

110TH CONGRESS
2^D SESSION

H. R. 5944

To amend titles 10 and 38, United States Code, to improve educational assistance for members of the Armed Forces and veterans in order to enhance recruitment and retention for the Armed Forces, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2008

Mr. PUTNAM (for himself, Mr. WILSON of South Carolina, Mrs. DRAKE, Mr. KLINE of Minnesota, and Mr. ENGLISH of Pennsylvania) introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend titles 10 and 38, United States Code, to improve educational assistance for members of the Armed Forces and veterans in order to enhance recruitment and retention for the Armed Forces, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Enhancement of Recruitment, Retention, and Readjust-
 4 ment Through Education Act of 2008”.

5 (b) TABLE OF CONTENTS.—The table of contents for
 6 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Plan on coordination of current educational assistance programs and development of additional educational assistance programs to enable career-oriented members of the Armed Forces to attain a bachelor’s degree.
- Sec. 4. Increase in rates of basic educational assistance under the Montgomery GI Bill.
- Sec. 5. Annual stipend for recipients of basic educational assistance under the Montgomery GI Bill.
- Sec. 6. Increase in rates of educational assistance for members of the Selected Reserve.
- Sec. 7. Increase in rates of educational assistance for reserve component members supporting contingency operations and other operations with extended service in the Selected Reserve.
- Sec. 8. Enhancement of transferability of entitlement to educational assistance.
- Sec. 9. Use of educational assistance to repay Federal student loans.
- Sec. 10. Educational assistance for graduates of the service academies and Reserve Officers’ Training Corps programs.
- Sec. 11. Opportunity for current and certain retired VEAP-era personnel to enroll in basic educational assistance under the Montgomery GI Bill.
- Sec. 12. College Patriots Grant Program.

7 **SEC. 2. FINDINGS.**

8 Congress makes the following findings:

9 (1) The World War II-era GI Bill assisted al-
 10 most 8,000,000 members of the Armed Forces in re-
 11 adjusting to civilian life after completing their serv-
 12 ice to the nation. With the support and assistance
 13 of America’s colleges and universities, the GI Bill
 14 provided incentives that transformed American soci-

1 ety, making a college degree a realizable goal for
2 millions of Americans.

3 (2) In the years following World War II, the GI
4 Bill continued to provide educational benefits for
5 members of the Armed Forces who had been drafted
6 into or volunteered for service.

7 (3) The establishment of the All Volunteer
8 Force in 1973, and its development since its incep-
9 tion, has produced highly professional Armed Forces
10 that are recognized as the most effective fighting
11 force the world has ever seen.

12 (4) The Sonny Montgomery GI Bill was enacted
13 in 1984 to sustain the All Volunteer Force by pro-
14 viding educational benefits to aid in the recruitment
15 and retention of highly qualified personnel for the
16 Armed Forces and to assist veterans in readjusting
17 to civilian life. Today, it remains a cornerstone of
18 military recruiting and retention planning for the
19 Armed Forces and continues to fulfill its original
20 purposes.

21 (5) The All Volunteer Force depends for its ef-
22 fectiveness and vitality on successful recruiting of
23 highly capable men and women, and retention for
24 careers of soldiers, sailors, airmen, and marines, in
25 both the active and reserve components of the

1 Armed Forces, who, with the support of their fami-
2 lies and loved ones, develop into professional, dedi-
3 cated, and experienced officers, noncommissioned of-
4 ficers, and petty officers.

5 (6) The achievement of educational goals, in-
6 cluding obtaining the means to a college degree, has
7 traditionally been a key reason for volunteering for
8 service in the Armed Forces. For members who
9 serve a career in the Armed Forces, this goal ex-
10 tends to their spouses and children and has resulted
11 in requests for the option to transfer educational
12 benefits under the GI Bill to spouses and children.

13 (7) As in the aftermath of World War II, col-
14 leges and universities throughout the United States
15 should demonstrate their and the Nation's apprecia-
16 tion to veterans by dedicated programs providing fi-
17 nancial aid.

18 (8) It is in that national interest for the United
19 States—

20 (A) to express the gratitude of the Amer-
21 ican people by assisting those who have honor-
22 ably served in the Armed Forces and returned
23 to civilian life to achieve their educational goals;

1 (B) to provide significant educational bene-
2 fits to provide incentives for successful recruit-
3 ing;

4 (C) to motivate continued service in the All
5 Volunteer Force by those members with the po-
6 tential for military careers and their spouses
7 and children; and

8 (D) to assist those who serve and their
9 families in achieving their personal goals, in-
10 cluding higher education, while progressing in a
11 military career.

