.456; H.R.473; H.R. 474; H.R.475; H.R.476; H.R.643; H.R.1038; H.R.1141; H.R.1187; H.R. 1313; H.R. 1382*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., March 24, 2015.

<sup>31</sup> The Secretary would be authorized to approve such programs when acting in the role of a SAA.



## Update of Compliance Survey Requirements

Under current law, the Secretary of Veterans' Affairs (Secretary), with the assistance of SAAs as appropriate, is required to conduct annual compliance surveys of institutions enrolling at least 300 GI Bill or Vocational Rehabilitation & Employment (VR&E)<sup>32</sup> participants and institutions offering NCDs.<sup>33</sup> Compliance surveys are intended to ensure that the institution and approved courses are in compliance with all applicable statutory provisions.

Section 405 of H.R. 3016 would change the criteria for determining which institutions annual compliance surveys would be conducted for and change the nature of the survey. Annual compliance surveys would be required at institutions enrolling at least 20 GI Bill or VR&E participants. The section would authorize the Secretary, in consultation with SAAs, to revise the compliance survey parameters annually. Finally, the list of institutions to be surveyed would have to be released by the Secretary to the SAAs by September 1, prior to the fiscal year in which the surveys would be conducted.

## Reporting on Perceptions of GI Bill Participants

Under current law, the VA is required to annually report to Congress

- the level of Post-9/11 GI Bill and DEA utilization and expenditures,
- academic outcomes of Post-9/11 GI Bill and DEA participants, and
- recommendations for administrative and legislative changes, as appropriate.<sup>34</sup>

Section 406 of H.R. 3016 would require the VA to contract for a statistically valid survey of current and past Post-9/11 GI Bill, DEA, MGIB-AD, and VEAP participants. The survey would collect information such as educational attainment and goals, employment status, military service, opinions about the transition assistance program,<sup>35</sup> how individuals made decisions with respect to using GI Bill benefits, experiences of and opinions about GI Bill participation, and experiences of educational pursuit.

## Improving Post-9/11 GI Bill IT Processing Systems

Post-9/11 GI Bill claims for benefits are currently processed through a combination of information technology (IT) systems, including the Long Term Solution (LTS) and the Benefits Delivery Network (BDN), and manual processes. As of February 2016, the processing of original claims required substantial human intervention and an average of 19 days.<sup>36</sup> As of November 2015, only 52% of supplemental claims were fully automated.<sup>37</sup> Over the last three years, the VA

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<sup>32</sup> VR&E is an entitlement program that provides job training and other employment-related services to veterans with service-connected disabilities. For more information, see CRS Report RL34627, *Veterans' Benefits: The Vocational Rehabilitation and Employment Program*, by Benjamin Collins.

<sup>33</sup> The Secretary may waive this requirement based on the institution's demonstrated record of compliance.

<sup>34</sup> 38 U.S.C. §3325.

<sup>35</sup> The military Transition Assistance Program (TAP) provides counsel to servicemembers as they transition from active service, particularly with respect to employment, education, financial health, and general well-being. For more information, see CRS In Focus IF10347, *Military Transition Assistance Program (TAP): An Overview*, by Kristy N. Kamarck.

<sup>36</sup> President's Budget Request FY2017, p. IT-375.

<sup>37</sup> U.S. Congress, House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity, *Examining VA's Information Technology Systems that Provide Economic Opportunities for Veterans*, Witness Testimony of Mr. Curtis (continued...)

has requested development funding to increase the level of automation and sustainment funding to improve benefits delivery.<sup>38</sup> The required manual intervention has resulted in longer than average payment processing times during peak periods.

Section 407 of H.R. 3016 would authorize the appropriation of \$30 million in each of FY2016 and FY2017 to fund IT improvements that would allow, to the maximum extent possible, electronic processing with little human intervention of all Post-9/11 GI Bill original and supplemental claims. The bill would require the VA to present an implementation plan within 180 days of the bill's enactment.

