

CRS Report for Congress

Montgomery GI Bill Education Benefits: Analysis of College Prices and Federal Student Aid Under the Higher Education Act

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Summary

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 for an all-volunteer force, serving during a period of peace; the first time that education benefits were viewed as a recruiting tool for the military; and the first time that program participants were required to contribute to the education benefit fund while in the military. Many of the principles of VEAP were carried over during the creation of the Montgomery GI Bill (MGIB), the current military education benefit that was implemented in 1985.

Military education benefits have evolved significantly over the last 60-plus years. For example, military education benefits initially were completely subsidized by the federal government; they were issued to institutions of higher education (IHEs) on behalf of the veteran; and the benefits included subsistence payments and could be used for numerous training and educational programs. Conversely, the current benefits are partially subsidized, paid directly to the student as a subsistence payment, and are limited to specific training and education programs. College prices have substantially changed during this period. For example, in a recent 20-year period (academic years 1985-1986 to 2005-2006), the average tuition, fees, room, and board at a four-year public institution increased by 214% (current dollars). Moreover, the manner in which federal student financial aid is calculated and awarded has shifted several times during the evolution of the military education benefits program. At present, federal student assistance is calculated according to the federal need analysis system, which considers the receipt of military education benefits when determining eligibility for some student aid programs. These policy and program changes have altered the role that military benefits play in providing access to postsecondary education for veterans.

This report provides information about the various military education benefits provided to members of the Armed Forces and how these benefits have changed over time. More specifically, it includes a historical overview of education benefits for military veterans, an analysis of the estimated value of these benefits with respect to the average college price, and a discussion of the interaction between military education benefits and federal student aid benefits authorized by Title IV of the Higher Education Act of 1965 (HEA), as amended.

This report will be updated as needed.

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Montgomery GI Bill Education Benefits: Analysis of College Prices and Federal Student Aid Under the Higher Education Act

Congress has demonstrated an interest since 1944 in providing education benefits to members 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 were implemented for similar purposes including the Korean GI Bill, Vietnam Era GI Bill, the Post-Vietnam Era Veterans' Educational Assistance Program (VEAP), and the current GI Bill, the Montgomery GI Bill (MGIB). These new programs were primarily, if not exclusively, funded by the federal government and were intended to support veterans returning from war. While various differences exist between the programs, the two more recent programs, VEAP and MGIB, have required participants to make contributions toward their education benefits while in the military, whereas previous programs did not include this requirement. Given the ongoing military conflicts in Iraq and Afghanistan and the substantial number of military personnel and reservists that have been called to active duty, there is renewed congressional interest in the education benefits available to members of the Armed Forces through the MGIB.

Military education benefits have evolved significantly over the last 60-plus years. For example, military education benefits initially were completely subsidized by the federal government; they were issued to institutions of higher education (IHEs) on behalf of the veteran; and the benefits included subsistence payments and could be used for numerous training and educational programs. Conversely, the current benefits are partially subsidized, paid directly to the student as a subsistence payment, and are limited to specific training and education programs. College prices have substantially changed during this period. For example, in a recent 20-year period (academic year 1985-1986 to 2005-2006), the average tuition, fees, room, and board at a four-year public institution increased by 214% (current dollars). Over the same time period, MGIB-Active Duty (discussed in this report) monthly benefits increased by 175%. Moreover, the manner in which federal student financial aid is calculated and awarded has shifted several times during the evolution of the military education benefits program. At present, federal student assistance is calculated according to the federal need analysis system, which considers the receipt of military education benefits when determining eligibility for some student aid programs (discussed in this report). These policy and program changes made by Congress have altered the role that military benefits play in providing access to postsecondary education for veterans.

This report provides information about the various military education benefits provided to members of the Armed Forces and how these benefits have changed over

time. The report is organized into three major sections. Section One provides a historical overview of education benefits for military veterans. The overview begins with the Servicemen's Readjustment Act of 1944 (GI Bill of Rights) and continues through the current Montgomery GI Bill. The second section is an analysis of the estimated value of these benefits with respect to the average college price. 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 examines the interaction between military education benefits and federal student aid benefits authorized by Title IV of the Higher Education Act of 1965 (HEA), as amended. It includes short descriptions of the Title IV student aid programs, an overview of the federal student aid need analysis formula that is used to determine the amount a family is expected to contribute to the costs of higher education, and an examination of how the formula treats military education benefits.

Historical Overview of Benefits Provided Through the GI Bill¹

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 year directly to an educational institution for tuition, books, fees, and other training costs.² 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 a greater monthly amount 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 \$100 a month for educational expenses and education-related expenses. Unlike the GI Bill of Rights, which paid both educational expenses and a 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) IHEs, each veteran received a lump-sum payment from the VA instead of the VA making direct payments to IHEs.

Post-Korea and Vietnam-Era GI Bill. The Veterans' Readjustment Benefits Act, the Post-Korea and Vietnam-Era GI Bill (P.L.89-358), was enacted in

¹ Some of the historical information about the GI Bill was adapted from CRS Report 94-221, *Veterans' Educational Assistance Programs*, by Mary F. Smith and William J. Krouse. This report is available from the authors of the current report.

² 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.

1966. 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.³ 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.

Post-Vietnam Era Veterans' Educational Assistance Program (VEAP). The Post-Vietnam Era Veterans' Educational Assistance Program (VEAP), which was established by Title IV of the Veterans' Education and Employment Assistance Act of 1976 (P.L. 94-502), was considered an effective recruitment incentive for the Armed Forces during peacetime. Because 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 while 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 could not exceed the amount contributed by the participant and the matching federal contribution (see **Table 1** for details).⁴

Montgomery GI Bill. 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.⁵ Similar to its predecessors and incorporating many of the principles of the VEAP program, the MGIB is intended to provide educational assistance to individuals who have served in the Armed Forces and are attempting to readjust to civilian life. In addition, the benefit is intended to aid in the recruitment and retention of qualified personnel for the Armed Forces.

³ 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.

⁴ 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.

⁵ 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 consists of two major programs: MGIB-Active Duty (MGIB-AD) for individuals who are on active duty or after separation from active duty and MGIB-Selected Reserves (MGIB-SR) for members of the selected reserves. Another program, the Reserve Educational Assistance Program (REAP),⁶ provides benefits for members of reserve components who are called or ordered to active duty in response to a war or national emergency as declared by the President or Congress. Each of these programs shares the common purpose of providing education benefits to members of the Armed Services, but there are distinct differences in the eligibility criteria, benefits provided, and contribution amounts (see **Table 1**).

⁶ This program was authorized by the Ronald W. Reagan National Defense Authorization Act for FY2005 (P.L. 108-375). Given the recent implementation of this program, this program is not discussed or examined in detail in this report.