12 **SEC. 3. PLAN ON COORDINATION OF CURRENT EDU-**
13 **CATIONAL ASSISTANCE PROGRAMS AND DE-**
14 **VELOPMENT OF ADDITIONAL EDUCATIONAL**
15 **ASSISTANCE PROGRAMS TO ENABLE CA-**
16 **REER-ORIENTED MEMBERS OF THE ARMED**
17 **FORCES TO ATTAIN A BACHELOR'S DEGREE.**

18 (a) SENSE OF CONGRESS.—It is the sense of Con-
19 gress that—

20 (1) the outstanding men and women who volun-
21 teer for service in the Armed Forces and dem-
22 onstrate through their service the ability, motivation,
23 and commitment to serve as career commissioned of-
24 ficers, noncommissioned officers, petty officers, and
25 warrant officers should be given the opportunities

1 and resources needed to obtain a bachelor's degree
2 before they complete active duty and retire from the
3 Armed Forces; and

4 (2) every effort should be made by the leaders
5 of the Army, Navy, Marine Corps, Air Force, and
6 Coast Guard to demonstrate to members of the
7 Armed Forces who are willing to serve and study
8 that the dual goals of attaining a bachelor's degree
9 and a distinguished military career are achievable
10 and not mutually exclusive.

11 (b) PLAN TO COORDINATE AND DEVELOP EDU-
12 CATIONAL ASSISTANCE PROGRAMS.—

13 (1) PLAN REQUIRED.—The Secretary of De-
14 fense, in consultation with the Secretary of Veterans
15 Affairs, shall develop a plan to make the attainment
16 of a bachelor's degree an achievable goal for mem-
17 bers of the Armed Forces who are motivated to-
18 wards careers in the Armed Forces and who are able
19 and willing to accept the challenges of military duty
20 and pursuit of college level studies.

21 (2) ADVICE OF THE SERVICE CHIEFS.—The
22 Secretary of Defense shall develop the plan required
23 by paragraph (1) with the advice of the Chief of
24 Staff of the Army, the Chief of Naval Operations,

1 the Chief of Staff of the Air Force, and the Com-
2 mandant of the Marine Corps.

3 (3) ELEMENTS.—The plan required by para-
4 graph (1) shall include the following:

5 (A) Appropriate elements of current pro-
6 grams to assist members of the Armed Forces
7 in obtaining college-level education, including
8 tuition assistance programs, distance learning
9 programs, and technical training and education
10 provided by the military departments, including
11 programs currently administered by the Sec-
12 retary of Veterans Affairs.

13 (B) Appropriate elements of current pro-
14 grams to provide members of the Armed Forces
15 with assistance in obtaining college-level credit
16 for the technical training and experience they
17 undergo during their military career.

18 (C) One or more additional education pro-
19 grams to assist members of the Armed Forces
20 in obtaining a college-level education, including
21 mechanisms for the provision by the military
22 departments of guidance, mentoring, and re-
23 sources to assist members in achieving their
24 professional military and personal educational
25 goals.

1 (D) Such additional programs or mecha-
2 nisms, such as sabbaticals from the Armed
3 Forces or college-level education provided or
4 funded by the military departments, as the Sec-
5 retary of Defense considers appropriate to as-
6 sist members of the Armed Forces in making
7 adequate progress towards a bachelor's degree
8 from an accredited institution of higher edu-
9 cation while continuing a successful military ca-
10 reer.

11 (E) Such mechanisms for the application
12 of the elements of the plan to members of the
13 National Guard and Reserves as the Secretary
14 of Defense considers appropriate to ensure that
15 such members receive appropriate assistance in
16 achieving their professional military and per-
17 sonal educational goals.

18 (F) Such elements of current programs of
19 the military departments for in-service edu-
20 cation of members of the Armed Forces as the
21 Secretary of Defense considers appropriate to
22 maintain and enhance the recruitment and re-
23 tention by the Armed Forces of highly trained
24 and experienced military leaders.

1 (4) SUBMITTAL TO CONGRESS.—The Secretary
2 of Defense shall submit to the Committees on Armed
3 Services of the Senate and the House of Representa-
4 tives a report setting forth the plan required by
5 paragraph (1) not later than August 1, 2009.