## Clarifying In-State Tuition Eligibility

Under current law, the VA is required to disapprove a course at a public IHL if it charges tuition and fees above the in-state rate for that course to a *covered* Post-9/11 GI Bill or MGIB-AD participant who is living in the state in which the IHL is located. Covered Post-9/11 GI Bill and MGIB-AD participants are those who were discharged or released from a period of not fewer than 90 days of service in active military, naval, or air service less than three years before the date of enrollment in said course and their Post-9/11 GI Bill-eligible dependents and survivors. Thus, dependents of active duty servicemembers are not covered individuals.

Section 408 of H.R. 3016 is intended to clarify original congressional intent by including the dependents of active duty servicemembers as covered individuals. The section would amend current law to cover

- Post-9/11 GI Bill and MGIB-AD participants who were discharged or released from a period of not fewer than 90 days of service in active military, naval, or air service less than three years before the date of enrollment;
- Fry scholars, regardless of the period of service or period since discharge of the qualifying veteran or servicemember; and
- Post-9/11 GI Bill-eligible dependents using benefits transferred from veterans, regardless of the period of service or period since discharge of the qualifying veteran or servicemember.

The provision would go into effect for academic terms beginning after July 1, 2016.

## Veterans First Act (S. 2921)

On April 6, 2016, the Chairman of the Senate Committee on Veterans' Affairs (SVAC), Senator Johnny Isakson, announced efforts to draft bipartisan, comprehensive legislation to reform the VA and improve the treatment of veterans.<sup>39</sup> The Veterans First Act (S. 2921) was introduced by Senator Isakson on May 11, 2016. The bill is cosponsored by the SVAC Ranking Member, Senator Richard Blumenthal, and others. The Senate Committee on Veterans' Affairs reported the

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(...continued)

L. Coy, Deputy Under Secretary for Economic Opportunity, Veterans Benefits Administration, U.S. Department of Veterans Affairs, 114<sup>th</sup> Cong., 2<sup>nd</sup> sess., November 3, 2015.

<sup>38</sup> President's Budget Request, FY2017.

<sup>39</sup> Senate Committee on Veterans' Affairs Majority, "Isakson Statement on Comprehensive VA Reform Legislation," press release, April 6, 2016, <http://www.veterans.senate.gov/newsroom/majority-news/isakson-statement-on-comprehensive-va-reform-legislation>.

bill on May 16, 2016. The bill would, among other purposes, modify personnel rules at the VA, facilitate the provision of private health care to veterans covered by the VA healthcare system, launch a pilot program to improve disability claims processing, and enhance GI Bill benefits.

### **Equitable Access to Fry Scholarship Entitlement**

Section 401 of S. 2921 is substantially equivalent to Section 302 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.

### **Expansion of Post-9/11 GI Bill Yellow Ribbon Program to Fry Scholarship Recipients**

Section 401 of S. 2921 is substantially equivalent to section 302 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.

### **Relief for Post-9/11 GI Bill Students Who Attend Schools that Close**

Following the abrupt closure of 30 Corinthian Colleges, Inc. (CCI) schools in April 2015, student advocates have been interested in providing relief to affected students for the loss of educational benefit entitlements.<sup>40</sup> There is a perception that students wasted their limited entitlement to earn credits that cannot be transferred and are not valued by employers.

Section 402 of S. 2921 would provide relief to eligible students who were attending a school that closes by reinstating entitlement and extending the housing stipend. It would establish that Post-9/11 GI Bill entitlement would not be charged in the event that an individual's educational institution permanently closes and the individual does not receive credit or loses training time toward completion of the program of education being pursued at the time of such closure. The period of entitlement not charged would equal the length of time pursuing courses for which the individual does not receive credit or loses training time. As additional relief, Section 402 would authorize the VA to establish regulations to continue payment of the Post-9/11 GI Bill housing stipend through the earlier of (1) the end of the term as previously scheduled or (2) four months after the closure. The provision not to charge a recipient's entitlement would become effective in FY2015.

### **Expansion of Post-9/11 GI Bill Qualifying Active Duty**

Section 403 of S. 2921 is similar but more expansive than Section 307 of H.R. 3016, as described in the previously entitled section above. Section 403 would expand the types of qualifying active duty service for reservists to include voluntary orders for authorized health care, as authorized by 10 U.S.C. §12301(h); involuntary orders to respond to major disasters or emergencies, as authorized by 10 U.S.C. §12304a; and involuntary orders for preplanned missions in support of combatant commands, as authorized by 10 U.S.C. §12304b. The provision would apply one year after enactment for service that occurs on or after September 11, 2001.