Table 1. Program Eligibility Requirements for Military Education Benefits

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)
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
Highest benefit amount (current dollars)	\$500 per year maximum; and \$75 monthly subsistence	\$110 per month maximum	\$376 per month	Maximum benefit: \$8,100 ^a	\$1,034 per month (FY2006) ^b	\$297 per month (FY2006) ^b	\$827.20 per month (FY2006) ^c
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
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	90 days of consecutive service in a contingency operation

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)
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
Discharge status	Other than dishonorable	Other than dishonorable	Other than dishonorable	Other than dishonorable	Fully honorable discharge	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 — 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
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

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].
- 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 least two years or more of active duty service. The amount is less for individuals who served less than two years, and who attend less than full-time.

Data Analysis

The data for military education benefits presented in this report are derived primarily from the U.S. Department of Veterans Affairs. It is important to note that these 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 (one payment times 12 months) or over the course of four years [one payment times nine months (the number of months in an academic year)].⁷ The analyses presented in this report assume that the benefits will be disbursed over a four-year period.

Most of the college price data are from the *Digest of Education Statistics, 2004 (Digest)*, produced by the Department of Education (ED). The analyses using college prices are limited because the Digest only provides college price data for the academic years 1964-1965 through 2003-2004. Further, the format for collecting data changed in the academic year 1975-1976; prior to this, the average tuition, fees, room, and board values reported were for four-year universities, not all four-year institutions.⁸ In addition, data for 2004-2005 and 2005-2006 are from the College Board because these data are not currently available from ED. It should be noted that the College Board bases its college price data on a sample of institutions, whereas ED includes the universe of IHEs in its price data.

Comparison of Education Benefits Over Time

The education benefits available through the GI Bill have changed since the inception of the GI Bill program. By adjusting benefits for inflation (price increases), it is possible to compare the actual (real) value of these different benefits over time. This analysis only considers available benefits for education and living expenses. It does not factor in any contributions toward those education benefits that veterans began making with the passage of the VEAP in 1976 or “kickers” provided to encourage enrollment in the Armed Forces. In addition, it only considers benefits available to full-time students with no dependents.⁹ This section examines the value of the education benefits provided through the GI Bill (collectively referred to hereafter as the GI Bill) and subsequent programs from 1944 through 2005 in inflation-adjusted (constant) 2005 dollars. For the MGIB, only education benefits provided through the MGIB-AD program are included. It also considers the purchasing power of these education benefits with respect to attending a four-year public or private institution, or a two-year public institution.

⁷ Other payment distribution arrangements are possible.

⁸ This report uses data on four-year public universities and private universities prior to the 1975-1976 academic year, and data from all four-year public institutions and all four-year private institutions for subsequent years.

⁹ Veterans with dependents have historically received additional funding to acknowledge this added responsibility under programs prior to VEAP.

Value of Education Benefits Provided Through the GI Bill: 1944-2005. As previously discussed, the original GI Bill provided up to \$500 annually for education expenses. This is the equivalent of an estimated \$5,548 in 2005 dollars.¹⁰ An additional \$50 was provided monthly for living expenses in 1944, which is equivalent to \$555 monthly, or \$4,995 annually in 2005 dollars.¹¹ Thus, the total education benefit, including the living allowance, in 1944 would have been worth \$10,543 annually, or \$1,176 monthly in 2005 dollars.¹² Subsequent GI Bills provided benefits on a monthly basis.¹³ In 1952, the year the Korean GI Bill was enacted, the education benefit was \$131 per month, which is equal to \$965 per month in real-dollar 2005 terms. When the Vietnam-Era GI bill was enacted in 1966, the monthly benefit dropped in both current dollars and constant dollars. With the inception of the program, the monthly benefit dropped from \$110 in 1965 to \$100 in 1966.¹⁴ The latter is equivalent to \$603 in constant 2005 dollars. As previously discussed, the Vietnam-Era education benefit was not intended to be as generous as its predecessors. In 1985, the year the MGIB was implemented, the monthly benefit was \$376, or \$682 in constant 2005 dollars.

Although the nominal value of the monthly benefits has significantly increased since the inception of the GI Bill, rising from \$106 per month in 1944 to \$1,034 per month in 2005, the period was marked by substantial fluctuations in the benefit's purchasing power (see **Figure 1**). As illustrated in **Figure 1**, the value of the benefits in constant dollars dropped during the 1950s and 1980s, but greatly increased during the early to mid 1970s and late 1990s.

¹⁰ All constant dollar calculations were performed using an inflation calculator available from the U.S. Bureau of Labor Statistics (BLS). The inflation calculator uses the average Consumer Price Index-All Urban Consumers (CPI-U) for each year. The calculator is available at [<http://data.bls.gov/cgi-bin/cpicalc.pl>].

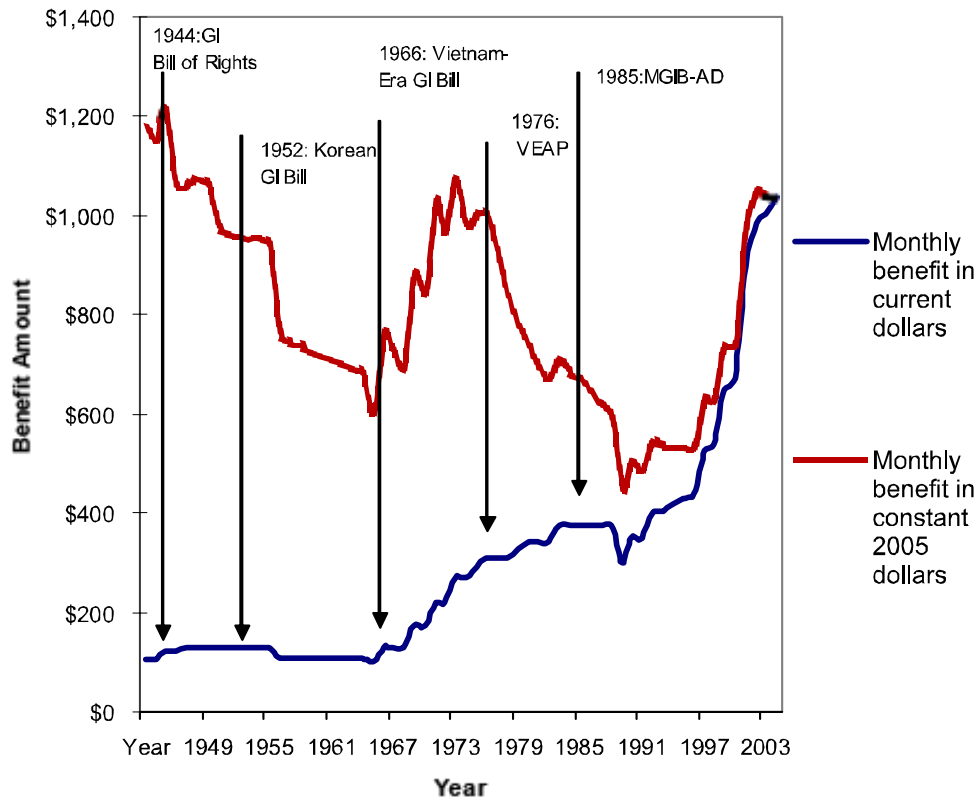
¹¹ This assumes that living expenses were provided for nine months each year, the length of a traditional academic year. P.L. 78-346 specifically refers to an "ordinary school year" when discussing education benefits. The monthly allowance for living expenses increased to \$65 in 1946 and \$75 in 1948.

