

# CRS Report for Congress

## A Brief History of Veterans' Education Benefits and Their Value

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# A Brief History of Veterans' Education Benefits and Their Value

## Summary

Federal educational assistance programs have been authorized for veterans of the Armed Forces since 1944. The Servicemen's Readjustment Act of 1944 (P.L. 78-346), or the GI Bill of Rights, provided support, including education benefits, to veterans of World War II. Subsequently, other programs were implemented for similar purposes (e.g., the Korean GI Bill and the Vietnam Era GI Bill). These new programs were primarily, if not exclusively, funded by the federal government and were intended to support veterans returning from war. The implementation of the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) marked the first time that an educational benefit had been established during peacetime and for an all-volunteer force; the first time that education benefits were viewed as a military recruiting tool; and the first time that servicemembers were required to make a contribution toward their veterans' education benefits. Many of the principles of VEAP were carried over during the creation of its successor program, the Montgomery GI Bill (MGIB), which was implemented in 1985.

Veterans' education benefits have evolved substantially over the last 60-plus years. When first established, veterans' education benefits were completely subsidized by the federal government; payments were issued to educational institutions on behalf of the veteran; they could be used for a variety of education and training programs; and separate subsistence payments were also provided. Currently available veterans' education benefits are partially subsidized; paid directly to the veteran; and may be used to pay tuition, fees, and expenses associated with a variety of education and training programs.

During the period since veterans' education benefits first were made available, college prices have increased substantially. In addition, the manner in which federal student financial aid is calculated and awarded has shifted several times during the evolution of the veterans' education benefits programs. At present, federal student assistance is calculated according to the federal need analysis system, which considers the receipt of veterans' education benefits when determining eligibility for some student aid programs. These policy and program changes have altered the role that veterans' education benefits play in supporting access to postsecondary education for veterans.

This report reviews the evolution of veterans' education benefit programs prior to the enactment of the Post-9/11 Veterans Educational Assistance Act of 2008. It also examines how changes in the estimated value of those benefits compares with changes in average college prices, and provides a discussion of the interaction between veterans' education benefits and federal student aid benefits made available under Title IV of the Higher Education Act of 1965 (HEA), as amended.

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# A Brief History of Veterans' Education Benefits and Their Value

## Introduction<sup>1</sup>

Since 1944, Congress has demonstrated an interest in providing education benefits to veterans of the Armed Forces. The Servicemen's Readjustment Act of 1944 (P.L. 78-346), or the GI Bill of Rights, provided support, including education benefits, to veterans of World War II. Following the expiration of the original GI Bill, other programs, including the Korean GI Bill, Vietnam Era GI Bill, the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP), the Montgomery GI Bill-Active Duty (MGIB-AD) program, the Montgomery GI Bill-Selected Reserve (MGIB-SR) program, and the Reserve Educational Assistance Program (REAP), were implemented to make education benefits available to veterans of the Armed Forces. On June 30, 2008, the Post-9/11 Veterans Educational Assistance Act of 2008 was enacted as part of P.L. 110-252. This act established a new veterans' educational assistance program and made amendments to the MGIB-AD, MGIB-SR, and REAP programs.<sup>2</sup> Throughout their history, veterans' education programs have been primarily, if not exclusively, funded by the federal government and have been intended to provide assistance to veterans following the completion of, and, in some cases, during their military service.

Veterans' education benefits have evolved substantially over the last 60-plus years. In the past, veterans' education benefits were completely subsidized by the federal government; they could be used for a variety of education and training programs; separate subsistence payments were provided; and payments were issued to educational institutions on behalf of the veteran. Currently available MGIB veterans' education benefits are partially subsidized; may be used to pay tuition, fees and expenses associated with a variety of education and training programs; and paid directly to the student.

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<sup>1</sup> This report is adapted from a prior CRS report, *Montgomery GI Bill Education Benefits: Analysis of College Prices and Federal Student Aid Under the Higher Education Act*, by Charmaine Mercer. The report, now out of print, is available from the authors upon request.

<sup>2</sup> This report is limited to an examination of veterans' education benefits prior to the enactment of P.L. 110-252. For information on legislative proposals in the 110<sup>th</sup> Congress to expand veterans' education benefits programs, see CRS Report RL33985, *Veterans' Benefits: Issues in the 110<sup>th</sup> Congress*, coordinated by Carol D. Davis; and CRS Report RL34451, *Second FY2008 Supplemental Appropriations for Military Operations, International Affairs, and Other Purposes*, by Stephen Daggett, Susan B. Epstein, Rhoda Margesson, Curt Tarnoff, Pat Towell, Catherine Dale, and Shannon S. Loane.

During the period since 1944, when veterans' education benefits first were made available, there have been numerous changes to the veterans' education programs and the benefit amounts made available. Also, during this period, other forms of federal financial assistance have been made to students, including students who are veterans, through the enactment of an array of federal student financial aid programs. At the same time, however, college prices and costs associated with obtaining a postsecondary education have continued to increase.<sup>3</sup>

The relationship between veterans' education benefits and federal student aid, and the manner by which federal student aid is calculated and awarded, have changed several times as veterans' education benefits programs have evolved. At present, federal student aid awards are calculated according to the federal need analysis system, which takes an individual's receipt of veterans' education benefits into account during the process of determining eligibility for certain federal student aid programs. The rules governing the interaction between the federal student aid programs and veterans' education benefits programs affect how much aggregate aid is made available to veterans to support their access to postsecondary education.

This report reviews the evolution of veterans' education benefit programs and describes the types of education benefits that have been made available under these programs. The report is organized into three major sections. The first section provides an historical overview of education benefits for military veterans, beginning with the Servicemen's Readjustment Act of 1944 (GI Bill of Rights). The second section is an analysis of the estimated value of veterans' education benefits relative to average college prices. This section focuses on the estimated value of veterans' education benefits and college prices at four-year public and private institutions, and two-year public institutions. The final section briefly examines the interaction between veterans' education benefits and federal student aid benefits authorized under the Higher Education Act of 1965 (HEA), as amended.

## Veterans' Education Benefit Programs

This section provides a brief history of the education benefits programs that have been made available to veterans, beginning with the GI Bill of Rights. A summary of selected characteristics of the various programs is presented in **Table 1** at the end of this section.

### GI Bill of Rights

The original GI Bill, the Servicemen's Readjustment Act of 1944, was intended to help veterans readjust to civilian life, avoid high levels of unemployment, and afford returning veterans an opportunity to receive the education and training that they missed while serving in the military. Under the GI Bill, the Veterans Administration, now the Department of Veterans Affairs (VA), paid up to \$500 a

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<sup>3</sup> For additional information on college costs and prices, see CRS Report RL34224, *College Costs and Prices: Issues for Reauthorization of the Higher Education Act*, by Rebecca R. Skinner and Blake Alan Naughton.

year directly to an educational institution for tuition, books, fees, and other training costs.<sup>4</sup> The VA also paid as much as \$50 a month (increased to \$65 in 1946, and \$75 in 1948) as a subsistence allowance to single veterans, and greater monthly amounts to veterans with one or more dependents. This program ended on July 25, 1956.