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<sup>40</sup> For more information, see CRS Report R44068, *Effect of Corinthian Colleges' Closure on Student Financial Aid: Frequently Asked Questions*, by Alexandra Hegji.

## Updated Process for Irrevocably Electing the Post-9/11 GI Bill

Section 406 of S. 2921 is substantially equivalent to Section 305 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.<sup>41</sup>

## Expansion of MGIB-SR Entitlement Preservation for Participants Called to Active Duty

Currently under the GI Bills, a participant is not charged entitlement if a call to qualifying active duty results in the participant discontinuing pursuit of a course and failing to receive credit or training time. Only active duty under the following authorities qualifies: 10 U.S.C §§12301(a), 12301(d), 12301(g), 12302, or 12304.<sup>42</sup>

Also under current law, an individual's entitlement under the MGIB-SR is extended for periods when the individual serves on active duty under 10 U.S.C §§12301(a), 12301(d), 12301(g), 12302, or 12304 and for four additional months for each such period.

Section 408 of S. 2921 would amend the MGIB-SR to expand the list of qualifying authorities to include 10 U.S.C §§12304a and 12304b. Both of these authorities were added by the National Defense Authorization Act for Fiscal Year 2012 (P.L. 112-81), and the Army has increased mobilizations under §12304b from 0 in FY2013 to an estimated 1,878 in FY2017.<sup>43</sup> Section 12304a authorizes the Secretary of Defense to involuntarily order units and individuals of the Army Reserve, Navy Reserve, Marine Corps Reserve, and Air Force Reserve to active duty for up to 120 days "when a governor requests federal assistance in responding to a major disaster or emergency."<sup>44</sup> Section 12304b allows involuntary activations of Selected Reserve units for up to 365 consecutive days of active duty. DOD FY2016 legislative proposals recommended such inclusion of the above authorities.<sup>45</sup>

Section 408 would only affect the MGIB-SR. S. 2921 would not similarly expand relief to participants under the other GI Bills called to active duty under such provisions; although Section 403 (as described earlier) would expand the types of Post-9/11 GI Bill qualifying active duty service. CBO estimates that this provision would increase spending by less than \$500,000 over 10 years.<sup>46</sup>

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<sup>41</sup> Proposed Section 3325(f)(3) would provide the MGIB-AD contribution to individuals pursuing programs of education leading to a degree pursued at institutions of higher learning on more than a half-time basis, regardless of benefit level.

<sup>42</sup> A call to active duty under §688 also qualifies for individuals participating in the GI Bills authorized under Title 38 of the U.S. Code.

<sup>43</sup> See the Army's Military Personnel budget justification book, FY2015-FY2017, available at <http://asafm.army.mil/offices/BU/BudgetMat.aspx?OfficeCode=1200>.

<sup>44</sup> The language does not limit the activations only to the Selected Reserve, so it appears that members of the Individual Ready Reserve can be activated under this authority.

<sup>45</sup> U.S. Congress, Senate Committee on Veterans' Affairs, *21<sup>st</sup> Century Veterans Benefits Delivery Act*, To accompany S. 1203, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., October 19, 2015, S.Rept. 114-153.

<sup>46</sup> Congressional Budget Office (CBO), *S. 1203 21<sup>st</sup> Century Veterans Benefits Delivery and Other Improvements Act*, 21<sup>st</sup> Century Veterans Benefits Delivery and Other Improvements Act on July 22, 2015, October 1, 2015.

## Eligibility to Elect the Post-9/11 GI Bill in Lieu of REAP

Congress recently enacted legislation ending the Reserve Educational Assistance Program (REAP), as described above, in the section of the report on P.L. 114-92, under the heading ‘Termination of Reserve Educational Assistance Program (REAP).’<sup>47</sup> As a result, some individuals who were not enrolled during the period immediately preceding November 25, 2015, and who elected to use the REAP program would lose any remaining REAP entitlement.

Section 409 of S. 2921 would require that individuals who lost any remaining REAP entitlement on November 25, 2015, be allowed to transfer such remaining entitlement to the Post-9/11 GI Bill at the 40% benefit level. It appears that the time limitation for using such entitlement would conform to the Post-9/11 GI Bill, thus reducing or extending an individual’s current period depending on the time since the individual’s last discharge from active duty rather than depending on the individual’s service in and separation from the Reserves (as is done under the REAP program).