¹² Details may not add to totals due to rounding.

¹³ Benefits provided through the original GI Bill were converted to monthly amounts for comparison purposes.

¹⁴ In 1967, the monthly benefit increased to \$130.

Figure 1. GI Monthly Education Benefits in Current and Constant Dollars: 1944-2005



Source: Table prepared by CRS based on data from the U.S. Department of Veterans Affairs and U.S. Bureau of Labor Statistics.

Note: All constant dollar calculations are based on the average Consumer Price Index-All Urban Consumers (CPI-U) for each year. Monthly education benefits include any funds available for living expenses. All dollar amounts have been rounded.

Value of Education Benefits Provided Through the Montgomery GI Bill: 1985-2005. Table 2 illustrates the education benefit provided by the Montgomery GI Bill from the program's inception in 1985 to 2005, and calculates its value in constant 2005 dollars. All benefits include any allowances for living expenses. For each year the amount shown is the highest basic benefit payable to a single veteran for any month and under any program in effect during that year. Any additional payments or "kickers" provided by DOD are excluded.¹⁵ Based on the benefit amounts in Table 2, it is clear that the value of the Montgomery GI Bill has changed over the last 20 years. Until recently, the constant-dollar education benefit provided under the MGIB was not as generous as those provided in the 1970s (as shown in Figure 1). Even at its most generous benefit levels in 2003-2005, the

¹⁵ No monthly benefit is included for VEAP because benefits were based on the amount contributed. Some programs overlap because eligibility was established according to the period of service rather than the date of separation from service.

MGIB has not provided the same level of inflation-adjusted benefits as provided under the original GI Bill.¹⁶

Table 2. GI Bill Monthly Education Benefits in Current Dollars and Constant 2005 Dollars: 1985-2005

Year	Monthly benefit in current dollars	Monthly benefit in constant 2005 dollars
1985	\$376	\$682
1986	\$376	\$670
1987	\$376	\$646
1988	\$376	\$621
1989	\$376	\$592
1990	\$300	\$448
1991	\$350	\$502
1992	\$350	\$487
1993	\$400	\$541
1994	\$405	\$534
1995	\$417	\$534
1996	\$428	\$533
1997	\$440	\$535
1998	\$528	\$633
1999	\$536	\$628
2000	\$650	\$737
2001	\$672	\$741
2002	\$900	\$977
2003	\$985	\$1,045
2004	\$1,004	\$1,038
2005	\$1,034	\$1,034

Source: Table created by CRS based on data provided by the U.S. Department of Veterans Affairs and the U.S. Bureau of Labor Statistics.

Note: All constant dollar calculations are based on the average Consumer Price Index-All Urban Consumers (CPI-U) for each year. Monthly education benefits include any funds available for living expenses. All dollar amounts have been rounded.

¹⁶ The original legislation is often referred to as having the most generous provisions. This could be because the original legislation established for the first time not only education benefits for veterans but also such individual assistance as unemployment benefits; loan guarantees for a home, farm, or business; and job-finding assistance. When all these benefits are considered collectively, it may be that the 1944 bill was the most generous. With respect to the amount of money provided for education benefits (in constant dollars), the benefits provided from 1944 through 1950 were among the most generous.

Purchasing Power of the Montgomery GI Bill. It is also useful to consider how much education the current benefit, the Montgomery GI Bill, has “bought” since the program began. That is, looking at the average price of attending a four-year public or private institution, or a two-year public institution, how much did the MGIB cover? The following analysis examines the purchasing power of the GI Bill from the academic years 1985-1986 through 2005-2006. The analysis considers what percentage of tuition, fees, room, and board the MGIB benefit covered on an annual basis at four-year public and private institutions, as well as at two-year public institutions.¹⁷

As shown in **Table 3**, since the inception of the MGIB program in 1985, the benefits have covered less than 100% of the average tuition, fees, room, and board at four-year public institutions. In academic year 1985-1986, the benefit covered approximately 88% of these expenses at a four-year public institution, and about 77% of the average price during the 2005-2006 academic year despite increases in the monthly benefit over this time period. From 1985-1986 to 2005-2006, monthly education benefits increased by 175%, while the price of attendance increased by 214%. For the 2005-2006 academic year, recipients would have needed an additional \$2,821 to pay for their average annual tuition, fees, room, and board at a public four-year institution.

The MGIB benefits have covered even less of these expenses at four-year private institutions. The education benefits peaked at 37% of the average tuition, fees, room, and board at a four-year private institution in 1985-1986 and did not again exceed 30% until 2002-2003 (**Table 3**). In addition, because the rate of increase in the average price of attendance was comparable to that at public four-year institutions, individuals who attended a four-year private institution would have needed an additional \$19,720 to cover the costs of the average tuition, fees, room, and board during the 2005-2006 academic year.

Historically the benefits have been most generous at two-year public institutions, which, on average, tend to have a lower price of attendance and a smaller increase in prices (**Table 3**). With the exception of the 1990s, the MGIB benefits have covered more than 100% of the average tuition, fees, room, and board at two-year public institutions. In addition, the increase in the average price of attendance at these institutions from 1985-1986 to 2005-2006 was 101%, substantially below the

¹⁷ 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: 2004* and the College Board, *Trends in College Pricing: 2005*. Available online at [<http://www.collegeboard.com>].) Therefore, analyzing how much the GI Bill contributed toward tuition, fees, room, and board for students living on campus provides a good indicator of whether the benefit was generous enough to cover room and board expenses for students living off campus.

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rate of increase at four-year public and private institutions. For the most recent academic year for which data are available (2003-2004), MGIB recipients who attended two-year public institutions would have had \$2,879 remaining after paying tuition, fees, room, and board.