## **Korean GI Bill**

The Veterans' Readjustment Assistance Act of 1952, the Korean GI Bill (P.L. 82-550), was authorized to help veterans returning from the Korean War to adjust to civilian life. The benefit provided up to \$110 a month to single veterans for educational expenses and education-related expenses, and higher amounts for veterans with dependents. Unlike the GI Bill of Rights, which paid both educational expenses and a separate subsistence allowance, the monthly benefit for the Korean GI Bill was intended to cover both. It was believed that requiring the veteran to contribute to the costs of his/her education would encourage more careful spending. In addition, partially in response to alleged incidents of fraud and abuse by for-profit (proprietary) institutions of higher education (IHEs), each veteran received a lump-sum payment from the VA instead of the VA making direct payments to IHEs. The program ended January 31, 1965.

## **Post-Korea and Vietnam-Era GI Bill**

The Post-Korea and Vietnam-Era GI Bill was enacted in 1966 under the Veterans' Readjustment Benefits Act of 1966 (P.L. 89-358). This program was originally intended for veterans of the post-Korean War era, and was not intended to be as generous as some of the earlier programs for veterans.<sup>5</sup> Under this act, veterans who had been on active duty for more than 180 consecutive days were entitled to one month of educational assistance for each month of service. This was the first GI Bill that provided benefits to members of the Armed Forces while they served on active duty, as opposed to providing benefits only after the completion of active duty. The program became effective June 1, 1966, but benefits were made available retroactively to post-Korean War era veterans and Vietnam-Era veterans who had served prior to the effective date. The initial monthly benefit amount for a single veteran was \$100 per month, and monthly benefit amounts were increased several times during the operation of the program — ultimately, to \$376 per month in 1984. The program ended December 31, 1989.

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<sup>4</sup> Reliable, comprehensive data on the price of college attendance during the 1940s are not available. Based on data obtained on individual institutions, it seems likely that \$500 annually would have been sufficient to cover educational costs at most institutions. For example, based on anecdotal evidence tuition and fees at Harvard University and the Massachusetts Institute of Technology were \$450 and \$500, respectively, in the 1940s.

<sup>5</sup> In 1976, at the end of the Vietnam hostilities, benefits were extended from 36 months to 45 months, and the time period in which benefits could be used was extended from eight years to 10 years following discharge.

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

The Post-Vietnam Era Veterans' Educational Assistance Program (VEAP) was established under Title IV of the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94-502). The program was made available to individuals who entered active duty after December 31, 1976, and before July 1, 1985. VEAP was designed as a recruitment incentive for the Armed Forces during peacetime. Since the benefit was established for an all-volunteer force serving during peacetime, it was deemed appropriate to require participants, for the first time, to contribute to an education fund during their period of service in the military. Program participants had to agree to monthly pay reductions of at least \$25, but not more than \$100. The maximum education benefit may not exceed the sum of the amount contributed by the participant and the matching federal contribution (see **Table 1** for details); and the maximum monthly benefit amount is \$300.<sup>6</sup> VEAP benefits must be used within ten years of discharge. VEAP participants who were on active duty on October 9, 1996 were eligible until October 8, 1997, to elect to participate in the MGIB program.

## Montgomery GI Bill

The MGIB consists of two major programs: MGIB-Active Duty (MGIB-AD), for individuals serving on active duty or who have separated from active duty; and MGIB-Selected Reserves (MGIB-SR), for members of the selected reserves. These programs are described below.

**Montgomery GI Bill - Active Duty (MGIB-AD).** The Montgomery GI Bill (MGIB), originally called the All-Volunteer Force Educational Assistance Program, was initially enacted as part of the Department of Defense Authorization Act, 1985 (P.L. 98-525), as a three-year pilot program.<sup>7</sup> The MGIB-AD program is available to individuals who entered active duty after June 30, 1985; as well as, in certain circumstances, individuals who entered active duty prior to that date.<sup>8</sup> To become eligible for MGIB-AD benefits, individuals must not have declined the benefit in writing, and must have had their military pay reduced by \$100 per month for 12

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<sup>6</sup> The Department of Defense could also make additional contributions, known as "kickers," to individuals in critical military fields to encourage enlistment or reenlistment in the Armed Forces.

<sup>7</sup> The New GI Bill Continuation Act (P.L. 100-48) permanently authorized the All-Volunteer Force Educational Assistance Program and the Selected Reserve Component. It also changed the name of the program to the Montgomery GI Bill. The MGIB-AD program is authorized under Title 38, Chapter 30, of the United States Code.

<sup>8</sup> There are four categories of eligibility for the MGIB-AD program. Category 1 applies to the majority of individuals and is addressed here. Category 2 applies to Vietnam-Era GI Bill conversion; Category 3 applies to involuntary separation/special separation; and Category 4 applies to veterans who participated in VEAP. For additional information on the four categories of eligibility, see Department of Veterans Affairs, *Federal Benefits for Veterans and Dependents, 2008 Edition*, Chapter 4, Education and Training, at [<http://www1.va.gov/opa/vadocs/fedben.pdf>].



months. MGIB-AD benefits may be used for a maximum of 36 months; and in general, benefits must be used within ten years of discharge from active duty.<sup>9</sup> To be eligible for benefits, individuals must have received a fully honorable discharge (or be serving on active duty); and must have a high school diploma or the equivalent, or have completed at least 12 credit hours towards a college degree. In most instances, individuals must have served for three continuous years on active duty to become eligible to receive MGIB-AD benefits; however, in certain circumstances, individuals may qualify to receive benefits after two continuous years of active duty service.

MGIB-AD benefits are paid on a monthly basis. Monthly benefit rates vary according to whether individuals have served for three continuous years on active duty; and the intensity of the training toward which the benefits are being applied. For FY2008, the maximum monthly benefit rate is \$1,101 for individuals who have served for three continuous years on active duty, and who are enrolled full-time. Maximum monthly benefit amounts are adjusted annually according to the consumer price index for all urban consumers (CPI-U).<sup>10</sup> Lower benefit rates apply to eligible individuals who have not served for three continuous years on active duty, and to those enrolled less than full-time. In certain instances, individuals may also be eligible to receive higher benefit amounts, referred to as a “kicker” or a “college fund” (see below).

MGIB-AD benefits may be used to pay for tuition, fees, books, supplies, and other expenses associated with enrollment in an array of approved education and training programs, including

- courses at colleges and universities leading to an associate, baccalaureate, or graduate degree;
- courses at business, vocational, and technical schools leading to a certificate or diploma;
- apprenticeship and on-the-job training, including self-employment training for ownership or operation of a franchise (for individuals not on active duty);
- flight training (for qualified individuals);
- state-approved teacher certification programs;
- preparatory courses for admission to undergraduate or graduate education programs;
- approved licensing and certification tests;

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<sup>9</sup> In addition, individuals may receive veterans’ education and training benefits under only one program at a time; and individuals may receive veterans’ education and training benefits under all programs combined for a maximum of 48 months.