6 **SEC. 4. INCREASE IN RATES OF BASIC EDUCATIONAL AS-**
7 **SISTANCE UNDER THE MONTGOMERY GI**
8 **BILL.**

9 (a) INCREASE IN GENERAL RATES AND AUGMENTED
10 RATES FOR EXTENDED SERVICE.—

11 (1) RATES BASED ON THREE YEARS OF OBLI-
12 GATED SERVICE.—Subsection (a)(1) of section 3015
13 of title 38, United States Code, is amended by strik-
14 ing “on a full-time basis, at the monthly rate of”
15 and all that follows and inserting “on a full-time
16 basis—

17 “(A) in the case of an individual who
18 served on active duty in the Armed Forces for
19 12 or more years, at the monthly rate of—

20 “(i) for months occurring during fis-
21 cal year 2009, \$1,650;

22 “(ii) for months occurring during fis-
23 cal year 2010, \$1,800;

24 “(iii) for months occurring during fis-
25 cal year 2011, \$2,000; and

1 “(iv) for months occurring during a
2 subsequent fiscal year, the amount for
3 months occurring during the preceding fis-
4 cal year increased under subsection (h);
5 and

6 “(B) in the case of an individual who
7 served on active duty in the Armed Forces for
8 less than 12 years, at the monthly rate of—

9 “(i) for months occurring during fis-
10 cal year 2009, \$1,500; and

11 “(ii) for months occurring during a
12 subsequent fiscal year, the amount for
13 months occurring during the preceding fis-
14 cal year increased under subsection (h);
15 or”.

16 (2) RATES BASED ON TWO YEARS OF OBLI-
17 GATED SERVICE.—Subsection (b)(1) of such section
18 is amended—

19 (A) by striking subparagraphs (A) through
20 (C) and inserting the following new subpara-
21 graph (A):

22 “(A) for months occurring during fiscal
23 year 2009, \$950; and”; and

24 (B) by redesignating subparagraph (D) as
25 subparagraph (B).

1 (b) EFFECTIVE DATE.—

2 (1) IN GENERAL.—The amendments made by
3 subsection (a) shall take effect on October 1, 2008,
4 and shall apply with respect to basic educational as-
5 sistance payable for months beginning on or after
6 that date.

7 (2) LIMITATION ON COST-OF-LIVING ADJUST-
8 MENTS.—

9 (A) CERTAIN RATES BASED ON THREE
10 YEARS OF OBLIGATED SERVICE.—No adjust-
11 ment under subsection (h) of section 3015 of
12 title 38, United States Code, shall be made in
13 the rates of educational assistance payable
14 under subsection (a)(1)(A) of such section (as
15 amended by subsection (a)(1) of this section)
16 for any of fiscal years 2009 through 2011.

17 (B) OTHER RATES.—No adjustment under
18 subsection (h) of section 3015 of title 38,
19 United States Code, shall be made in the rates
20 of educational assistance payable under sub-
21 section (a)(1)(B) of such section (as so amend-
22 ed), or subsection (b) of such section, for fiscal
23 year 2009.

1 **SEC. 5. ANNUAL STIPEND FOR RECIPIENTS OF BASIC EDU-**
2 **CATIONAL ASSISTANCE UNDER THE MONT-**
3 **GOMERY GI BILL.**

4 (a) ENTITLEMENT TO STIPEND.—

5 (1) IN GENERAL.—Subchapter II of chapter 30
6 of title 38, United States Code, is amended by add-
7 ing at the end the following new section:

8 **“§ 3020A. Educational stipend**

9 “(a) ENTITLEMENT.—Each individual receiving basic
10 educational assistance under this subchapter who is pur-
11 suing a program of education at an institution of higher
12 learning (as such term is defined in section 3452(f) of this
13 title) is entitled to an educational stipend under this sec-
14 tion.

15 “(b) AMOUNT OF STIPEND.—The educational stipend
16 payable under this section to an individual entitled to such
17 a stipend shall be paid—

18 “(1) in the case of an individual pursuing an
19 approved program of education on at least a half-
20 time basis, at the annual rate of \$500; and

21 “(2) in the case of an individual pursuing an
22 approved program of education on less than a half-
23 time basis, at the annual rate of \$350.

24 “(c) PAYMENT FREQUENCY AND METHOD.—The
25 educational stipend payable under this subsection shall be
26 paid with such frequency (including by lump sum), and

1 by such mechanisms, as the Secretary shall prescribe for
2 purposes of this section.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions at the beginning of chapter 30 of such title is
5 amended by adding at the end of the items relating
6 to subchapter II the following new item:

“3020A. Educational stipend.”.

7 (b) EFFECTIVE DATE.—Section 3020A of title 38,
8 United States Code, as added by subsection (a), shall take
9 effect on the date that is one year after the date of the
10 enactment of this Act.

11 **SEC. 6. INCREASE IN RATES OF EDUCATIONAL ASSISTANCE**
12 **FOR MEMBERS OF THE SELECTED RESERVE.**

13 (a) INCREASE IN RATES.—Section 16131(b)(1) of
14 title 10, United States Code, is amended—

15 (1) in subparagraph (A), by striking “\$251”
16 and inserting “\$634”;

17 (2) in subparagraph (B), by striking “\$188”
18 and inserting “\$474”; and

19 (3) in subparagraph (C), by striking “\$125”
20 and inserting “\$314”.