Table 3. Percent of Average Price of Four-Year Public and Private Institutions and Two-Year Public Institutions Covered by the GI Education Benefit: 1985-1986 through 2005-2006
(in current dollars)

Academic Year	Monthly MGIB benefit	Annual MGIB benefit (nine-month academic year)	Four-year public institutions		Four-year private institutions		Two-year public institutions	
			Average tuition, fees, room, and board	Percent of price covered by benefit	Average tuition, fees, room, and board	Percent of price covered by benefit	Average tuition, fees, room, and board	Percent of price covered by benefit
1985-1986	\$376	\$3,384	\$3,859	87.7%	\$9,228	36.7%	\$2,981	113.5%
1986-1987	\$376	\$3,384	\$4,138	81.8%	\$10,039	33.7%	\$2,989	113.2%
1987-1988	\$376	\$3,384	\$4,403	76.9%	\$10,659	31.7%	\$3,066	110.4%
1988-1989	\$376	\$3,384	\$4,678	72.3%	\$11,474	29.5%	\$3,183	106.3%
1989-1990	\$376	\$3,384	\$4,975	68.0%	\$12,284	27.5%	\$3,299	102.6%
1990-1991	\$300	\$2,700	\$5,243	51.5%	\$13,237	20.4%	\$3,467	77.9%
1991-1992	\$350	\$3,150	\$5,693	55.3%	\$14,258	22.1%	\$3,623	87.0%
1992-1993	\$350	\$3,150	\$6,020	52.3%	\$15,009	21.0%	\$3,799	82.9%
1993-1994	\$400	\$3,600	\$6,365	56.6%	\$15,904	22.6%	\$3,996	90.1%
1994-1995	\$405	\$3,645	\$6,670	54.6%	\$16,602	22.0%	\$4,137	88.1%
1995-1996	\$417	\$3,753	\$7,014	53.5%	\$17,612	21.3%	\$4,217	89.0%
1996-1997	\$428	\$3,852	\$7,334	52.5%	\$18,442	20.9%	\$4,404	87.5%
1997-1998	\$440	\$3,960	\$7,673	51.6%	\$19,070	20.8%	\$4,509	87.8%
1998-1999	\$528	\$4,752	\$8,027	59.2%	\$19,929	23.8%	\$4,604	103.2%
1999-2000	\$536	\$4,824	\$8,275	58.3%	\$20,706	23.3%	\$4,720	102.2%
2000-2001	\$650	\$5,850	\$8,653	67.6%	\$21,856	26.8%	\$4,839	120.9%
2001-2002	\$672	\$6,048	\$9,196	65.8%	\$22,896	26.4%	\$5,137	117.7%
2002-2003	\$900	\$8,100	\$9,787	82.8%	\$23,787	34.1%	\$5,601	144.6%
2003-2004	\$985	\$8,865	\$10,720	82.7%	\$25,204	35.2%	\$5,986	148.1%
2004-2005	\$1,004	\$9,036	\$11,376	79.6%	\$27,465	32.9%	na	na
2005-2006	\$1,034	\$9,306	\$12,127	76.7%	\$29,026	32.1%	na	na

Source: Table prepared by CRS based on data provided by the Department of Veterans Affairs, data available from the U.S. Department of Education, National Center for Education Statistics (NCES), *Digest of Education Statistics: 2004*, table 313, and data available from The College Board, *Trends in College Pricing: 2005*.

Note: Monthly education benefits include any funds available for living expenses. The annual MGIB education benefit is based on nine months of education benefits to coincide with a nine-month academic year. All dollar amounts have been rounded.

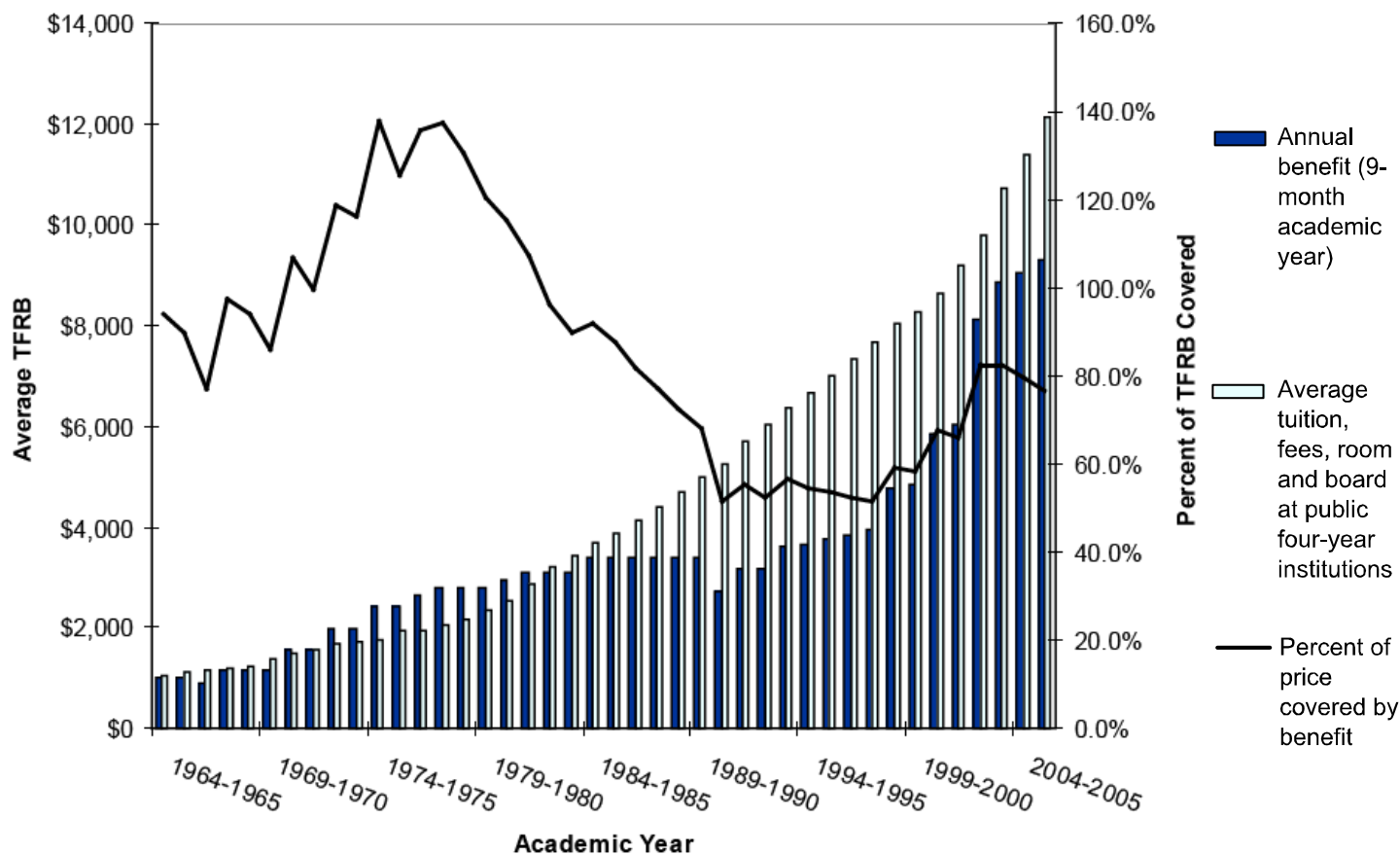
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GI Bill Benefits and Purchasing Power: A Historical View. The benefits provided under previous GI Bill programs are purported to have been more generous than the current benefits. **Figures 2 through 4** detail how GI Bill benefits have fared historically in comparison with postsecondary tuition, fees, room, and board. Reliable national data on the price of college are not available prior to the 1964-1965 academic year; therefore, the data presented are limited to the academic years 1964-1965 to 2005-2006. As the analysis assumes a nine-month academic year, monthly education benefits were multiplied accordingly.