<sup>10</sup> With the enactment of P.L. 110-252, effective August 1, 2008, the maximum monthly benefit rate increases to \$1,321; and beginning with FY2010, subsequent maximum monthly benefit amounts will be adjusted annually based on the annual percentage increase in the average cost of undergraduate tuition in the United States, as determined by the National Center for Education Statistics.

- entrepreneurship training courses for the creation or expansion of small businesses; and
- tuition assistance using MGIB as “Top-Up” (see below).<sup>11</sup>

**MGIB “Kicker”/College Fund.** The College Fund is an add-on benefit to the MGIB-AD benefit that may be made available to individuals at the time of enlistment. Individuals must elect to participate in the MGIB-AD program to become eligible for the College Fund. Each service branch elects whether to offer the College Fund benefit to recruits serving in certain critical military occupational specialities. (Currently, the Army and the Navy participate.) Veterans receive the College Fund benefit as an add-on to the MGIB-AD monthly benefit amount. While MGIB-AD monthly benefit amounts are adjusted annually according to changes in the CPI-U, no annual adjustments are made to College Fund monthly benefit amounts.

**Tuition Assistance “Top-Up”.** The Tuition Assistance “Top-Up” program was established under the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (P.L. 106-398). Through Tuition Assistance programs, military service branches may pay tuition and expenses for the education and training of active duty personnel.<sup>12</sup> Under Tuition Assistance Top-Up, MGIB-AD participants who have served for at least two years on active duty and who are approved for Tuition Assistance benefits may elect to receive MGIB benefits to pay for education and training expenses above the amount paid by their military service branch. If a servicemember’s service branch will not pay 100% of tuition and fees, the servicemember may use MGIB Top-Up to pay the difference between the total cost and the amount paid by the service branch. Use of the MGIB Top-Up benefit results in a reduction of future MGIB benefits.

**Montgomery GI Bill - Selected Reserve (MGIB-SR).** The MGIB-SR program is available to individuals serving in the Selected Reserves.<sup>13</sup> Eligibility for MGIB-SR is determined by Selected Reserve service components; and individuals must agree to a six-year service obligation. Individuals may receive up to 36 months of benefits, and these must be used within 14 years of becoming eligible. (Individuals who became eligible for MGIB-SR prior to October 1, 1992 must use benefits within 10 years of becoming eligible.) Education benefits may be used for activities that include degree programs, certificate or correspondence courses, cooperative training, independent study, apprenticeship, and vocational flight training programs. For FY2008, the maximum MGIB-SR monthly benefit amount is \$317.

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<sup>11</sup> Department of Veterans Affairs, *Federal Benefits for Veterans and Dependents, 2008 Edition*, p. 34.

<sup>12</sup> For additional information on Tuition Assistance programs, see the Defense Activity for Non-Traditional Education Services (DANTES), Tuition Assistance Programs, at [[http://www.dantes.doded.mil/dantes\\_web/tuitionassistance/index.htm](http://www.dantes.doded.mil/dantes_web/tuitionassistance/index.htm)].

<sup>13</sup> The MGIB-SR program is authorized under Title 10, Chapter 1606 of the United States Code.

## Reserve Educational Assistance Program (REAP)

The Reserve Educational Assistance Program (REAP) was established under the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375);<sup>14</sup> and provides benefits for members of the Selected Reserves, Individual Ready Reserve (IRR), and National Guard who are called or ordered to active duty in response to a war or national emergency as declared by the President or Congress. In general, an individual called to active duty who serves for at least 90 consecutive days on or after September 11, 2001, is eligible for REAP. The REAP benefit amount is based on a percentage of the MGIB-AD benefit amount and is indexed to the duration of service. Members who serve at least 90 days, but less than 1 year receive 40% of the full MGIB-AD rate; those who serve more than 1 year, but less than 2 years receive 60% of the full MGIB-AD; and those who serve 2 or more continuous years receive 80% of the full MGIB-AD rate. In general, REAP benefits may be used to pay for education programs with the exception of reimbursement for examinations and testing. REAP benefits are potentially payable from December 9, 2001.<sup>15</sup> A maximum of 36 months of REAP benefits are available; and benefits must be used within 10 years. For FY2008, the maximum REAP monthly benefit amount is \$881.<sup>16</sup>

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

The DEA program<sup>17</sup> was first established by the War Orphans' Educational Assistance Act of 1956 (P.L. 84-634).<sup>18</sup> It provides up to 45 months of education and training benefits to the spouse and children (including stepchildren or adopted children) of a veteran who

- is permanently and totally disabled, or dies, as a result of a service-connected disability that arises out of or is aggravated by active duty;
- has a permanent and total service-connected disability and dies from any cause;
- is missing in action or is captured in line of duty and held by a hostile force;

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<sup>14</sup> The REAP program is authorized under Title 10, Chapter 1607 of the United States Code.

<sup>15</sup> Department of Veterans Affairs, *Reserve Educational Assistance Program (REAP)*, VA Pamphlet 22-05-1, December 2005.

<sup>16</sup> With the enactment of P.L. 110-252, the maximum REAP monthly benefit amount increases to \$1,057, effective August 1, 2008.

<sup>17</sup> The DEA program is authorized under Title 38, Chapter 35 of the United States Code.

<sup>18</sup> Department of Veterans Affairs, *Dependents' Educational Assistance Program (DEA)*, VA pamphlet 22-73-3 Revised, January 2005, at [[http://www.gibill.va.gov/pamphlets/CH35/CH35\\_Pamphlet.pdf](http://www.gibill.va.gov/pamphlets/CH35/CH35_Pamphlet.pdf)].

- is currently detained in line of duty by a foreign government or power;
- is hospitalized or receiving outpatient treatment for a service-connected permanent and total disability and is likely to be discharged for that disability.<sup>19</sup>

Generally, children of such veterans are eligible from the age of 18 to the age of 26, although there are some exceptions. Spouses are eligible for benefits for ten years from the date of death of the veteran or from the date of VA notification of eligibility due to the veteran's permanent and total disability, although, again, there are some exceptions. If the servicemember died on active duty, the spouse's benefits end 20 years after the date of death.

DEA benefits can be used for undergraduate and graduate degree programs at colleges and universities; cooperative training programs; certificate programs at colleges, universities, business, technical, or vocational schools; apprenticeships or on-the-job training programs offered by companies or unions; farm cooperative courses; overseas programs that lead to college degrees; preparatory courses for college or graduate school entrance examinations; high school programs; and, for the spouse of a servicemember, correspondence courses. Other types of educational costs, including tutorial assistance, tests for course credit at colleges and universities, tests required for admission to certain programs, licensing and certification tests, may also be covered.

The FY2008 rate for those attending an institution full-time is \$881 per month. Amounts are reduced for those attending less than full-time or pursuing farm cooperative training or apprenticeship or on-the-job training.

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<sup>19</sup> This category is effective as of December 23, 2006.

