

Webb-Hagel GI Bill (S. 22) vs. the Graham-Burr-McCain Bill

OVERVIEW:

- It is anticipated that there will be a vote on Senator Webb's G.I. bill in the coming weeks. In response to the Webb bill and the criticism surrounding it, Senators Graham, Burr, and McCain have provided an alternative.
- CBO has not scored the Graham bill, nor is there any indication on when it will come to the floor.
- While the intent of both bills is honorable, the fundamental difference sits in how their authors view military service.
- Senator Webb's bill views the military as a transition to another career.
- The Graham bill, on the other hand, focuses on rewarding the career soldier, and views the military as a career path rather than a transition to another profession.
- The Graham bill is recommended because it would provide incentive for retaining quality service members, is far easier to implement, and would also reward those who choose to make the military a career.

SUMMARY OF WEBB BILL (S. 22)

Senator Webb's bill, S.22, seeks to expand the educational benefits for members of the armed services who have served since September 11th, 2001. The bill closely resembles the educational benefits provided to veterans returning from World War II. A House companion bill, HR 2702, was introduced by Rep. Bobby Scott (D-VA).

To qualify, veterans must have served at least three to thirty-six months of qualified active duty, beginning on or after September 11th, 2001. Benefits under this bill will allow veterans to receive payments covering the charges of an approved program, up to the cost of the most expensive in-state public school, plus a monthly stipend equivalent to housing costs in their area. It would also allow additional payments for tutorial assistance, as well as licensure and certification tests. Veterans could earn up to 36 months of benefits, which equals four academic years.

Despite Veteran Service Organization Support, the Department of Defense does not support S. 22. DoD is especially concerned that it would encourage service members to leave the service after their initial enlistment, killing retention.

SUMMARY OF GRAHAM-BURR-McCAIN BILL

Echoing concerns about the negative impacts on retention, Senators Graham, Burr, and McCain have proposed The *Enhancement of Recruitment, Retention, and Readjustment Through Education Act*. This legislation would improve education benefits for servicemembers, veterans, and members of the Guard and Reserve, to help with successful recruitment, to encourage continued service in the military, to help more military personnel attend college debt-free, and to help career military personnel provide for the education of their spouses or children.

Unlike the Webb Bill, which attempts to create a new bureaucracy to administer it, the Graham-Burr-McCain bill builds on the existing Montgomery GI Bill educational benefits to ensure rapid implementation with minimal additional administrative costs. Major provisions include:

Immediately increase education benefits

- Effective October 2008, increase from \$1,100 to \$1,500 per month the education benefits provided by the Montgomery GI Bill. This amount would cover the average cost of a 4-year public college, including room, board, tuition, and fees.
- Gradually increase benefits to \$2,000 per month by 2011 for members who serve on active duty for 12 years or more.
- Provide \$500 per year for books and supplies.
- Effective October 2008, increase from \$880 to \$1,200 per month the education benefits for Guard and Reserve members called to active duty since September 11, 2001.
- For those members of the Guard and Reserves who serve in the Selected Reserve for 12 years or more and who continue serving in the Selected Reserve, gradually increase benefits to \$1,600 per month by 2011.
- Effective October 2008, double from \$317 to \$634 the education benefits for other members of the Guard and Reserves.

Allow more service members to transfer education benefits to dependents

- Provide broad authority to regular components and Guard and Reserves to allow members to transfer their education benefits to their spouses or children.
- After serving for at least 6 years, a member could transfer up to half (18 months) of their education benefits to a spouse, children, or both.
- After serving for 12 years or more, a member could transfer all of their education benefits (36 months) to a spouse, children, or both. This could provide up to \$72,000 towards a dependent's education.

Allow more service members to access VA education benefits

- Allow service academy graduates and Senior Reserve Officers' Training Corps participants, who currently have no GI Bill benefit, to access benefits, including transferability, under the MGIB. They would be required to complete their initial period of obligated service and then continue to serve for 5 additional years on active duty to become eligible.
- Allow certain career service members who enlisted between 1977 – 1985 and who were offered only the inferior Post-Vietnam Era Educational Assistance Program (VEAP), who were on active duty after 9/11/01 and who

retired since then or are currently serving, the opportunity to access Montgomery GI Bill education benefits by contributing \$2,700. This would be for bachelor's degree only and be non-transferable.

Allow use of education benefits to repay school loans

- Allow active-duty service members to use up to \$6,000 per year of MGIB benefits to repay federal student loans.

Create matching program (College Patriots Grant Program) to help more veterans graduate debt-free

- If a college agrees to provide supplemental financial assistance to help veterans attend debt-free, VA would contribute up to \$3,000 per year (in addition to other VA education benefits) to help meet a veteran's unmet education costs. The combined assistance from VA and the school (which could far exceed VA's contribution) could allow veterans to attend any institution debt-free.