As illustrated by **Figure 2**, the GI Bill benefits covered a greater percentage of the average tuition, fees, room, and board at a four-year public institution in academic year 1964-1965 than they do currently. Prior to the 1985 enactment of the current education benefit program, the benefits never covered less than 86% of the average price, and in some instances covered as much as 138%. **Figure 2** also demonstrates that tuition, fees, room, and board at four-year public institutions have increased at a greater rate than the GI Bill benefits. More specifically, with the exception of the 1970s and 1980s, tuition, fees, room, and board have exceeded the annual GI Bill benefits. For example, from academic year 2000-2001 to 2005-2006, the MGIB benefits have covered approximately 66% to 83% of the average tuition, fees, room, and board at four-year public institutions.

An examination of historical data on education benefits and the percentage of expenses they covered at four-year private and two-year public institutions reveals similar patterns to those identified from 1985-1986 to 2005-2006. That is, the average tuition, fees, room, and board at four-year private institutions have always exceeded the education benefits (**Figure 3**) and, with few exceptions, more than 100% of the average tuition, fees, room, and board at two-year public institutions have been covered by the education benefits (**Figure 4**).

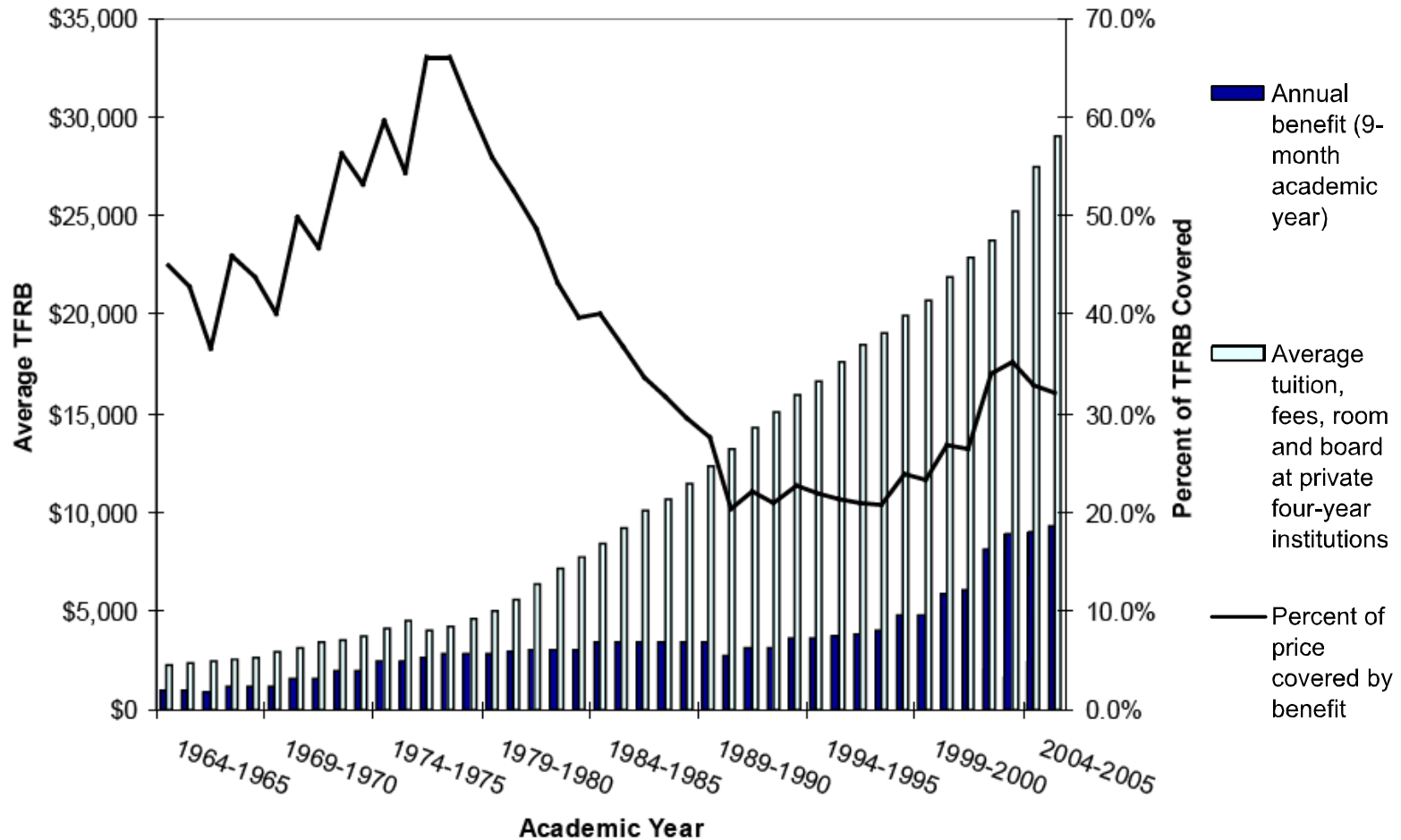
Figure 2. Percentage of Average Tuition, Fees, Room and Board (TFRB) of Four-Year Public Institutions Covered by GI Bill Education Benefit: 1964-1965 through 2005-2006



Source: Table prepared by CRS based on data provided by the Department of Veterans Affairs; data available from the U.S. Department of Education, National Center for Education Statistics (NCES), *Digest of Education Statistics: 2004*, table 313; and data available from The College Board, *Trends in College Pricing: 2005*.

Note: Monthly education benefits include any funds available for living expenses. The annual MGIB education benefit is based on nine months of education benefits to coincide with a nine-month academic year. All dollar amounts have been rounded.