21 (b) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendments made by
23 subsection (a) shall take effect on October 1, 2008,
24 and shall apply with respect to educational assist-

1 ance payable for months beginning on or after that
2 date.

3 (2) NO COST-OF-LIVING ADJUSTMENT.—No ad-
4 justment under paragraph (2) of section 16131(b) of
5 title 10, United States Code, shall be made in the
6 rates of educational assistance payable under para-
7 graph (1) of such section for fiscal year 2009.

8 **SEC. 7. INCREASE IN RATES OF EDUCATIONAL ASSISTANCE**
9 **FOR RESERVE COMPONENT MEMBERS SUP-**
10 **PORTING CONTINGENCY OPERATIONS AND**
11 **OTHER OPERATIONS WITH EXTENDED SERV-**
12 **ICE IN THE SELECTED RESERVE.**

13 (a) INCREASE IN RATES FOR EXTENDED SERVICE.—
14 Paragraph (2) of section 16162(c) of title 10, United
15 States Code, is amended to read as follows:

16 “(2) The educational assistance allowance provided
17 under this chapter shall be the amount as follows (as ad-
18 justed under paragraphs (3) and (4)):

19 “(A) In the case of a member who serves an ag-
20 gregate of 12 years or more in the Selected Reserve
21 of the Ready Reserve, the amount provided under
22 section 3015(a)(1)(A) of title 38 for the fiscal year
23 concerned, except that if a member otherwise cov-
24 ered by this subparagraph ceases serving in the Se-

1 lected Reserve the amount shall be the amount pro-
2 vided under subparagraph (B) of this paragraph.

3 “(B) In the case of any other member, the
4 amount provided under section 3015(a)(1)(B) of
5 title 38 for the fiscal year concerned.”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 subsection (a) shall take effect on October 1, 2008, and
8 shall apply with respect to educational assistance payable
9 for months beginning on or after that date.

10 **SEC. 8. ENHANCEMENT OF TRANSFERABILITY OF ENTITLE-**
11 **MENT TO EDUCATIONAL ASSISTANCE.**

12 (a) MODIFICATION OF AUTHORITY TO TRANSFER
13 ENTITLEMENT UNDER MONTGOMERY GI BILL.—

14 (1) IN GENERAL.—Subsection (a) of section
15 3020 of title 38, United States Code, is amended to
16 read as follows:

17 “(a) IN GENERAL.—Subject to the provisions of this
18 section, the Secretary of Defense shall authorize each Sec-
19 retary concerned to permit an individual described in sub-
20 section (b) who is entitled to basic educational assistance
21 under this subchapter to elect to transfer to one or more
22 of the dependents specified in subsection (c) the unused
23 portion of such individual’s entitlement to such assistance,
24 subject to the limitation under subsection (d).”.

1 (2) ELIGIBLE INDIVIDUALS.—Subsection (b) of
2 such section is amended to read as follows:

3 “(b) ELIGIBLE INDIVIDUALS.—An individual re-
4 ferred to in subsection (a) is any member of the Armed
5 Forces serving on active duty or as a member of the Se-
6 lected Reserve who, at the time of the approval by the
7 Secretary concerned of the member’s request to transfer
8 entitlement to basic educational assistance under this sec-
9 tion—

10 “(1) has completed six years of service in the
11 Armed Forces; and

12 “(2) meets such other requirements as the Sec-
13 retary of Defense may prescribe for purposes of this
14 section.”.

15 (3) LIMITATIONS ON MONTHS OF TRANSFER.—
16 Subsection (d) of such section is amended to read as
17 follows:

18 “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)
19 Except as provided in paragraphs (2) and (3), an indi-
20 vidual may transfer under this section any number of
21 months of unused entitlement of the individual to basic
22 educational assistance under this chapter.

23 “(2) In the case of an individual who has completed
24 at least six but less than 12 years of service in the Armed
25 Forces at the time of the approval by the Secretary con-

1 cerned of the individual's request to transfer entitlement
2 under this section, the number of months that may be
3 transferred by the individual under this section may not
4 exceed the lesser of—

5 “(A) the number of months transferrable by the
6 individual under paragraph (1); or

7 “(B) 18 months.”.

8 (4) TIMING, REVOCATION, AND MODIFICATION
9 OF TRANSFER.—Subsection (f) of such section is
10 amended—

11 (A) in paragraph (1), by striking “without
12 regard” and all that follows and inserting
13 “while the individual is a member of the Armed
14 Forces.”; and

15 (B) in paragraph (2)(A), by inserting
16 “while the individual is serving as a member of
17 the Armed Forces or in the Selected Reserve”
18 after “at any time”.