**Table 1. Selected Characteristics of Veterans' Education Benefits Programs**

<b>Criteria</b>	<b>GI Bill of Rights</b>	<b>Korean GI Bill</b>	<b>Vietnam- Era GI Bill</b>	<b>Post-Vietnam Era Veterans' Educational Assistance Program (VEAP)</b>	<b>Montgomery GI Bill - Active Duty</b>	<b>Montgomery GI Bill - Selected Reserves</b>	<b>Reserve Educational Assistance Program (REAP)</b>
Year enacted	1944	1952	1966	1976	1984	1984	2004
Initial authorization	P.L. 78-346	P.L. 82-550	P.L. 89-358	P.L. 94-502	P.L. 98-525	P.L. 98-525	P.L. 108-375
Period of service	September 16, 1940, through July 25, 1947	June 27, 1950, through January 31, 1955	February 1, 1955 through August 4, 1964 (Post-Korean War); August 5, 1964, through May 7, 1975 (Vietnam-Era veterans)	December 31, 1976, through July 1, 1985	Entered active duty after June 30, 1985	July 1, 1985, to present	After September 11, 2001, to present
Period of Use	June 22, 1944, to July 25, 1956	August 20, 1952, to January 31, 1965	June 1, 1966, to December 31, 1989	January 1, 1977, to present	July 1, 1985, to present	July 1, 1985, to present	December 9, 2001, to present
Highest standard benefit amount (current dollars)	\$500 per year maximum; and \$75 monthly subsistence	\$110 per month maximum	\$376 per month	\$300 per month <sup>a</sup>	\$1,101 per month (effective Oct. 1, 2007) <sup>b</sup>	\$317 per month (effective Oct. 1, 2007) <sup>b</sup>	\$881 per month (effective Oct. 1, 2007) <sup>c</sup>
Duration of benefits	One year full-time training plus a period equal to time in service; 48 months maximum	1.5 times the duration of active service; 36 months maximum	One month of education benefits for every month of active duty service; 45 months maximum	Lesser of 36 months or number of months of contributions	Lesser of 36 months or number of months of active duty	36 months	36 months
Contribution	None	None	None	\$25 to \$100 per month; \$2,700 maximum	Pay reduction of \$100 per month for the first 12 months of pay	None	None

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Criteria	GI Bill of Rights	Korean GI Bill	Vietnam- Era GI Bill	Post-Vietnam Era Veterans' Educational Assistance Program (VEAP)	Montgomery GI Bill - Active Duty	Montgomery GI Bill - Selected Reserves	Reserve Educational Assistance Program (REAP)
Length of service	Minimum 90 days	Minimum 90 days	More than 180 days of active duty service	Minimum 181 continuous days of active duty service, if entered before October 16, 1981; 24 months of continuous active duty service if entered after October 16, 1981	Minimum 181 continuous days of active duty service; 24 months of active duty if enlisted after September 7, 1980	Accepted 6-year reserve obligation after June 30, 1985	Minimum 90 days of consecutive service in a contingency operation
Discharge status	Other than dishonorable	Other than dishonorable	Other than dishonorable	Other than dishonorable	Fully honorable discharge or on active duty	Must remain with Reserve unit	Must remain with Reserve unit
Time limitation on use of benefits	Initiated by later of end of war or two years after discharge	Initiated by three years and completed by eight years after discharge	Within 8 years after discharge; 10 years for Vietnam veterans	Within 10 years of discharge or release from active duty	Within 10 years of discharge or release from active duty	Within 14 years of initial eligibility, if eligible on or after October 1, 1992 (for those first eligible prior to October 1, 1992, benefits must be used within 10 years of initial eligibility)	Benefits can be used after 90-day minimum service period completed — no fixed delimited date; must remain with Reserve component

**Source:** Table prepared by CRS based on data available from the U.S. Department of Veterans Affairs.

- a. Government matches every \$1 the service person contributes with \$2. The maximum benefit available under the program is \$8,100 (\$5,400 federal contribution and \$2,700 individual contribution). The total contribution (service person contribution plus government share) is then divided by the number of months the service person contributed to VEAP.
- b. Amounts shown are for full-time institutional training, and are for individuals who completed a minimum of three years of service. The amounts are less for individuals who served less than three years and who attend less than full-time. The education benefits payment rate schedule is available at [[http://www.gibill.va.gov/GI\\_Bill\\_Info/rates.htm](http://www.gibill.va.gov/GI_Bill_Info/rates.htm)].
- c. The monthly amount is a percentage of the MGIB-Active Duty and is based on the number of continuous days of active duty service. The amount shown is for full-time institutional training, and is for individuals who completed at two years or more of active duty service. The amount is less for individuals who served two years or less, and who attend less than full-time.

## Changes in the Value of Veterans' Education Benefits Over Time

Over time, there have been numerous changes to the veterans' education benefit programs. Periodically, programmatic eligibility criteria and benefit amounts have been amended. Several programs have expired and been replaced by successor programs. One useful way to examine veterans' education benefits is to compare the actual (real) value of the benefits made available under these different programs over time. The analysis presented here considers only the benefits available for education and living expenses. It does not factor in any individual contributions toward education benefits that servicemembers have been required to make beginning with the establishment of the VEAP in 1976, nor "kickers" provided to encourage enrollment in the Armed Forces. In addition, it only considers benefits available to full-time students with no dependents.<sup>20</sup> This section examines the value of the education benefits provided through the GI Bill of Rights and successor programs from 1944 through 2007 in inflation-adjusted (constant) 2007 dollars. It also examines the purchasing power of benefits made available under the MGIB-AD program — the largest of the currently active veterans' education benefits programs — with respect to the costs of obtaining a postsecondary education.

Veterans' education benefits are generally awarded for a specific number of months, depending upon the program, when the recipient enrolled, and the duration of service. For example, a recipient can receive MGIB benefits for 36 months, which could be disbursed over the course of three years (twelve monthly payments per year) or over the course of four years (nine monthly payments per 9-month academic year).<sup>21</sup> In the analyses presented here, it is assumed that the benefits will be disbursed over a four-year period (i.e., for four 9-month academic years). College price data are primarily from the *Digest of Education Statistics, 2007*, produced by the Department of Education (ED). Data for 2007-2008 are from the College Board because these data are not currently available from ED. The College Board bases its college price data on a sample of institutions, whereas ED includes the universe of institutions of higher education (IHEs) in its price data.

### Value of Veterans' Education Benefits: 1944-2007

As previously discussed, the original GI Bill provided up to \$500 annually for education expenses. This is the equivalent of \$5,890 in 2007 dollars.<sup>22</sup> An additional \$50 was provided monthly for living expenses in 1944, which in 2007 dollars is

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<sup>20</sup> Veterans with dependents have historically received additional funding to acknowledge this added responsibility under programs prior to VEAP.

<sup>21</sup> Other payment distribution arrangements are possible.