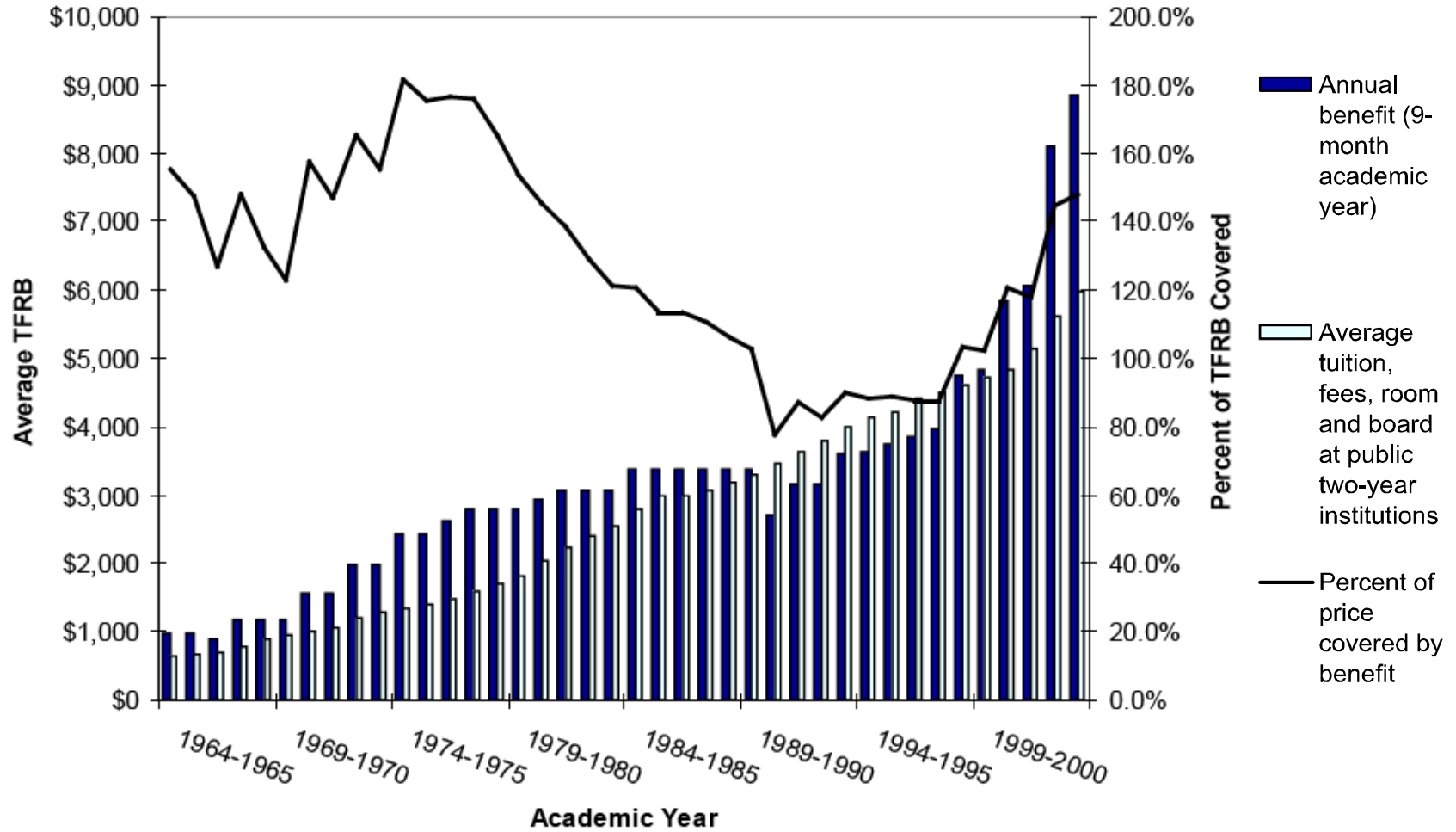
Figure 3. Percentage of Average Tuition, Fees, Room and Board (TFRB) of Four-Year Private Institutions Covered by GI Bill Education Benefit: 1964-1965 through 2005-2006



Source: Table prepared by CRS based on data provided by the Department of Veterans Affairs; data available from the U.S. Department of Education, National Center for Education Statistics (NCES), *Digest of Education Statistics: 2004*, table 313; and data available from The College Board, *Trends in College Pricing: 2005*.

Note: Monthly education benefits include any funds available for living expenses. The annual MGIB education benefit is based on nine months of education benefits to coincide with a nine-month academic year. All dollar amounts have been rounded.

Figure 4. Percent of Average Tuition, Fees, Room and Board (TFRB) of Two-Year Public Institutions Covered by GI Bill Education Benefit: 1964-1965 through 2003-2004



Source: Table prepared by CRS based on data provided by the Department of Veterans Affairs; data available from the U.S. Department of Education, National Center for Education Statistics (NCES), *Digest of Education Statistics: 2004*, table 313; and data available from The College Board, *Trends in College Pricing: 2005*.

Note: Monthly education benefits include any funds available for living expenses. The annual MGIB education benefit is based on nine months of education benefits to coincide with a nine-month academic year. All dollar amounts have been rounded.

Possible Changes to GI Education Benefits with Respect to College Price

Based on **Figure 1**, it appears that the current MGIB benefits usually have not been as generous as those provided in past years and have not covered as much of the price of attendance as previous benefits (**Figures 2 - 4**). As previously discussed, however, beginning with the Korean GI Bill, there was a sense that having beneficiaries contribute to the cost of their education was important. It should be noted that under the MGIB, program participants initially contribute to their education through payroll reductions.

If there is interest in ensuring that benefits cover the price of a specific level of education, such as the price of a four-year or two-year public institution, there are several possible steps that policymakers could take. Congress could increase or decrease the monthly benefit to a level that would equal or exceed the current price of tuition, fees, room, and board at a specific type of institution.¹⁸ In subsequent years, benefits could be increased based on the most recent data available on college price, an average of college price over a multi-year period, or by linking increases in education benefits to changes in the Consumer Price Index-All Urban Consumers (CPI-U) for college tuition and fees.¹⁹ Congress currently links increases in the education benefit to the overall CPI-U, while also making additional adjustments occasionally.²⁰ The college tuition and fees index has been increasing more rapidly than the *overall* CPI-U since 1984.²¹ Therefore, linking the GI Bill education benefit to the CPI-U for tuition and fees would help to ensure that benefits are keeping pace with changes in tuition and fees at the chosen type of institution. If Congress chooses

¹⁸ The benefit could be made more generous by also accounting for the price of books, supplies, transportation, and other expenses. In addition, Congress could also base the benefit on the price of attending a public two-year institution, a private four-year institution, or the average price of attending any type of postsecondary institution. Data on these prices are available through the U.S. Department of Education and The College Board.

¹⁹ In the long run, however, it may be difficult to set this benefit level in advance of an academic year, since the first comprehensive data on college prices for a given academic year are generally published in the fall of that academic year. Instead, the GI education benefit could be set based on the previous academic year's price of attendance. This would be fairly simple to determine using the College Board data based on a sample of institutions. Data for all postsecondary institutions collected by the National Center for Education Statistics (NCES) at the U.S. Department of Education are not as timely and would not provide data for the previous year. For example, NCES recently published preliminary price data for the 2003-2004 academic year.

²⁰ Benefits are increased based on the amount by which (1) the CPI-U for the 12-month period ending June 30 preceding the beginning of the fiscal year for which the increase will take effect exceeds (2) the CPI-U for the 12-month period prior to the 12-month period discussed in (1). For more information, see 38 U.S.C. 3015. For the purposes of this report, constant dollar calculations were made using the annual CPI-U index.