19 (5) EXCLUSION FROM MARITAL PROPERTY.—
20 Subsection (f) of such section is further amended by
21 adding at the end the following new paragraph:

22 “(3) Entitlement transferred under this section may
23 not be treated as marital property, or the asset of a mar-
24 ital estate, subject to division in a divorce or other civil
25 proceeding.”.

1 (6) OVERPAYMENT.—Subsection (i) of such sec-
2 tion is amended—

3 (A) by striking “(1)” before “In the
4 event”; and

5 (B) by striking paragraphs (2) and (3).

6 (7) REGULATIONS.—Subsection (k) of such sec-
7 tion is amended to read as follows:

8 “(k) REGULATIONS.—The Secretary of Defense shall,
9 in coordination with the Secretary of Veterans Affairs,
10 prescribe regulations for purposes of this section. Such
11 regulations shall specify the following:

12 “(1) The circumstances under which the Secre-
13 taries concerned may permit and approve transfers
14 of entitlement under this section.

15 “(2) Such requirements for eligibility for trans-
16 fer of entitlement under this section as the Secretary
17 of Defense considers appropriate for purposes of
18 subsection (b)(2).

19 “(3) The manner and effect of an election to
20 modify or revoke a transfer of entitlement under
21 subsection (f)(2).”.

22 (8) HEADING AMENDMENT.—The heading of
23 such section is amended to read as follows:

1 **“§ 3020. Transfer of entitlement to basic educational**
 2 **assistance”.**

3 (9) CLERICAL AMENDMENT.—The table of sec-
 4 tions at the beginning of chapter 30 of such title is
 5 amended by striking the item relating to section
 6 3020 and inserting the following:

“3020. Transfer of entitlement to basic educational assistance.”.

7 (b) AUTHORITY FOR TRANSFER OF ENTITLEMENT
 8 UNDER RESERVE COMPONENTS EDUCATIONAL ASSIST-
 9 ANCE PROGRAMS.—

10 (1) SELECTED RESERVE PROGRAM.—

11 (A) IN GENERAL.—Chapter 1606 of title
 12 10, United States Code, is amended by insert-
 13 ing after section 16131a the following new sec-
 14 tion:

15 **“§ 16131b. Transfer of entitlement to educational as-**
 16 **sistance**

17 “(a) IN GENERAL.—Subject to the provisions of this
 18 section, the Secretary concerned may permit a member of
 19 the Armed Forces described in subsection (b) who is enti-
 20 tled to educational assistance under this chapter to elect
 21 to transfer to one or more of the dependents specified in
 22 subsection (c) a portion of such member’s entitlement to
 23 such assistance, subject to the limitations under sub-
 24 section (d).

1 “(b) ELIGIBLE MEMBERS.—A member described in
2 this subsection is a member of the Selected Reserve of the
3 Ready Reserve who, at the time of the approval of the
4 member’s request to transfer entitlement to educational
5 assistance under this section—

6 “(1) has completed at least six years of service
7 in the Selected Reserve; and

8 “(2) meets such other requirements as the Sec-
9 retary of Defense may prescribe for purposes of this
10 section.

11 “(c) ELIGIBLE DEPENDENTS.—A member approved
12 to transfer an entitlement to educational assistance under
13 this section may transfer the member’s entitlement as fol-
14 lows:

15 “(1) To the member’s spouse.

16 “(2) To one or more of the member’s children.

17 “(3) To a combination of the individuals re-
18 ferred to in paragraphs (1) and (2).

19 “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)
20 Except as provided in paragraph (2), a member may
21 transfer under this section any number of months of un-
22 used entitlement of the member to educational assistance
23 under this chapter.

24 “(2) In the case of a member who has completed at
25 least six but less than 12 years of service in the Selected

1 Reserve at the time of the approval by the Secretary con-
2 cerned of the member's request to transfer entitlement
3 under this section, the number of months that may be
4 transferred by the member under this section may not ex-
5 ceed the lesser of—

6 “(A) the number of months transferrable by the
7 individual under paragraph (1); or

8 “(B) 18 months.

9 “(e) DESIGNATION OF TRANSFEREE.—A member
10 transferring an entitlement to educational assistance
11 under this section shall—

12 “(1) designate the dependent or dependents to
13 whom such entitlement is being transferred;

14 “(2) designate the number of months of such
15 entitlement to be transferred to each such depend-
16 ent; and

17 “(3) specify the period for which the transfer
18 shall be effective for each dependent designated
19 under paragraph (1).