<sup>22</sup> All constant dollar calculations were performed using Consumer Price Index-All Urban Consumers (CPI-U) data available from the U.S. Department of Labor, Bureau of Labor Statistics (BLS).

equivalent to \$589 monthly, or \$5,301 annually.<sup>23</sup> Thus, the total education benefit, including the living allowance, in 1944 would have been worth \$11,191 annually, or \$1,243 monthly in 2007 dollars.<sup>24</sup> In 1956, when the original GI Bill ended, the education benefit was \$131 per month, which is equal to \$999 per month in real-dollar 2007 terms. Subsequent GI Bills provided benefits on a monthly basis.<sup>25</sup> The monthly benefit amount for the Korean War GI Bill was \$110 for duration of the program. In 1952, this was equivalent to \$861 in 2007 dollars, and in 1965 when the program ended, it was equivalent to \$724. When the Post Korea and Vietnam-Era GI Bill was enacted in 1966, the monthly benefit amount was \$100, which was equivalent to \$640 in 2007 dollars. In 1989, when the Post-Korea and Vietnam-Era GI Bill ended, the monthly benefit amount was \$376, or \$629 in 2007 dollars. The maximum monthly benefit amount for the VEAP has remained constant at \$300 since first becoming available in 1977. In 1977, this was equivalent to \$1,026 in 2007 dollars.

When the MGIB-AD program was enacted in 1985, the maximum monthly benefit was \$300, or \$578 in constant 2007 dollars. The MGIB-AD benefit amount has been increased numerous times, most recently under the Veterans Education and Benefits Expansion Act of 2001 (P.L. 107-103). Since FY2004, MGIB-AD monthly benefit amounts have been adjusted annually according to the CPI. Currently, the MGIB-AD monthly benefit amount is \$1,101. When enacted in 1985, the MGIB-SR monthly benefit amount was \$140, which was the equivalent of \$270 in 2007 dollars. The monthly benefit amount for the MGIB-SR program has also been increased numerous times; however, these increases have not kept pace with those for the MGIB-AD program. The maximum monthly benefit amount for the REAP program is a fixed proportion of the MGIB-AD benefit amount. Thus, REAP benefits have increased in concert with MGIB-AD.

**Figure 1** shows the real value of the maximum monthly benefit amounts made available under the various veterans' education benefit programs that have been in effect since 1944. As can be seen, benefits were most generous in real terms in the late 1940s under the original GI Bill of Rights, in the early 1970s under the Post-Korea and Vietnam-Era GI Bill, and in the 21<sup>st</sup> century under the MGIB-AD program.

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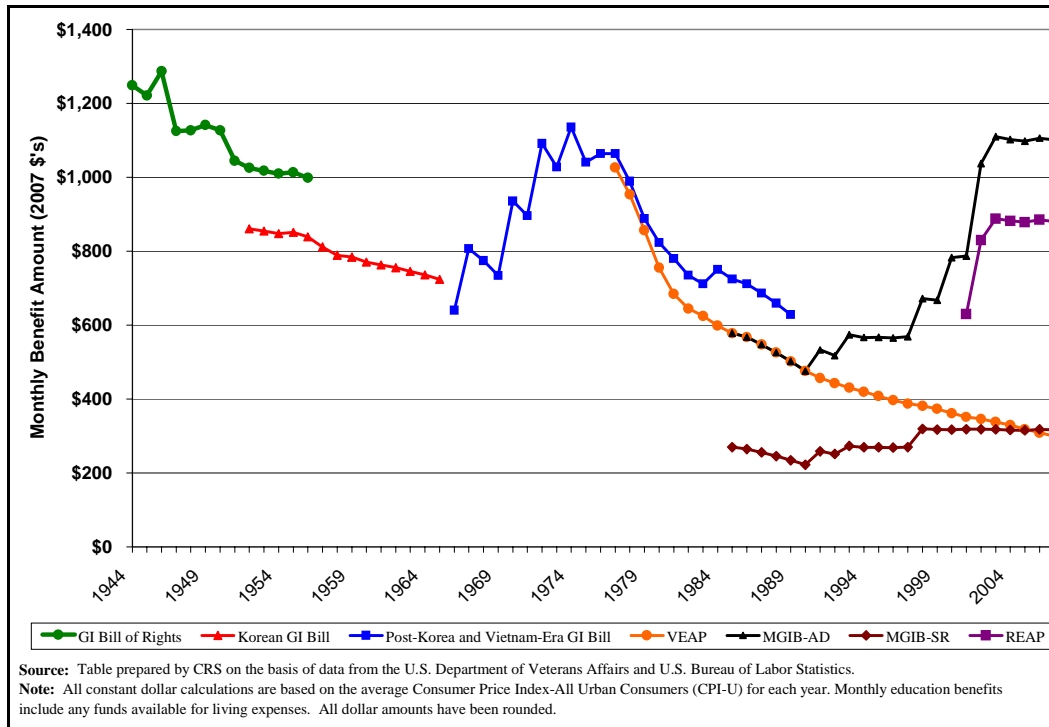
<sup>23</sup> This assumes that living expenses were provided for nine months each year, the length of a traditional academic year. P.L. 78-346 specifically refers to an "ordinary school year" when discussing education benefits. The monthly allowance for living expenses increased to \$65 in 1946 and \$75 in 1948.

<sup>24</sup> Details may not add to totals due to rounding.

<sup>25</sup> Benefits provided through the original GI Bill were converted to monthly amounts for comparison purposes.



**Figure 1. Veterans' Education Program Monthly Benefit Amounts:  
Constant 2007 Dollars, 1944-2007**



## Value of Education Benefits Provided Through the Montgomery GI Bill: 1987-2007

The maximum monthly benefit amounts available under the MGIB-AD and MGIB-SR programs since their inception in 1985 are presented in **Table 2**. Monthly benefit amounts are shown at the inception of the programs, at annual intervals, and when adjustments to benefit amounts have been made. Benefit amounts are shown in both current and constant (2007) dollars.

In the initial years of both the MGIB-AD and MGIB-SR programs, benefit amounts remained stagnant. However, in real terms, benefit amounts declined slightly. Beginning in the early 1990s benefit amounts began to be increased and through most of that decade, proportional increases were provided for both programs. Since the late 1990s, a number of substantial increases to MGIB-AD benefit amounts were enacted, resulting in increases in several years that exceed the CPI. Increases for MGIB-SR benefits have been less substantial and for most of the past decade have been indexed to the CPI. Since MGIB-AD and MGIB-SR (and REAP) benefit amounts have been adjusted according to the CPI, increases in benefit amounts were designed to keep pace with inflation. This contrasts with predecessor veterans' education programs in which benefit amounts generally were not indexed to the CPI.