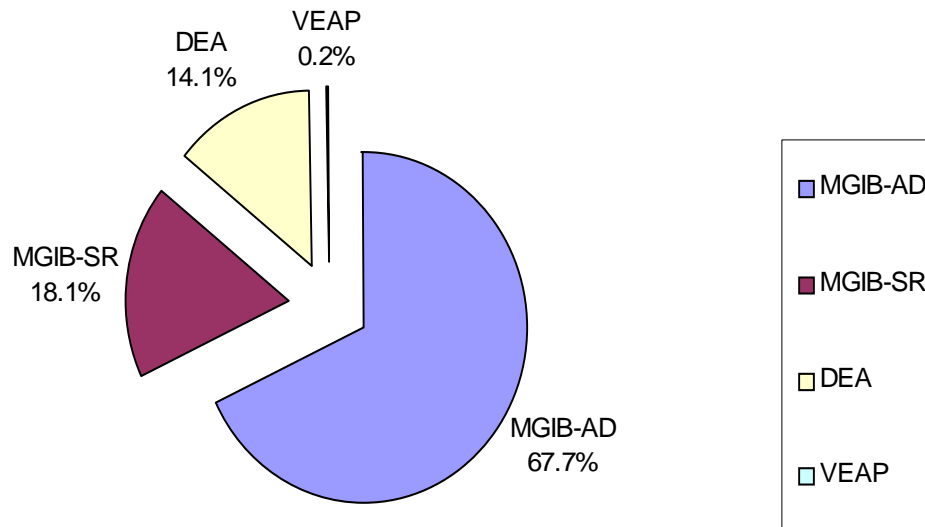
²¹ From 1984 to 2005, the overall annual CPI-U increased from 107.6 to 195.3. During the same time period, the college tuition and fees index increased from 109.9 to 475.1, according to the U.S. Bureau of Labor Statistics.

to leave current benefits at their current level, the latter option could be implemented to ensure that benefits keep pace with changes in tuition and fees.²²

Use of Education Benefits

For FY2004 (the most recent data available), of the 490,397 beneficiaries receiving benefits, more beneficiaries participated in MGIB-AD (68%) than in any other program (**Figure 5**). The MGIB-AD also distributed the most money to beneficiaries in FY2004 — \$1.8 billion out of a total of \$2.4 billion (76%).

Figure 5. Percentage of Education Beneficiaries by Program: FY2004

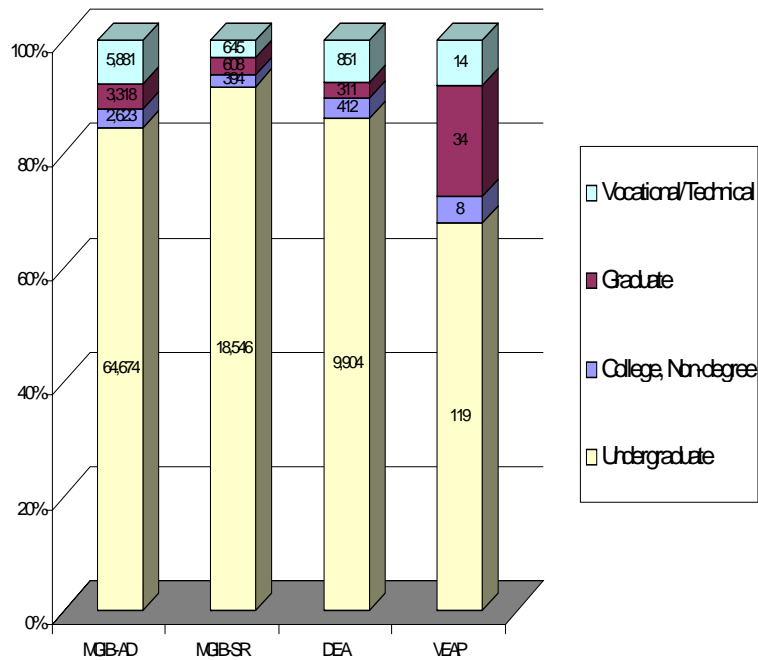


Source: Chart created by CRS based on data provided by the Department of Veterans Affairs.

With respect to how benefits are utilized for postsecondary education, as illustrated in **Figure 6**, a large majority of beneficiaries across all four programs used their benefits to pursue undergraduate education. Most notably, approximately 92% of MGIB-SR and 85% of MGIB-AD beneficiaries utilized their benefits to pursue undergraduate education in FY2004.

²² The CPI-U for college tuition and fees does not include room and board.

Figure 6. Education and Training Pursued by Beneficiaries by Military Education Program: FY2004



Source: Chart created by CRS based on data provided by the U.S. Department of Veterans Affairs.

Title IV Federal Student Aid Program Descriptions

This section discusses the federal student aid programs under Title IV of the HEA and the treatment of military education benefits under these programs. It describes each of the federal student aid programs, including a general discussion of how they function and how each of the programs interacts with military education benefits. In addition, the basic structure of the federal student aid need analysis system is included to explain how military education benefits are treated.

The federal student aid programs authorized in Title IV of the HEA provide grant aid (which does not have to be repaid), loans, and work-study assistance. The largest Title IV student aid programs are federal Pell Grants and federal student loans. Under each, students receive funds to attend the eligible postsecondary education institution of their choice.²³ A brief description of each of the Title IV student aid programs follows.²⁴

²³ For additional information regarding institutional eligibility requirements to participate in the Title IV student aid programs, see CRS Report RL31926, *Institutional Eligibility for Participation in Title IV Student Aid Programs Under the Higher Education Act: Background and Issues*, by Rebecca R. Skinner.

²⁴ Other programs to support individuals receiving military education benefits are available, (continued...)

Federal Pell Grants. The Pell Grant program provides grants to financially needy undergraduate students. In any year, federal funding is available to ensure that all eligible students attending eligible institutions receive a Pell Grant. Pell Grants are portable; that is, the grant aid follows students to the eligible postsecondary education institution in which they enroll. The size of the grant is based, principally, on the financial resources that students and their families are expected to contribute toward postsecondary education expenses, and the appropriated maximum grant. For FY2006, the appropriated maximum grant is \$4,050.²⁵

Student Loans. The federal government operates two major student loan programs: the Federal Family Education Loan program (FFEL) and the William D. Ford Direct Loan program (DL). The FFEL program insures and subsidizes loans that private lenders make to students or their parents to help them meet the costs of postsecondary education. FFELs are made by private lenders and are available to undergraduate and graduate students, and their parents. Certain types of FFELs are need-based; others are not. Several types of FFEL program loans are available, including federal need-based subsidized Stafford loans (under which the government pays the interest while the borrower is in school, or during a grace period or deferment); unsubsidized Stafford loans; federal PLUS loans (for parents of undergraduate students); and federal consolidation loans. A common feature of all of these loans is that the federal government guarantees lenders against loss through borrower default, death, permanent disability, or, in limited instances, bankruptcy. Lenders are also provided an interest subsidy to insure a sufficient return given financial market conditions.

Unlike FFEL, DLs are made by the federal government to students through their institutions, thus eliminating the need for private capital and guaranty agencies.²⁶ Schools may serve as direct loan originators, or the loans may be originated as well as serviced by contractors working for ED. Loan terms and conditions for DLs are generally the same as those in the FFEL programs.²⁷

Campus-Based Programs. Three smaller Title IV student aid programs — Federal Supplemental Educational Opportunity Grants (FSEOG), Federal

²⁴ (...continued)

such as the student work-study Allowance Program administered by the U.S. Department of Veterans Affairs. These programs are beyond the scope of this report. Additional information about these programs may be found at the U.S. Department of Veterans Affairs' website at [<http://www.va.gov>].