20 “(f) TIME FOR TRANSFER; REVOCATION AND MODI-
21 FICATION.—(1) Subject to the time limitation for use of
22 entitlement under section 16133 of this title, a member
23 approved to transfer entitlement to educational assistance
24 under this section may transfer such entitlement at any

1 time after the approval of the member's request to trans-
2 fer such entitlement.

3 “(2)(A) A member transferring entitlement under
4 this section may modify or revoke at any time the transfer
5 of any unused portion of the entitlement so transferred.

6 “(B) The modification or revocation of the transfer
7 of entitlement under this paragraph shall be made by the
8 submittal of written notice of the action to both the Sec-
9 retary concerned and the Secretary of Veterans Affairs.

10 “(3) Entitlement transferred under this section may
11 not be treated as marital property, or the asset of a mar-
12 ital estate, subject to division in a divorce or other civil
13 proceeding.

14 “(g) COMMENCEMENT OF USE.—A dependent to
15 whom entitlement to educational assistance is transferred
16 under this section may not commence the use of the trans-
17 ferred entitlement until—

18 “(1) in the case of entitlement transferred to a
19 spouse, the completion by the member making the
20 transfer of six years of service in the Selected Re-
21 serve; or

22 “(2) in the case of entitlement transferred to a
23 child, both—

1 “(A) the completion by the member mak-
2 ing the transfer of six years of service in the
3 Selected Reserve; and

4 “(B) either—

5 “(i) the completion by the child of the
6 requirements of a secondary school di-
7 ploma (or equivalency certificate); or

8 “(ii) the attainment by the child of 18
9 years of age.

10 “(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1)

11 The use of any entitlement to educational assistance
12 transferred under this section shall be charged against the
13 entitlement of the member making the transfer at the rate
14 of one month for each month of transferred entitlement
15 that is used.

16 “(2) Except as provided under subsection (e)(2) and
17 subject to paragraphs (5) and (6), a dependent to whom
18 entitlement is transferred under this section is entitled to
19 educational assistance under this chapter in the same
20 manner as the member from whom the entitlement was
21 transferred.

22 “(3) The monthly rate of educational assistance pay-
23 able to a dependent to whom entitlement is transferred
24 under this section shall be the monthly amount payable

1 to the member making the transfer under section 16131
2 or 16132a of this title, as applicable.

3 “(4)(A) The death of a member transferring entitle-
4 ment under this section shall not affect the use of the enti-
5 tlement by the dependent to whom the entitlement is
6 transferred.

7 “(B) The involuntary separation or retirement of a
8 member transferring entitlement under this section be-
9 cause of a nondiscretionary provision of law for age or for
10 years of service, as described in section 16133(b) of this
11 title, or medical disqualification which is not the result of
12 gross negligence or misconduct of the member shall not
13 affect the use of entitlement by the dependent to whom
14 the entitlement is transferred.

15 “(5) A child to whom entitlement is transferred under
16 this section may not use any entitlement so transferred
17 after attaining the age of 26 years.

18 “(6) The purposes for which a dependent to whom
19 entitlement is transferred under this section may use such
20 entitlement shall include the pursuit and completion of the
21 requirements of a secondary school diploma (or equiva-
22 lency certificate).

23 “(7) The administrative provisions of this chapter
24 shall apply to the use of entitlement transferred under this
25 section, except that the dependent to whom the entitle-

1 ment is transferred shall be treated as the eligible member
2 for purposes of such provisions.

3 “(i) OVERPAYMENT.—(1) In the event of an overpay-
4 ment of educational assistance with respect to a dependent
5 to whom entitlement is transferred under this section, the
6 dependent and the member making the transfer shall be
7 jointly and severally liable to the United States for the
8 amount of the overpayment for purposes of section 3685
9 of title 38.

10 “(2)(A) Except as provided in subparagraph (B), in
11 the case of a member transferring entitlement under this
12 section whose eligibility is terminated under section
13 16134(2) of this title, the amount of any transferred enti-
14 tlement under this section that is used by a dependent
15 of the member as of the date of the failure of the member
16 to participate satisfactorily in training as specified in sec-
17 tion 16134(2) of this title shall be treated as an overpay-
18 ment of educational assistance under paragraph (1).

19 “(B) Subparagraph (A) shall not apply in the case
20 of a member who fails to complete service agreed to by
21 the member—

22 “(i) by reason of the death of the member; or

23 “(ii) for a reason referred to in section
24 16133(b) of this title.