**Table 2. History of MGIB-AD and MGIB-SR Monthly Education Benefits: Current and Constant 2007 Dollars, 1985-2007**

Date	MGIB-AD		MGIB-SR	
	Monthly Benefit (nominal dollars)	Monthly benefit (constant 2007 dollars)	Monthly Benefit (nominal dollars)	Monthly benefit (constant 2007 dollars)
July 1985	\$300	578	140	270
July 1986	300	568	140	265
July 1987	300	548	140	256
July 1988	300	526	140	245
July 1989	300	502	140	234
July 1990	300	476	140	222
Oct. 1991	350	533	170	259
Oct. 1992	350	517	170	251
Apr. 1993	400	574	190	273
Oct. 1994	405	566	192	269
Oct. 1995	417	567	198	269
Oct. 1996	428	565	203	269
Oct. 1997	440	568	209	270
Oct. 1998	528	672	251	319
Oct. 1999	536	667	255	317
Oct. 2000	552	665	263	317
Nov. 2000	650	783	263	317
Oct. 2001	672	787	272	318
Jan. 2002	800	922	272	313
Oct. 2002	900	1,037	276	318
Oct. 2003	985	1,110	282	318
Oct. 2004	1,004	1,102	288	316
Oct. 2005	1,034	1,098	297	315
Oct. 2006	1,075	1,106	309	318
Oct. 2007	1,101	1,101	317	317

**Sources:** U.S. Department of Veterans Affairs; and Military Officers Association of America.

**Note:** All constant dollar calculations are based on the average Consumer Price Index-All Urban Consumers (CPI-U). All dollar amounts have been rounded.

## Purchasing Power of the MGIB-AD Program

Since college prices have often increased at a rate that exceeds the CPI, it is also useful to examine what proportion of the costs of obtaining a postsecondary education may be met with MGIB-AD benefits. **Table 3** shows the percentage of tuition, fees, room, and board the MGIB-AD benefit has covered on an annual basis at four-year public and private institutions, as well as at two-year public institutions from 1985-1986 through the 2007-2008 academic years.

**Table 3. Percent of Average Price of Public and Private Four-Year IHEs and Public Two-Year IHEs Covered by the MGIB-AD Education Benefit: 1985-1986 through 2007-2008**  
(in current dollars)

Academic Year	MGIB-AD Benefit (September-May)	Public Four-Year IHEs		Private Four-Year IHEs		Public Two-Year IHEs	
		Average Tuition, Fees, Room, and Board	% of Price Covered by Benefit	Average Tuition, Fees, Room, and Board	% of Price Covered by Benefit	Average Tuition, Fees, Room, and Board	% of Price Covered by Benefit
1985-1986	2,700	3,859	70.0	9,228	29.3	2,981	90.6
1986-1987	2,700	4,138	65.2	10,039	26.9	2,989	90.3
1987-1988	2,700	4,403	61.3	10,659	25.3	3,066	88.1
1988-1989	2,700	4,678	57.7	11,474	23.5	3,183	84.8
1989-1990	2,700	4,975	54.3	12,284	22.0	3,299	81.8
1990-1991	2,700	5,243	51.5	13,237	20.4	3,467	77.9
1991-1992	3,100	5,693	54.5	14,258	21.7	3,623	85.6
1992-1993	3,150	6,020	52.3	15,009	21.0	3,799	82.9
1993-1994	3,250	6,365	51.1	15,904	20.4	3,996	81.3
1994-1995	3,640	6,670	54.6	16,602	21.9	4,137	88.0
1995-1996	3,741	7,014	53.3	17,612	21.2	4,217	88.7
1996-1997	3,841	7,334	52.4	18,442	20.8	4,404	87.2
1997-1998	3,948	7,673	51.5	19,070	20.7	4,509	87.6
1998-1999	4,664	8,027	58.1	19,929	23.4	4,604	101.3
1999-2000	4,816	8,275	58.2	20,706	23.3	4,720	102.0
2000-2001	5,638	8,653	65.2	21,856	25.8	4,839	116.5
2001-2002	6,666	9,196	72.5	22,896	29.1	5,137	129.8
2002-2003	8,000	9,787	81.7	23,787	33.6	5,601	142.8
2003-2004	8,780	10,674	82.3	25,083	35.0	6,020	145.8
2004-2005	9,017	11,426	78.9	26,257	34.3	6,375	141.4
2005-2006	9,276	12,108	76.6	27,317	34.0	6,492	142.9
2006-2007	9,634	12,805	75.2	28,869	33.4	6,810	141.5
2007-2008	9,883	13,589	72.7	32,307	30.6	—	—

**Source:** Table prepared by CRS based on data from the Department of Veterans Affairs, data available from the U.S. Department of Education, National Center for Education Statistics (NCES), *Digest of Education Statistics: 2007*, table 320, and data available from The College Board, *Trends in College Pricing: 2007*.

**Notes:** The annual MGIB-AD benefit shown here is based on nine months of education benefits to coincide with a nine-month (Sept. to May) academic year. See **Table 2** for monthly benefit amounts by date. All dollar amounts have been rounded.

As shown in **Table 3**, since the inception of the MGIB-AD program in 1985, the benefits have covered only a portion of the average tuition, fees, room, and board at public and private four-year institutions.<sup>26</sup> In academic year 1985-1986, the benefit would have covered 70% of the average expenses at a public four-year institution, and 29.3% of the average expenses at a private four-year institution.<sup>27</sup> In the 2007-2008 academic year, the MGIB-AD benefit covers 72.7% of the average expenses at public four-year institutions, and 30.6% of the average expenses at private four-year institutions. **Table 3** also shows that during the 1990s, MGIB-AD benefits met just over half of the average costs of attending public four-year institutions and just over one-fifth of the average costs of attending private four-year institutions. In the early years of this decade, MGIB-AD benefits were increased substantially, and although benefits are currently indexed to the CPI-U, since college prices are increasing at a rate that exceeds the CPI-U, their purchasing power relative to college costs is again declining. MGIB-AD benefits cover a much greater proportion of the average costs of attending public two-year institutions. Public two-year institutions have typically had lower prices of attendance and smaller price increases. Since the late 1990s, the MGIB benefits have covered more than 100% of the average price for tuition, fees, room, and board at public two-year institutions.

## Use of Education Benefits

Information on the number of individuals receiving veterans' education benefits by program for FY1998 through FY2007 is shown in **Table 4**. Nearly two-thirds of individuals receiving veterans' education benefits participate in the MGIB-AD program. Most other beneficiaries are spread across the MGIB-SR, REAP, and DEA programs. Only a very small number of veterans currently receive benefits under VEAP.

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<sup>26</sup> For both analyses, prices are based on in-state tuition and fees and room and board rates paid by full-time-equivalent students enrolled in degree-granting institutions. While GI Bill recipients may choose not to live on campus, room and board for on-campus residency were used in the calculations because these prices are comparable to or higher than room and board expenses for students living off-campus (The College Board, *Trends in College Pricing: 2007*. Available online at [<http://www.collegeboard.com>].)

<sup>27</sup> Due to program eligibility requirements, including minimum time-in-service provisions, maximum benefit amounts, in general, would not be initially available.