²⁵ For additional information about the Pell Grant program, see CRS Report RL31668, *Federal Pell Grant Program of the Higher Education Act: Background and Reauthorization*, by Charmaine Mercer.

²⁶ Guaranty agencies are state agencies created by state governments or private nonprofit agencies operating only within a state or nationally. Each state has a guaranty agency selected to serve as the "designated" guarantor of FFELs for students going to schools in the state or state residents going to schools elsewhere.

²⁷ For additional information about the federal student loan programs, see CRS Report RL30655, *Federal Student Loans: Terms and Conditions for Borrowers*, by Adam Stoll.

Work-Study, and Federal Perkins Loans — are collectively known as the campus-based programs because their funds are allocated to postsecondary institutions for award to students. Institutions must match a portion of their allocation under each of these programs. Undergraduate students can participate in each of these programs, while graduate students are only eligible for Work-Study and Perkins Loans.²⁸

Leveraging Educational Assistance Partnership. Another relatively small student aid program under Title IV is the Leveraging Educational Assistance Partnership (LEAP) program. LEAP provides matching federal funds to states to encourage and assist them in providing eligible postsecondary students with need-based grant and work-study aid.²⁹

Federal Need Analysis

The expected family contribution (EFC) is the amount that the federal need analysis system (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 the total income of a student and his or her family (where applicable), 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 [Title IV, Section 480(d)], an applicant must meet **one** of the following conditions:

- 24 years of age or older;
- married;
- enrolled in a graduate or professional program;
- have a dependent other than a spouse;
- orphan or ward of the court (or was up until age 18); or

²⁸ For additional information about the federal campus-based programs, see CRS Report RL31618, *Campus-Based Student Financial Aid Programs Under the Higher Education Act*, by David P. Smole.

²⁹ For additional information about LEAP, see CRS Report RS21183, *Leveraging Educational Assistance Program: An Overview*, by Laura L. Monagle.

- a military veteran³⁰ or active duty service member.

Students who do not meet any of the aforementioned conditions are considered to be dependent 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 student's educational expenses at a specific IHE.³¹ 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 is the financial aid award or package, which consists of the specific sources and amounts of student aid each applicant will receive to help pay for his/her education-related expenses.³²

Military Education Benefits and Need Analysis

This section describes military education benefits and how they are treated in the federal need analysis system. In addition, where applicable, specific Title IV programs and their relationship to military education benefits in determining the amount of aid awarded for the specific Title IV program and/or in calculating the students' need for federal student aid are also discussed.

Military education benefits³³ are not treated as income, and therefore are not utilized in calculating the 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).³⁴ Financial need is calculated by subtracting

³⁰ Section 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.

³¹ See HEA Title IV, Section 472 for relevant statutory language.

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

³³ HEA Section 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).

³⁴ The program regulations for the campus-based programs 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* (continued...)

the EFC and resources or other estimated financial assistance from the student's COA. As a result, as the amount of the EFC 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 lesser of three different amounts: the maximum appropriated Pell Grant minus EFC; COA minus EFC; or the tuition sensitivity amount.³⁵ 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 for 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 Federal Student Loans. The amount of federal student loans awarded is primarily dependent upon a student's EFC, other estimated financial assistance, and the COA of the postsecondary institution that the student chooses to attend. As a result, as the amount of the EFC or estimated financial assistance increases, a recipient's unmet need declines, reducing eligibility for need-based student loans.

Under the provisions of the Higher Education Amendments of 1998 (P.L. 105-244), MGIB benefits, but not other veterans' education benefits,³⁶ are excluded from consideration as estimated financial assistance for purposes of *subsidized* Stafford Loans, but **not** for unsubsidized Stafford Loans. As a result, receipt of MGIB benefits does not reduce a student's financial need for subsidized Stafford Loans, but does reduce a student's financial need for unsubsidized loans.

³⁴ (...continued)

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, 2004-2005*, 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 (pp. 3-90).

³⁵ As implemented by ED, tuition sensitivity reduces the Pell Grant award received by a small number of the poorest students attending institutions with very low tuition charges. For FY2005, the only students whose Pell Grant may possibly be reduced under tuition sensitivity are those students whose tuition charges (and any allowances for dependent care or disability-related expenses) are less than \$675; whose EFCs are \$700 or less; and whose total COA is \$3,400 or higher.

³⁶ For example, Survivors' and Dependents' Educational Assistance (Title 38, Chapter 35) may be considered in determining estimated financial need for subsidized or unsubsidized Stafford Loans.

Military Education Benefits and Campus-Based Programs. For campus-based student aid programs, military education benefits, including MGIB benefits, are considered to be a resource. As a result, veterans' education benefits, including MGIB benefits, directly affect the determination of a student's need for campus-based student aid. Program regulations, issued in 1999 by ED, 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 student loan up to the amount of a student's active duty MGIB benefits.³⁷ This regulatory authority has the effect of allowing an institution to protect — if it chooses to do so — a certain amount of the subsidized loan assistance from having an adverse effect on the MGIB benefit recipient's campus-based assistance.

Student Eligibility Requirements for Title IV Programs and Military Education Benefits

As illustrated by **Table 4**, 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.

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 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).

³⁷ *Federal Register*, October 28, 1999, p. 58292.

Table 4. 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	Montgomery GI Bill-Active Duty	Montgomery GI Bill-Selected Reserve	Veterans Education Assistance Program (VEAP)
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
Contribution	N/A	Pay reduction of \$100 per month for the first 12 months of pay	None	\$25 to \$100 per month; \$2,700 maximum.
Discharge requirement	N/A	Fully honorable	Must remain with Reserve unit	Conditions other than dishonorable
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 on active duty	36 months	Lesser of 36 months or number of months they contributed
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	High school diploma or equivalency, or 12 hours of college credit	High school diploma or equivalency before applying for benefits	N/A

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Eligibility criteria	HEA, Title IV programs	Montgomery GI Bill-Active Duty	Montgomery GI Bill-Selected Reserve	Veterans Education Assistance Program (VEAP)
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
Imprisonment	Students who are incarcerated in a federal or state penal institution are ineligible for a Pell Grant, but may qualify for other federal aid	Only the costs of tuition and fees, necessary books, and supplies are covered	Benefits will be reduced	Only the costs of tuition and fees, necessary books, and supplies are covered
Length of service	N/A	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	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
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	Entered active duty after June 30, 1985	July 1, 1985, to present	December 31, 1976, through July 1, 1985

Eligibility criteria	HEA, Title IV programs	Montgomery GI Bill-Active Duty	Montgomery GI Bill-Selected Reserve	Veterans Education Assistance Program (VEAP)
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
Selective Service registration	Males between ages 18-25 must register for the selective service.	N/A	N/A	N/A
Time limitation on use of benefits	N/A	Within 10 years of discharge or release from active duty	Within 14 years of initial eligibility, if eligible on or after October 1, 1992 — prior to October 1, 1992, benefits must be used within 10 years of initial eligibility	Within 10 years of discharge or release from active duty

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.