

FACTS ABOUT SENATOR WEBB'S BIPARTISAN G.I. BILL, THE "POST-9/11 VETERANS EDUCATIONAL ASSISTANCE ACT" (S.22)

February 2008

SUMMARY

The bipartisan Post-9/11 Veterans Educational Assistance Act (S.22), is designed to expand the educational benefits that our nation offers to the brave men and women who have served us so honorably since the terrorist attacks of September 11, 2001. The bill would closely resemble the educational benefits provided to veterans returning from World War II. A House companion bill, H.R. 2702, was introduced by Rep. Bobby Scott (D-VA).

BACKGROUND

Our country has a tradition – since World War II – of offering educational assistance to returning veterans. In the 1940s, the first “G.I. Bill” helped transform notions of equality in American society. The World War II G.I. bill paid for veterans’ tuition, books, fees, a monthly stipend, and other training costs. Approximately 7.8 million veterans used the benefits given under the original G.I. bill in some form, out of a wartime veteran population of 15 million. For every dollar invested in veterans, seven dollars were generated.

Over the last several decades, Congress passed a number of other G.I. bills that also gave educational benefits to veterans. However, benefits awarded under those subsequent bills have not been as expansive as our nation’s original G.I. bill. Currently, veterans’ educational benefits are administered under the Montgomery G.I. Bill. This program is designed for peacetime – not wartime – service.

MAJOR PROVISIONS

- Increased educational benefits would be available to all members of the military who have served on active duty since September 11, 2001, including activated reservists and National Guard. To qualify, veterans must have served at least three to thirty-six months of qualified active duty, beginning on or after September 11, 2001.
- The bill provides for educational benefits to be paid in amounts linked to the amount of active duty served in the military after 9/11. Generally, veterans would receive some amount of assistance proportional to their service for 36 months, which equals four academic years. Veterans would still be eligible to receive any incentive-based supplemental educational assistance from their military branch for which they qualify.
- Benefits provided under the bill would allow veterans pursuing an approved program of education to receive payments covering the established charges of their program, up to the cost of the most expensive in-state public school, plus a monthly stipend equivalent to housing costs in their area. The bill would allow additional payments for tutorial assistance, as well as licensure and certification tests.
- The bill would create a new program in which the government will agree to match, dollar for dollar, any voluntary additional contributions to veterans from institutions whose tuition is more expensive than the maximum educational assistance provided under S.22.

- Veterans would have up to fifteen years, compared to ten years under the Montgomery G.I. Bill, after they leave active duty to use their educational assistance entitlement. Veterans would be barred from receiving concurrent assistance from this program and another similar program.

CO-SPONSORS, SUPPORTERS

The Post-9/11 Veterans Educational Assistance Act has 34 cosponsors in the Senate, including lead co-sponsors Chuck Hagel (R-NE), John Warner (R-VA), and Frank Lautenberg (D-NJ). The House companion bill, H.R. 2702, introduced by Rep. Bobby Scott (D-VA), has 96 cosponsors in the House. (As of February 28, 2008).

The Post-9/11 Veterans Educational Assistance Act has been endorsed by the Veterans of Foreign Wars (VFW), Iraq and Afghanistan Veterans of America (IAVA), The American Legion, the Military Officers' Association of America (MOAA), Vietnam Veterans of America (VVA), the Air Force Sergeants Association (AFSA), the Enlisted Association of the National Guard of the United States (EANGUS), the American Association of Community Colleges (AACC), and the National Association of State Universities and Land Grant Colleges (NASULGC).

KEY POINTS MADE BY SENATOR WEBB

- **Currently, veterans' educational benefits are administered under the Montgomery G.I. Bill—a program designed primarily for peacetime – not wartime – service.** With many of our troops having served two, three or four tours of duty in Iraq and Afghanistan, it is past time to enact a new veterans' education program modeled on the World War II era G.I. bill. These individuals have a short window of time in which to take advantage of an educational benefit after serving, and with six years already passed since 9/11, that window is now closing for many.
- **The G.I. Bill of the World War II era sparked economic growth and expansion for a whole generation of Americans; a more robust G.I. bill holds the same potential for today's economy.** The United States has never erred when it has made sustained new investments in higher education and job training – and its veterans. Educated veterans have higher income levels, which in the long run increases tax revenues. Approximately 7.8 million veterans used the benefits in some form, out of a wartime veteran population of 15 million. For every dollar invested in WWII veterans, seven dollars were generated.
- **A strong and reliable G.I. bill will have a positive effect on military recruitment.** Better educated veterans also have a **more positive readjustment experience** and lower levels of post-traumatic stress disorder.
- **The education of our nation's veterans is a cost of war.** A very small percentage of Americans have stepped forward to serve our country through military service; they have earned the right to have a bright future when they have completed their service. A G.I. bill that properly rewards honorable service is the right thing to do. **The estimated \$2 billion a year needed for the program equals less than one week of war in Iraq.**
- Three former Presidents, a dozen U.S. Senators, three Supreme Court Justices and fourteen Nobel Prize winners went to school on the G.I. bill. Under today's Montgomery G.I. Bill, these same leaders would receive only a fraction of the money necessary to get the same level of education.