1 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-
2 ABILITY OF APPROPRIATIONS.—The Secretary concerned
3 may approve transfers of entitlement to educational assist-
4 ance under this section in a fiscal year only to the extent
5 that appropriations for military personnel are available in
6 that fiscal year for purposes of making deposits in the De-
7 partment of Defense Education Benefits Fund under sec-
8 tion 2006 of this title in that fiscal year to cover the
9 present value of future benefits payable from the Fund
10 for the Department of Defense portion of payments of
11 educational assistance attributable to increased usage of
12 benefits as a result of such transfers of entitlement in that
13 fiscal year.

14 “(k) REGULATIONS.—The Secretary of Defense shall,
15 in consultation with the Secretary of Veterans Affairs,
16 prescribe regulations for purposes of this section. Such
17 regulations shall specify the following:

18 “(1) The circumstances under which the Secre-
19 taries concerned may permit and approve transfers
20 of entitlement under this section.

21 “(2) Such requirements for eligibility for trans-
22 fer of entitlement under this section as the Secretary
23 of Defense considers appropriate for purposes of
24 subsection (b)(2).

1 “(3) The manner and effect of an election to
2 modify or revoke a transfer of entitlement under
3 subsection (f)(2).”.

4 (B) CLERICAL AMENDMENT.—The table of
5 sections at the beginning of chapter 1606 of
6 such title is amended by inserting after the
7 item relating to section 16131a the following
8 new item:

“16131b. Transfer of entitlement to educational assistance.”.

9 (2) PROGRAM FOR RESERVE COMPONENTS SUP-
10 PORTING CONTINGENCY AND OTHER OPERATIONS.—

11 (A) IN GENERAL.—Chapter 1607 of title
12 10, United States Code, is amended by insert-
13 ing after section 16162a the following new sec-
14 tion:

15 **“§ 16162b. Transfer of entitlement to educational as-**
16 **sistance**

17 “(a) IN GENERAL.—Subject to the provisions of this
18 section, the Secretary concerned may permit a member of
19 the Armed Forces described in subsection (b) who is enti-
20 tled to educational assistance under this chapter to elect
21 to transfer to one or more of the dependents specified in
22 subsection (c) a portion of such member’s entitlement to
23 such assistance, subject to the limitations under sub-
24 section (d).

1 “(b) ELIGIBLE MEMBERS.—A member referred to in
2 subsection (a) is a member of the Armed Forces who, at
3 the time of the approval of the member’s request to trans-
4 fer entitlement to educational assistance under this sec-
5 tion—

6 “(1) has completed at least six years of service
7 in the Armed Forces; and

8 “(2) meets such other requirements as the Sec-
9 retary of Defense may prescribe for purposes of this
10 section.

11 “(c) ELIGIBLE DEPENDENTS.—A member approved
12 to transfer an entitlement to educational assistance under
13 this section may transfer the member’s entitlement as fol-
14 lows:

15 “(1) To the member’s spouse.

16 “(2) To one or more of the member’s children.

17 “(3) To a combination of the individuals re-
18 ferred to in paragraphs (1) and (2).

19 “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)
20 Except as provided in paragraph (2), a member may
21 transfer under this section any number of months of un-
22 used entitlement of the member to educational assistance
23 under this chapter.

24 “(2) In the case of a member who has completed at
25 least six but less than 12 years of service in the Armed

1 Forces at the time of the approval by the Secretary con-
2 cerned of the member's request to transfer entitlement
3 under this section, the number of months that may be
4 transferred by the member under this section may not ex-
5 ceed the lesser of—

6 “(A) the number of months transferrable by the
7 individual under paragraph (1); or

8 “(B) 18 months.

9 “(e) DESIGNATION OF TRANSFEREE.—A member
10 transferring an entitlement to educational assistance
11 under this section shall—

12 “(1) designate the dependent or dependents to
13 whom such entitlement is being transferred;

14 “(2) designate the number of months of such
15 entitlement to be transferred to each such depend-
16 ent; and

17 “(3) specify the period for which the transfer
18 shall be effective for each dependent designated
19 under paragraph (1).

20 “(f) TIME FOR TRANSFER; REVOCATION AND MODI-
21 FICATION.—(1) Subject to the time limitation for use of
22 entitlement under section 16164 of this title, a member
23 approved to transfer entitlement to educational assistance
24 under this section may transfer such entitlement only

1 while serving as a member of the Armed Forces when the
2 transfer is executed.

3 “(2)(A) A member transferring entitlement under
4 this section may modify or revoke at any time the transfer
5 of any unused portion of the entitlement so transferred.

6 “(B) The modification or revocation of the transfer
7 of entitlement under this paragraph shall be made by the
8 submittal of written notice of the action to both the Sec-
9 retary concerned and the Secretary of Veterans Affairs.