## Required Reporting of Post-9/11 GI Bill Participant Academic Progress

Current law does not give the VA authority to require that educational institutions or training establishments report on academic progress or outcome data on GI Bill participants. Because reporting is voluntary and existing databases of postsecondary education were not designed specifically to collect data on veterans or GI Bill participants, the data available on participant educational and employment outcomes are limited.<sup>48</sup> This has led to concerns regarding the quality of education pursued by some GI Bill participants, and the increased spending on GI Bills with the passage of the Post-9/11 GI Bill. Congress and other stakeholders have shown interest in ensuring that the government is an effective steward of taxpayer dollars and that GI Bill participants are achieving the education and workforce integration expected.<sup>49</sup>

Section 410 would authorize the Secretary to disapprove courses at educational institutions that do not provide annual academic progress information on Post-9/11 GI Bill participants. Section 410 would also require that the VA’s annual report to Congress on the Post-9/11 GI Bill and Survivor’s and Dependent’s Educational Assistance Program (DEA) include such academic progress information. Under current law, the Secretary is required to annually report on participation, expenditures, student outcomes, and appropriate recommendations for administrative and legislative changes.

## Allowance of Joint Enrollment Certifications

Section 421 of S. 2921 is substantially equivalent to Section 401 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.

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<sup>47</sup> This provision was enacted by Section 555 of the National Defense Authorization Act for Fiscal Year 2016 (P.L. 114-92).

<sup>48</sup> For example, see C.A. Cate, *Million Records Project: Research from Student Veterans of America*, Student Veterans of America, Washington, DC, 2014. This report used data from the VA and National Student Clearinghouse to report on cohorts of veterans who earned a postsecondary education credential during a time period. A major limitation is that the report cannot distinguish individuals who earned the credential before, during, or after using the GI Bill.

<sup>49</sup> For more information, see the section entitled “Quality of Programs of Education” and Table 3 in CRS Report R42755, *The Post-9/11 Veterans’ Educational Assistance Act of 2008 (Post-9/11 GI Bill): A Primer*, by Cassandra Dortch.

## Increased Transparency of GI Bill Entitlement

Section 422 of S. 2921 is substantially equivalent to Section 402 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.

## Expanded Role of SAAs in the Process for Approving Programs of Education

Section 423 of S. 2921 is similar to Section 403 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading, with one exception. Section 403 would require that SAAs determine which programs meet the statutory definition of deemed approved. Section 423 would require that SAAs, or the Secretary when acting in the role of a SAA, determine which programs meet the statutory definition of deemed approved.

Section 424 of S. 2921 is substantially equivalent to Section 404 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.

## Strengthened Requirements for Programs of Education that Lead to Licensed Occupations

Statutory provisions currently specify the criteria for approving programs of education for GI Bill purposes. The media, government agencies, and veterans' service organizations have provided evidence of GI Bill participants who were unable to secure employment following graduation because the program of education did not meet the standards required for licensure, certification, state board approval, or employment.<sup>50</sup> In response, Section 541 of the National Defense Authorization Act for Fiscal Year 2014 (P.L. 113-66) limited MGIB-SR and REAP programs of education to those 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>51</sup>

Section 425 of S. 2921 is intended to ensure that GI Bill approved programs of education meet the standards required for state licensure, certification, or employment.<sup>52</sup> It would add the following approval requirements to accredited and non-accredited courses, regardless of whether the course is deemed approved:

- The courses would meet state instructional curriculum licensure or certification requirements if designed to lead to state licensure or certification.
- The courses would be accredited by an ED-recognized accrediting agency if designed to prepare an individual to practice law.