“Post-9/11 Veterans Educational Assistance Act”
Re-Introduced by Sen. Jim Webb on February 28, 2008
Section-by-Section Summary

Section 1: Short title – “Post 9/11 Veterans Educational Assistance Act.”

Section 2: **Educational Assistance for Members of the Armed Forces Who Serve After September 11, 2001.** This section adds a new Chapter 33 (entitled “Post 9/11 Educational Assistance”) to Title 38 of the U.S. Code, with the following new sections:

Section 3301: **Definitions.** This section provides definitions of key terms, including what types of active service qualify for the entitlement.

Section 3311: **Educational assistance for service in the Armed Forces after September 11, 2001 – entitlement.** This section prescribes multiple tiers of aggregate active service which will entitle a veteran to educational benefits under this Act. In general, to qualify, veterans – including activated National Guard and reservists – must have served between 3 months and 36 months of active duty, beginning on or after September 11, 2001.

Section 3312: **Educational assistance – duration.** In general, veterans are entitled to receive some amount of educational assistance for 36 months, equal to four academic years. Includes a protection of entitlement if an individual’s education is interrupted due to deployment or transfer.

Section 3313: **Educational assistance – payment and amount.** In general, veterans may receive monetary assistance to pursue an approved program of education as follows: (i) payments covering the established charges of the program, not to exceed what in-state residents would pay at the most expensive public institution in the state in which they are enrolled, (ii) a monthly stipend to cover living expenses based on average housing prices in the area in which the veteran is enrolled, and (iii) a stipend for books and required educational expenses paid prior to each term. [Note that these are basically the same benefits paid to World War II veterans.] These payments and stipends are scaled on a percentage basis, from 40% to 100%, depending upon which tier the veteran qualifies under in Section 3311. This Section also prescribes the timing of such payments and revised payment guidelines related to education approved on active duty, less-than-half-time education, apprenticeships, on-the-job-training, correspondence school, and flight training.

Section 3314: **Tutorial assistance.** Veterans may receive additional payment for tutorial assistance, not to exceed \$100/month, for a maximum of 12 months, or until a maximum of \$1,200 is used.

Section 3315: **Licensure and certification tests.** Veterans may receive payment for one licensing or certification test, not to exceed the lesser of \$2,000 or the test fee.

Section 3316: **Supplemental educational assistance for additional service.**

Veterans qualifying for basic educational assistance under this new Chapter 33 are also eligible to receive supplemental educational assistance paid by their service Secretary, or “tuition kickers”, if they meet the eligibility requirements defined for such supplemental assistance in Chapter 30.

Section 3317: **Public-Private contributions for additional educational assistance.** Establishes a new program to be implemented by the V.A. Secretary under which institutions of higher education may voluntarily agree to contribute sums to veterans enrolled in their school to make up any difference between what their school charges for tuition and what the new Chapter 33 benefit would provide. This additional assistance would only be available to veterans who qualify for the maximum G.I. bill benefit. Schools would be free to define their own contribution limits, as well as the maximum number of students who would qualify. Under this program, the Chapter 33 benefit would match the schools’ additional contribution dollar for dollar, up to 50% of the tuition difference.

Section 3321: **Time limitation for use of and eligibility for entitlement.**

Veterans have 15 years (as measured under the provisions of this Section) to use their educational entitlement.

Section 3322: **Bar to duplication of educational assistance benefits.** Veterans who receive educational benefits under this Act may not receive concurrent assistance under another similar program; instead, veterans must elect one program over another.

Section 3323: **Administration.** This Section: (i) gives guidance on interpreting operative terms, and (ii) instructs the Secretary of Veterans Affairs to provide information to veterans regarding this Act’s educational benefits, and to prescribe regulations to carry out this Act.

Section 3324: **Allocation of administration and costs.** The Secretary of Veterans Affairs shall administer this program, and payments shall be made from funds made available to the Department of Veterans Affairs for the payment of readjustment benefits (mandatory spending). This Section also prescribes ways for veterans to choose to elect into this Act’s program from the existing Montgomery G.I. Bill program.