**Table 4. Recipients of Veterans' Education Benefits  
by Program: FY1998 - FY2007**

FY	MGIB-AD	MGIB-SR	REAP	DEA	VEAP	Total
1998	276,568	121,063	0	22,223	1,023	420,877
1999	288,052	73,580	0	44,423	3,939	409,994
2000	279,948	70,299	0	44,820	2,522	397,589
2001	289,771	82,283	0	46,917	1,680	420,651
2002	323,165	85,766	0	53,888	1,340	464,159
2003	321,837	88,342	0	61,874	917	472,970
2004	332,031	88,650	0	68,920	796	490,397
2005	336,347	87,161	0	74,267	723	498,498
2006	332,184	66,105	23,747	75,460	627	498,123
2007	343,751	60,298	41,388	77,339	568	523,344

**Source:** Data provided to CRS by the Department of Veterans Affairs.

## **Veterans' Education Benefits and Federal Student Aid Available Under the Higher Education Act**

Unlike when the GI Bill of Rights was enacted in 1944, veterans' education benefits are made available to veterans alongside a broad array of federal student financial aid programs under which veterans and servicemembers may also be eligible for assistance. The Higher Education Act (HEA) of 1965, as amended, authorizes the major federal student aid programs through which financial assistance is made available to individuals seeking to obtain a postsecondary education. Most programs that make available federal student aid to individual students are authorized under Title IV of the HEA. Major programs authorized under HEA, Title IV include the Pell Grant program, the American Competitiveness (AC) grant and National Science and Mathematics Access to Retain Talent grant (SMART) programs, the Teacher Quality Enhancement Grants for States and Partnerships (TEACH) Grant program, the Federal Supplemental Educational Opportunity Grant (FSEOG) program, the Federal Work-Study (FWS) program, the Federal Perkins Loan program; and the Federal Family Education Loan (FFEL) and William D. Ford Federal Direct Loan (DL) programs.<sup>28</sup> The FFEL and DL programs both make available subsidized Stafford Loans, unsubsidized Stafford Loans, and PLUS Loans. These and other programs authorized under the HEA make available federal student aid in numerous forms, including grants, work-study employment, and loans. The types and amounts of aid students may be eligible to receive is determined by programmatic requirements and federal need analysis provisions. As explained below, federal need analysis provisions take into account students' status as a veteran and veterans' education benefits for which they may be entitled.

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<sup>28</sup> For additional information on federal student aid programs authorized under the HEA, see CRS Report RL34214, *A Primer on the Higher Education Act (HEA)*, by Blake Alan Naughton.

## Federal Need Analysis

The expected family contribution (EFC) is the amount that the federal need analysis system (HEA, Title IV, Part F) determines a family has available to contribute toward postsecondary education expenses. In calculating the EFC, consideration is given to available income (a combination of taxable and untaxed income and benefits) and, for some families, available assets. In addition, living expenses, retirement needs, and federal and state tax liability are considered. The income contribution is calculated by determining a student's (or a student's family's, where applicable) total income, next determining available income by subtracting a series of allowances from total income, and then considering a percentage of that available income as an income contribution toward postsecondary education costs. A contribution from assets is similarly calculated. The combination of the available income contribution and asset contribution, divided by the number of individuals in the family enrolled in college, constitutes the EFC.

The calculation of the EFC varies depending upon the applicant's dependency status. There are three separate dependency classifications for individual applicants: dependent student, independent student with dependents, and independent student without dependents. These distinctions are important because parental financial information is *not* considered if the applicant meets the statutory definition of an *independent student*. To be classified as statutorily independent (HEA, § 480(d)), an applicant must meet *one* of the following conditions:

- be 24 years of age or older by December 31 of the award year;
- be an orphan or ward of the court or was a ward of the court until the individual reached the age of 18;<sup>29</sup>
- be a veteran<sup>30</sup> of the Armed Forces of the United States or is currently serving on active duty in the Armed Forces for other than training purposes;
- be a graduate or professional student;
- be married;
- have legal dependents other than a spouse; or
- be a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.

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<sup>29</sup> Effective July 1, 2009, this provision is revised to “is an orphan, in foster care, or a ward of the court, at any time when the individual is 13 years of age or older.” Additionally, effective July 1, 2009 a student may also be deemed to be independent upon meeting the following criteria: is an emancipated minor or is in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence; or has been verified as a homeless child or youth as defined by the McKinney-Vento Homeless Assistance Act. Finally, effective July 1, 2009, a financial aid administrator may make a determination of independence based upon a documented determination of independence that was previously made by another financial aid administrator in the same award year.

<sup>30</sup> HEA, § 480(c) defines a veteran as an individual who was engaged in the active duty in the U.S. Army, Navy, Air Force, Marines or Coast Guard; and was released under a condition other than dishonorable.

Students who do not meet any of the aforementioned conditions are considered to be financially dependent on their parents for the purposes of Title IV student aid.

Cost of attendance (COA) is determined by each higher education institution. The COA is a measure of a student's educational expenses at a specific IHE.<sup>31</sup> In general, it is the sum of tuition and fees; an allowance for books, supplies, transportation, and miscellaneous personal expenses; and a room and board allowance.

The financial aid administrator determines the student's need for federal aid and other sources of aid, based primarily upon the EFC and COA. This is true for all federal student aid programs except for the Pell Grant program (see below). The final outcome of this process is the financial aid award or package, which consists of the specific sources and amounts of student aid each applicant will receive.<sup>32</sup>

## **Military Education Benefits, Need Analysis, and Federal Student Aid**

This section describes military education benefits and how they are treated in the federal need analysis system. Military education benefits<sup>33</sup> are not treated as income, and therefore are not used in the calculation of the expected EFC. However, depending upon the federal student aid program, veterans' education benefits may be treated as a *resource* or *other estimated financial assistance* (to be discussed).<sup>34</sup> Financial need is calculated by subtracting the EFC and resources or other estimated financial assistance from the student's COA. As a result, as the amount of the EFC

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<sup>31</sup> See HEA Title IV, § 472 for relevant statutory language.

<sup>32</sup> For a more detailed description of the federal student aid need analysis system, see archived CRS Report RL33266, *Federal Student Aid Need Analysis System: Background, Description and Legislative Action*, by Charmaine Mercer.

<sup>33</sup> HEA, § 480(c)(2) defines "veterans' education benefits" as including, but not limited to, 10 different sources of veterans' education support. In addition to the Montgomery GI Bill benefits, these include benefits from such sources as the Dependents Educational Assistance program (U.S.C., Title 38, Chapter 35), and the Reserve Officer Training Corps program (U.S.C., Title 37, Chapter 2).

<sup>34</sup> The program regulations for the three campus-based programs (FSEOG, FWS, and Perkins Loans) refer to other types of aid, such as veterans' education benefits, as a resource and the federal Stafford Loan programs refer to them as estimated financial assistance. HEA Title IV, Section 480(j)(1) states that for the purpose of determining a student's eligibility for funds under this title, *estimated financial assistance* shall include all scholarships, grants, loans, or other assistance known to the institution at the time the determination of the student's need is made, including veterans' education benefits as defined in Subsection (c), and national service education awards or post-service benefits under Title I of the National and Community Service Act of 1990. According to the *Federal Student Aid Handbook, 2006-2007*, the term *resources* comprises aid from federal student aid programs, as well as grants, scholarships, loans, and need-based employment that a financial aid administrator can reasonably anticipate at the time he/she awards aid to the student, regardless of whether the assistance is awarded by the school or by an individual or organization outside the school.

or estimated financial assistance/resources increases, the amount of need declines, which reduces the amount of need-based aid a student can receive.