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<sup>50</sup> For example, see Federal Trade Commission, "Ashworth College Settles FTC Charges it Misled Students About Career Training, Credit Transfers," press release, May 26, 2015, <https://www.ftc.gov/news-events/press-releases/2015/05/ashworth-college-settles-ftc-charges-it-misled-students-about>; New York State Office of the Attorney General, "A.G. Schneiderman Announces Groundbreaking \$10.25 Million Dollar Settlement With For-Profit Education Company That Inflated Job Placement Rates To Attract Students," press release, August 19, 2013, <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-groundbreaking-1025-million-dollar-settlement-profit>; and U.S. Congress, Senate Committee on Veterans' Affairs, *Pending Health and Benefits Legislation*, Veterans Education Success Statement, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., September 16, 2015.

<sup>51</sup> As of June 2016, neither the Department of Defense (DOD) nor the VA had implemented the provision.

<sup>52</sup> U.S. Congress, House Committee on Veterans' Affairs, *Career-Ready Student Veterans Act*, To accompany H.R. 2360, 114<sup>th</sup> Cong., 1 sess., November 16, 2015.

- The courses would be approved or licensed by the relevant state board or agency if designed to prepare an individual for an occupation that requires such approval or licensure.

Section 425 would also permit the VA to waive the aforementioned requirements when all of the following apply

- the educational institution is not accredited by an agency or association recognized by the Secretary of Education;
- the program did not meet the aforementioned requirements at any time during the two-year period preceding the date of the waiver;
- the waiver furthers the purpose of the GI Bills or GI Bill participants; and
- the educational institution does not provide any commission, bonus, or other incentive payments based on enrollments or financial aid, except for the recruitment of foreign students residing in foreign countries who are not eligible to receive federal student assistance.

For accredited standard college degree programs offered at public or private not-for-profit educational institutions accredited by an ED-recognized accrediting agency, the SAA would be required to determine that applicable courses meet the above approval or waiver criteria before the course could be deemed approved.

Section 425 would also require that the VA or SAA disapprove an unaccredited course designed to lead to state licensure or certification or to prepare an individual for an occupation that requires such approval or licensure if the educational institution does not publicly disclose any additional conditions required to obtain licensure, certification, or approval. The disclosure would have to meet VA specifications, as described in regulations.

Finally, Section 425 would subject accredited and non-accredited courses that are not deemed approved to additional (nonfederal) approval criteria as deemed necessary by the SAA and in accordance with VA regulations. Current law permits SAAs to subject non-accredited courses to additional approval criteria as deemed necessary by the SAA.

GI Bill participants who were enrolled in a program of education that is subsequently disapproved by Section 425 would be permitted to remain continuously enrolled.

## **Update of Compliance Survey Requirements**

Section 426 of S. 2921 is substantially equivalent to Section 405 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.

## **Reporting on Perceptions of GI Bill Participants**

Section 427 of S. 2921 is substantially equivalent to Section 406 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading.

## **Clarifying In-State Tuition Eligibility**

Section 428 of S. 2921 is similar in intent to Section 408 of H.R. 3016, as described above, in the section of the report on H.R. 3016, under the same heading. However, covered individuals under Section 428 would be

- Post-9/11 GI Bill and MGIB-AD participants who were discharged or released from a period of not fewer than 90 days of service in active military, naval, or air service less than three years before the date of enrollment;
- Fry scholars regardless of the period of service or period since discharge of the qualifying veteran or servicemember; and
- Post-9/11 GI Bill-eligible dependents using benefits transferred from veterans who were discharged or released from a period of not fewer than 90 days of service in active military, naval, or air service less than three years before the date of enrollment

The effective date would be academic terms beginning after July 1, 2017.

## **Reduced Annual Increase in Post-9/11 GI Bill Housing Allowance**

Under current law, the maximum Post-9/11 GI Bill housing allowance levels are adjusted annually. On August 1 of each year, the housing allowance levels are adjusted to equal the monthly basic allowance for housing (BAH) for a member of the Armed Forces with dependents in pay grade E-5, as set by DOD on January 1 of the same year.<sup>53</sup> DOD adjusts the BAH annually according to a survey of local rental rates.

The Carl Levin and Howard P. ‘Buck’ McKeon National Defense Authorization Act for Fiscal Year 2015 (P.L. 113-291, Section 604) authorized DOD to reduce monthly BAH payments by up to 1% of the “national average monthly cost of adequate housing in the United States.” The reduction was intended to require that servicemembers incur some out-of-pocket costs for housing. It also specified that the change would not apply to the Post-9/11 GI Bill housing allowance.<sup>54</sup> The National Defense Authorization Act for Fiscal Year 2016 (P.L. 114-92; Section 603) extended this authority, authorizing an additional 1% reduction per year through 2019 (for a maximum reduction of 5% of the national monthly average housing cost).<sup>55</sup>

Section 903 of S. 2921 would make the Post-9/11 GI Bill housing allowance subject to the same reduction in BAH as servicemembers, effective July 1, 2016.