SUMMARY OF SUBSTANTIVE EDITS TO THE BIPARTISAN “POST-9/11 VETERANS’ EDUCATIONAL ASSISTANCE ACT” (S.22)

1. **Defines Active Duty As Full-Time Active Duty For The Regular Component, And Title 10 Active Duty For The Reserve Component.** Clarifies the term “active duty” in Section 3301 so that both components are equitably rewarded for federal active service.
2. **Ensures That Service Members Would Not Lose Any G.I. Bill Benefit If Called To Active Duty, Deployed, Or Transferred During School.** In Section 3312(c), the bill incorporates the existing language in Chapter 30, Sec. 3013(f) to ensure that individuals are afforded protections consistent with those which already exist under the Montgomery G.I. Bill. Veterans entitled to benefits under Chapter 33 would not lose entitlement if forced to discontinue school due to deployment or transfer.
3. **Removes Room & Board As Part Of The Benefit.** Previously included under Section 3313(c)(1)(B). This new version of the bill has an improved monthly living stipend which would fairly compensate individuals for housing costs where they attend school, so the redundant and expensive room and board provision from the original S.22 was removed.
4. **Inserts Language To Allow Receipt of Supplemental Education Assistance from DoD (“tuition kickers”).** In a new Section 3316, the bill states that veterans eligible for the new G.I. bill under Chapter 33 may also qualify for and receive “tuition kickers,” if they meet the criteria set forth in Chapter 30. This should remove any concerns that S.22 would impair the armed services’ ability to provide tuition kickers as an incentive for retaining and filling critical military skills.
5. **Ensures The Benefits Paid To Cover Tuition and Fees Are Distributed As A Voucher Or Credit.** Section 3313(j) states that payments for tuition and fees would be paid upfront in the form of a voucher or credit, in a manner defined by the V.A. Secretary. In some cases, up front payments for tuition and fees would be large, and using a voucher or credit payment rather than cash would limit potential for fraud.
6. **More Officers Now Qualify For The Benefit.** Section 3311(c) has been amended to allow ROTC and academy-commissioned officers to qualify, however, they may not use their Active Duty Service Obligation required by the terms of their undergraduate education to count towards the S.22 benefit. Previously, most officers commissioned from these sources after 9/11 would not have qualified. This is fair to officers who have served side-by-side with their enlisted troops, and provides a retention incentive for junior officers, a critical shortage in many branches.
7. **Creates A New Program For Universities To Further Assist Veterans, and Addresses Out-Of-State Tuition.** The bill has a new Section 3317 which creates “*The Yellow Ribbon G.I. Education Enhancement Program.*” Public or private schools may voluntarily join this new program, which would apply to veterans who qualify for 100% of the new G.I. bill. These schools agree to compensate veterans for up to 50% of the difference between their normal educational charges and what S.22 would provide. The government would match the school’s contribution 1 for 1. Under this new program, if colleges and universities volunteer

to help fund veterans' educations, the government will pay its fair share as well – and veterans will have greater options to attend better schools.

- 8. Readjusting The Benefit Scale For Cumulative Active Duty Served.** Section 3311(c) defines eight new eligibility tiers for the benefit, based on how much active duty is served. Section 3313(c) defines the percentage of full benefits veterans in those tiers would receive. This new scale would cover both the active and reserve components. The scale is compared below to the benefit currently available to activated reservists under Title 10, Chapter 1607. This new scale fairly rewards all active service, whether by reserve or regular component troops, and closely parallels a true month-for-month benefit.

S.22 Scale		Current Law For Activated Reservists	
<i>Cumulative Active Duty</i>		<i>Longest Consecutive tour</i>	
3 months	40%	3 months	40%
6 months	50%		
12 months	60%	12 months	60%
18 months	70%		
24 months	80%	24 months	80%
30 months	90%		
36 months	100%		

*One caveat to this scale is that active duty for entry-level training is not considered unless the individual has 24 months or greater cumulative active service. Active duty for entry-level training (to include basic training **and** any advanced individual or MOS training) kicks in AFTER 24 months of regular active duty have already been served.*

- 9. Creates A Variable Stipend Based on DoD Basic Allowance for Housing (BAH) Rates.** To more fairly compensate veterans for the costs of housing where they are enrolled, a new stipend is created. The maximum monthly housing stipend available (100%) would equal the DoD's Basic Allowance for Housing (BAH) monthly payment for E-5s with dependents. Individuals would receive a separate stipend for books and other required educational expenses, to be paid in equal amounts prior to each semester or quarter.

Sound, Existing DoD Policy and Procedures Can Be Used To Provide A Fair Stipend:

- To calculate BAH, DoD measures actual housing costs nationwide. They then divide the country into 369 Military Housing Areas (MHA), which comprise all U.S. zip codes.
- For 2008, the median BAH payment for an E-5 with dependents is \$1,034 per month, very similar to the original \$1,000 per month maximum stipend in S.22.
- Just like tuition and fees, the stipend is subject to the benefit scale above. If a veteran qualifies for only 70% tuition and fees, they get only 70% of the BAH stipend as well.
- For this scale in 2008, the lowest MHA is \$667 per month, and the highest is \$2,512. 84% of the MHAs in the country are between \$806 and \$1,475 per month. Veterans would receive their stipend based on the zip code of the school in which they enroll.
- It is important to note that this new method does NOT mean that the stipend will be based on the individual's rank or on whether or not they have dependents.