**Military Education Benefits and Pell Grants.** The primary Pell Grant award rule is that a student's annual grant is the least of (a) the maximum appropriated Pell Grant, minus EFC, or (b) the cost of attendance (COA) of the institution attended, minus EFC. For nearly all Pell recipients, the Pell Grant award is calculated by subtracting the EFC from the maximum appropriated Pell Grant for the year (i.e., without regard to the COA). This is because the maximum Pell Grant minus the recipient's EFC is almost always lower than the COA minus the EFC. Because military education benefits are not considered in calculating the EFC, the receipt of these benefits does not affect a student's Pell Grant award.

**Military Education Benefits and FFEL/DL Program Student Loans.** Need analysis also determines the amount that students may borrow in need-based, subsidized Stafford Loans under the FFEL and DL program. Eligibility for subsidized Stafford Loans is determined by subtracting the student's EFC and other estimated financial assistance (EFA) from the COA of the institution attended. In general, EFA includes all grants, loans, scholarships, and veterans' education benefits (with the exception of MGIB-AD benefits).<sup>35</sup>

Slightly different need analysis rules apply to the awarding of non-need-based unsubsidized Stafford Loans and PLUS Loans. For non-need-based loans, eligibility is determined by subtracting the student's EFA from COA; and MGIB-AD benefits are included in this calculation. Students may borrow unsubsidized Stafford Loans and PLUS Loans to replace their EFC.

**Military Education Benefits and Campus-Based Programs.** For the FSEOG, FWS and Federal Perkins Loan programs (also commonly referred to as campus-based student aid programs), military education benefits, including MGIB-AD benefits, are considered to be a resource. Thus, all veterans' education benefits directly affect the determination of a student's need for campus-based student aid. However, regulations for the campus-based programs permit an institution of higher education, in its determination of a student's campus-based assistance, to exclude from consideration as a resource any portion of a subsidized Stafford Loan up to the amount of a student's MGIB-AD benefits.<sup>36</sup> This regulatory provision permits an institution to protect — if it chooses to do so — a certain amount of the subsidized Stafford Loan assistance from having an adverse effect on the MGIB-AD benefit recipient's campus-based assistance.

**Student Eligibility Requirements for Title IV Programs and Military Education Benefits.** As illustrated by **Table 5**, few similarities exist between the student eligibility requirements for Title IV programs and the eligibility requirements for military education benefits. The only similarity among all of the programs is that a student must maintain satisfactory academic progress as determined by the institution while enrolled.

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<sup>35</sup> This exception applies only to the rules for awarding subsidized Stafford Loans.

<sup>36</sup> Title 34, CFR § 673.5(c)(3).



The differences between the programs are primarily eligibility-related, and are targeted to the particular program. For example, the eligibility requirements for military education benefits generally focus on the beneficiary's time and duration of service, the amount that was contributed toward the benefit, and how much the recipient is eligible to receive. Similarly, the eligibility requirements for the HEA, Title IV programs generally relate to the student having the requisite education and citizenship status, not having a drug conviction, not owing money to the federal government, and registering for the Selective Service (where applicable).

**Table 5. Student Eligibility Requirements for Participation in the Federal Student Aid Programs Under Title IV of the Higher Education Act and GI Bill Education Benefits**

Eligibility Criteria	HEA, Title IV Programs	Veterans Education Assistance Program (VEAP)	Montgomery GI Bill-Active Duty	Montgomery GI Bill-Selected Reserve
Citizenship requirement	Generally, students must be U.S. citizens or U.S. permanent residents. Individuals with several other entrance statuses can qualify for aid	N/A	N/A	N/A
Selective Service registration	Males between ages 18-25 must register for the selective service.	N/A	N/A	N/A
Contribution	N/A	\$25 to \$100 per month; \$2,700 maximum.	Pay reduction of \$100 per month for the first 12 months of pay	None
Discharge requirement	N/A	Conditions other than dishonorable	Fully honorable	Must remain with Reserve unit
Drug conviction	Conviction for possession or sale of drugs can disqualify students for federal student aid	N/A	N/A	N/A
Duration of benefits	N/A	Lesser of 36 months or number of months they contributed	Lesser of 36 months or number of months on active duty	36 months
Education requirement	Students must have a high school diploma or the recognized equivalent; absent such a diploma or its equivalent, students must demonstrate an ability to benefit from postsecondary education by passing an examination approved by the Department of Education	N/A	High school diploma or equivalency, or 12 hours of college credit	High school diploma or equivalency before applying for benefits
Enrollment status	Must be enrolled or accepted for enrollment in a degree, certificate, or other program leading to a recognized educational credential	Courses must lead to an educational, professional, or vocational objective	Courses must lead to an educational, professional, or vocational objective	Courses must lead to an educational, professional, or vocational objective

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Eligibility Criteria	HEA, Title IV Programs	Veterans Education Assistance Program (VEAP)	Montgomery GI Bill-Active Duty	Montgomery GI Bill-Selected Reserve
Imprisonment	Students who are incarcerated in a federal or state penal institution are ineligible for Pell Grants and federal student loans, but may qualify for FSEOG and FWS aid	Only the costs of tuition and fees, necessary books, and supplies are covered	Only the costs of tuition and fees, necessary books, and supplies are covered	Benefits will be reduced
Length of service	N/A	Minimum 181 continuous days of active duty service, if entered before October 16, 1981; 24 months of continuous active duty service if entered after October 16, 1981	Served continuously for 181 days or more; 24 months of active duty if enlisted after September 7, 1980	Accepted 6-year reserve obligation after June 30, 1985
Money owed to federal government	Cannot owe a refund on a grant previously received, or be in default on any education loan	N/A	N/A	N/A
Period of service	N/A	December 31, 1976, through July 1, 1985	Entered active duty after June 30, 1985	July 1, 1985, to present
Progress while enrolled	Students have to maintain satisfactory academic progress while enrolled in postsecondary education in order to be eligible for federal student aid; satisfactory progress is delineated by policies developed by each participating higher education institution.	Satisfactory attendance, conduct and progress, as determined by the institution	Satisfactory attendance, conduct, and progress, as determined by the institution	Satisfactory attendance, conduct, and progress, as determined by the institution
Time limitation on use of benefits	N/A	Within 10 years of discharge or release from active duty	Within 10 years of discharge or release from active duty	Within 14 years of initial eligibility, if eligible on or after October 1, 1992; otherwise, benefits must be used within 10 years of initial eligibility

**Source:** Table prepared by CRS based on data available from the U.S. Department of Education, U.S. Department of Veterans Affairs, relevant legislation, and the Code of Federal Regulations.