## **Career-Ready Student Veterans Act (H.R. 2360)**

H.R. 2360 was introduced by Representative Mark Takano, Acting Ranking Member of HVAC, on May 15, 2015. The House Committee on Veterans’ Affairs reported the bill with an amendment and accompanying report on November 16, 2015.<sup>56</sup> The House agreed to the bill on February 9, 2016. The bill would change the requirements for approving programs of education

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<sup>53</sup> BAH is a DOD benefit to uniformed servicemembers to provide housing compensation when government quarters are not provided. The amount is based on a survey of actual median current market rent, average utilities (including electricity, heat, and water/sewer), and average renter’s insurance in local civilian housing markets and is payable based on geographic duty location, pay grade, and dependency status.

<sup>54</sup> For more information, see the section entitled “Basic Allowance for Housing (BAH)” in CRS Report R43647, *FY2015 National Defense Authorization Act: Selected Military Personnel Issues*, coordinated by Barbara Salazar Torreon.

<sup>55</sup> For more information, see the section entitled “Basic Allowance for Housing: Increases Are Linked to Increases in Housing Costs” in CRS Report RL33446, *Military Pay: Key Questions and Answers*, by Lawrence Kapp and Barbara Salazar Torreon.

<sup>56</sup> U.S. Congress, House Committee on Veterans’ Affairs, *Career-Ready Student Veterans Act*, To accompany H.R. 2360, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., November 16, 2015, H.Rept. 114-336.



for GI Bill purposes. The companion bill, S. 1938, was introduced by Senator Richard Blumenthal on August 5, 2015.

## **Strengthened Requirements for Programs of Education that Lead to Licensed Occupations**

Section 2 of H.R. 2360 is similar to Section 425 of S. 2921, as described above, in the section of the report on S. 2921, under the same heading, but there are some key technical distinctions:

- Courses that are deemed approved would have to (1) meet state instructional curriculum licensure or certification requirements if designed to lead to state licensure or certification, or (2) be approved or licensed by the relevant state board or agency if designed to prepare an individual for an occupation that requires such approval or licensure; but such courses would not have to be accredited by an ED-recognized accrediting agency if designed to prepare an individual to practice law.
- The VA would not have the authority to waive the above criteria for courses that are deemed approved.
- H.R. 2360 would not specify the process or entity responsible for deeming programs approved.
- The VA would not be specifically authorized to regulate the requirements of educational institutions to publicly disclose any additional conditions required to obtain licensure, certification, or approval.
- H.R. 2360 would not subject accredited courses that are not deemed approved to additional (nonfederal) approval criteria as deemed necessary by the SAA.
- As under current law, H.R. 2360 would not require that any additional (nonfederal) approval criteria deemed necessary by the SAA be subject to VA regulations.

CBO estimates that the bill would not affect direct spending or revenues.<sup>57</sup>

## **21<sup>st</sup> Century Veterans Benefits Delivery and Other Improvements Act (S. 1203)**

S. 1203 was introduced by Senator Dean Heller on May 6, 2015. The Senate Committee on Veterans' Affairs reported the bill with an amendment in the nature of a substitute and accompanying report on October 19, 2015.<sup>58</sup> The Senate agreed to the bill with an amendment on November 10, 2015. The bill would, among other purposes, aim to improve the furnishing of health care to veterans by the Department of Veterans Affairs (VA), the processing of VA claims for disability compensation, and operation of the GI Bills.<sup>59</sup>

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<sup>57</sup> David Newman, H.R. 2360 *Career-Ready Student Veterans Act*, Congressional Budget Office, As ordered reported by the House Committee on Veterans' Affairs on September 17, 2015, October 22, 2015.

<sup>58</sup> U.S. Congress, Senate Committee on Veterans' Affairs, *21<sup>st</sup> Century Veterans Benefits Delivery Act*, To accompany S. 1203, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., October 19, 2015, S.Rept. 114-153.