SIDE BY SIDE COMPARISON

Item	Graham, Burr, McCain Bill	Webb Bill S.22 (as amended)
Amount of benefits for active-duty regular component members	<p>After 3 years of active duty, max monthly benefit of \$1,500 plus \$500 per year for books.</p> <p>After 12 years of active duty, max monthly benefit of \$2,000 (staged in by 2011) plus \$500 per year for books.</p>	<p>Provides three possible payments (tuition/fee, housing, books/supplies). The total amount will depend on a number of factors, including the number of days served on active duty after 9/11/01, home zip code, tuition and fees charged by the school the veteran attends, tuition and fees charged by the most expensive public college in the same state, and whether the veteran goes to school on-line or on campus.</p>
Amount of benefits for Guard/Reserves activated after 9/11/01	<p>Max monthly benefit of \$1,200 after 2 continuous or 3 aggregate years of service.</p> <p>Max monthly benefit of \$1,600 (staged in by 2011) after 12 years of aggregate service.</p>	<p>Provides three possible payments (tuition/fee, housing, books/supplies). The total amount will depend on a number of factors, including the number of days served on active duty after 9/11/01, home zip code, tuition and fees charged by the school the veteran attends, tuition and fees charged by the most expensive public college in the same state, and whether the veteran goes to school on-line or on campus.</p>
Amount of benefits for Guard/Reserves not activated since 9/11/01	Max monthly rate of \$634	Max monthly rate of \$317 (current law)

Amount of benefits that will be transferable to a spouse or children	Up to 18 months of benefits, after 6 years of service Up to 36 months of benefits, after 12 years of service	None
Amount of benefits that may be used to repay student loans	Up to \$6,000 per year (for active duty service members)	None
Amount of matching funds that will VA provide	Up to \$3,000 per year (capped at amount necessary for veteran to attend school debt-free).	Dollar-for-dollar match with school (even if it exceeds how much the veteran needs to attend school debt-free).
Impact on Recruitment and Retention	Positive	Negative

CURRENT EDUCATION PROGRAMS

As the following information suggests, it does not appear that the expense, complexity, and administrative burden of creating an entirely new education program is warranted, because the existing programs appear to be working well.

1. Montgomery GI Bill -Active Duty

- At least 95% of new service members enroll in this education program.
- Over 70% of participants use the benefits – near the highest usage rate in the program’s history and the highest usage rate for any education program in the history of VA.
- The number of participants has increased by 27% since 2001.
- The monthly benefit rate has been raised by 69% since 2001.
- The basic benefit level (\$1,101 per month) covers 73% of the average cost of a 4-year public college, including in-State tuition, fees, room, and board.
- If veterans participate in the buy-up program (contribute \$600, get \$150 extra per month), benefits cover 83% of the average cost of a 4-year public college.
- With maximum “kickers” (extra benefits paid by the Department of Defense), benefits cover 146% of the average cost of a 4-year public college.
- With yearly Pell grants (\$4,731 per year), total aid covers 108% of the average cost of a 4-year public college with basic benefits. With buy-ups, 118% of those costs are covered and with maximum kickers 181% of those costs are covered.
- Last year, the Department of Defense testified that this program “continues to serve the Active Components of the military well@ and there are no significant shortcomings.”

2. Reserve Educational Assistance Program.

- In 2004, Congress created this education program specifically for Guard/Reserves who serve on active duty after September 11, 2001.
- The National Defense Authorization Act for Fiscal Year 2008 made significant enhancements to this program, including allowing:
 - Use of education benefits for up to 10 years after leaving the military (previously Guard/Reserves could only use benefits while still in the Guard/Reserves);
 - Lump-sum, up-front payment of benefits for short-term, high-cost vocational courses;
 - Maximum benefits after either 2 continuous years or 3 aggregate years of active duty (prior law did not allow use of aggregate service);
 - Participation in the buy-up program (contribute \$600, receive \$150 extra per month).
- Maximum basic benefits (\$880 per month), cover 58% of the average cost of a 4-year public college, including in-State tuition, fees, room, and board.
- If veterans participate in the buy-up program, benefits cover 68% of the average costs of a 4-year public college. With maximum kickers, benefits cover 91% of those costs.
- With yearly Pell grants, total aid covers 93% of the average cost of a 4-year public college with basic benefits. With the buy-up, 103% of those costs are covered and with kickers 126% of those costs are covered.
- After 90 days of active duty, a Guard/Reserve member would receive \$15,854 in total benefits under this program. This is so generous that the Veterans Advisory Committee on Education testified that these benefits are “disproportionately high for limited service.”