<sup>59</sup> *Ibid.*

## **Expansion of MGIB-SR Entitlement Preservation for Participants Called to Active Duty**

Section 301 of H.R. 2360 is substantially equivalent to Section 408 of S. 2921, as described above, in the section of the report on S. 2921, under the same heading.

## **Required Reporting of Post-9/11 GI Bill Participant Academic Progress**

Section 302 of H.R. 2360 is substantially equivalent to Section 410 of S. 2921, as described above, in the section of the report on S. 2921, under the same heading.

## **Reporting on the Educational Attainment of Transferors of Post-9/11 GI Bill Benefits**

Under current law, the Secretary of Defense is required to annually report to Congress on the Post-9/11 GI Bill. The report must include the extent to which Post-9/11 GI Bill benefit levels affect recruitment to and retention in the Armed Forces, the extent to which the benefits help meet the cost of pursuing a program of education, the necessity of the benefits for future recruitment to the active duty service, the results from and efforts to inform members of the Armed Forces of the active duty eligibility requirements, and recommendations for administrative and legislative changes. The 2015 Military Compensation and Retirement Modernization Commission recommended that “DOD ... track the education levels of Service members who transfer their Post-9/11 GI Bill to their dependents” and that the “VA ... collect information related to, but not limited to, graduation rates, course competition rates, course dropout rates, course failure rates, certificates and degrees being pursued, and employment rates after graduation, and include that information in an annual report to the Congress.”<sup>60</sup> The recommendations were intended to provide the information necessary to better align and craft the uniformed services’ compensation and retirement system to meet the needs of the services and the servicemembers and their families.

Section 303 would require that the report include the highest level of education achieved by Post-9/11 GI Bill-eligible individuals who transfer their benefit.

Section 304 would require each branch of the uniformed services to annually report the highest level of education achieved by Post-9/11 GI Bill-eligible individuals who transferred their benefit and who separated in the previous year.

## **Reduction in GI Bill Reporting Fee**

Under current law, educational institutions and training establishments receive a reporting fee from the VA to offset the costs of providing reports and certifying the enrollment of GI Bill and VR&E participants to the VA. The fee is calculated by multiplying the number of GI Bill and VR&E participants who do not receive an advance payment by the regular fee amount specified in statutory provisions. An additional fee is calculated by multiplying the number of GI Bill and VR&E participants receiving an advance payment by an advanced fee amount. In 1977, the fee levels for GI Bill and VR&E participants were \$7 for the regular fee amount and \$11 for the

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<sup>60</sup> Military Compensation and Retirement Modernization Commission, *Final Report*, January 29, 2015.

advanced fee amount. The Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377) increased the amounts to \$12 and \$15. The fee levels were temporarily reduced to \$9 and \$13 for the two-year period beginning on September 26, 2014.<sup>61</sup>

Section 703 of the bill would reduce the fee per GI Bill and VR&E participant to \$8 and \$12, respectively, for the 10-year period beginning on September 26, 2015. The Senate Committee on Veterans' Affairs indicated in its report that the Department of Education only provides a fee level of \$5 per Pell Grant recipient.<sup>62</sup> CBO estimates that a similar provision based on fee levels of \$7 and \$11 would reduce spending by \$60 million over 10 years.<sup>63</sup>

## **Author Contact Information**

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

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<sup>61</sup> The Department of Veterans Affairs Expiring Authorities Act of 2014 (P.L. 113-175) and the Department of Veterans Affairs Expiring Authorities Act of 2015 (P.L. 114-58).

<sup>62</sup> U.S. Congress, Senate Committee on Veterans' Affairs, *21<sup>st</sup> Century Veterans Benefits Delivery Act*, To accompany S. 1203, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., October 19, 2015, S.Rept. 114-153. For information about the Pell Grant program, see CRS Report R42446, *Federal Pell Grant Program of the Higher Education Act: How the Program Works and Recent Legislative Changes*, by Cassandra Dortch.

<sup>63</sup> Congressional Budget Office, *S. 1203 21<sup>st</sup> Century Veterans Benefits Delivery and Other Improvements Act*, July 22, 2015, October 1, 2015.