10 “(g) COMMENCEMENT OF USE.—A dependent to
11 whom entitlement to educational assistance as transferred
12 under this section may not commence the use of the trans-
13 ferred entitlement until—

14 “(1) in the case of entitlement transferred to a
15 spouse, the completion by the member making the
16 transfer of the years of service in the Armed Forces
17 applicable to the member under subsection (b); or

18 “(2) in the case of entitlement transferred to a
19 child, both—

20 “(A) the completion by the member mak-
21 ing the transfer of the years of service in the
22 Armed Forces applicable to the member under
23 subsection; and

24 “(B) either—

1 “(i) the completion by the child of the
2 requirements of a secondary school di-
3 ploma (or equivalency certificate); or

4 “(ii) the attainment by the child of 18
5 years of age.

6 “(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1)
7 The use of any entitlement to educational assistance
8 transferred under this section shall be charged against the
9 entitlement of the member making the transfer at the rate
10 of one month for each month of transferred entitlement
11 that is used.

12 “(2) Except as provided under subsection (e)(2) and
13 subject to paragraphs (5) and (6), a dependent to whom
14 entitlement is transferred under this section is entitled to
15 educational assistance under this chapter in the same
16 manner as the member from whom the entitlement was
17 transferred.

18 “(3) The monthly rate of educational assistance pay-
19 able to a dependent to whom entitlement is transferred
20 under this section shall be the monthly amount payable
21 to the member making the transfer under section 16162
22 or 16162a of this title, as applicable.

23 “(4) The death of a member transferring an entitle-
24 ment under this section shall not affect the use of the enti-

1 tlement by the dependent to whom the entitlement is
2 transferred.

3 “(5) A child to whom entitlement is transferred under
4 this section may not use any entitlement so transferred
5 after attaining the age of 26 years.

6 “(6) The purposes for which a dependent to whom
7 entitlement is transferred under this section may use such
8 entitlement shall include the pursuit and completion of the
9 requirements of a secondary school diploma (or equiva-
10 lency certificate).

11 “(7) The administrative provisions of this chapter
12 shall apply to the use of entitlement transferred under this
13 section, except that the dependent to whom the entitle-
14 ment is transferred shall be treated as the eligible member
15 for purposes of such provisions.

16 “(i) OVERPAYMENT.—In the event of an overpayment
17 of educational assistance with respect to a dependent to
18 whom entitlement is transferred under this section, the de-
19 pendent and the member making the transfer shall be
20 jointly and severally liable to the United States for the
21 amount of the overpayment for purposes of section 3685
22 of title 38.

23 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-
24 ABILITY OF APPROPRIATIONS.—The Secretary concerned
25 may approve transfers of entitlement to educational assist-

1 ance under this section in a fiscal year only to the extent
2 that appropriations for military personnel are available in
3 that fiscal year for purposes of making deposits in the De-
4 partment of Defense Education Benefits Fund under sec-
5 tion 2006 of this title in that fiscal year to cover the
6 present value of future benefits payable from the Fund
7 for the Department of Defense portion of payments of
8 educational assistance attributable to increased usage of
9 benefits as result of such transfers of entitlement in that
10 fiscal year.

11 “(k) REGULATIONS.—The Secretary of Defense, in
12 consultation with the Secretary of Veterans Affairs, shall
13 prescribe regulations for purposes of this section. Such
14 regulations shall specify the following:

15 “(1) The circumstances under which the Secre-
16 taries concerned may permit and approve transfers
17 of entitlement under this section.

18 “(2) Such requirements for eligibility for trans-
19 fer of entitlement under this section as the Secretary
20 of Defense considers appropriate for purposes of
21 subsection (b)(2).

22 “(3) The manner and effect of an election to
23 modify or revoke a transfer of entitlement under
24 subsection (f)(2).”.

1 (B) CLERICAL AMENDMENT.—The table of
2 sections at the beginning of chapter 1607 of
3 such title is amended by inserting after the
4 item relating to section 16162a the following
5 new item:

“16162b. Transfer of entitlement to educational assistance.”.

6 (3) FUNDING UNDER DEPARTMENT OF DE-
7 FENSE EDUCATION BENEFITS FUND.—Section
8 2006(b)(2)(D) of title 10, United States Code, is
9 amended by inserting before the period at the end
10 the following: “, including payments attributable to
11 increased usage of benefits as a result of transfers
12 of entitlement to educational assistance under sec-
13 tions 16131b and 16162b of this title”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this subsection shall take effect on October 1, 2009.

16 **SEC. 9. USE OF EDUCATIONAL ASSISTANCE TO REPAY FED-**
17 **ERAL STUDENT LOANS.**

18 (a) USE OF EDUCATIONAL ASSISTANCE TO REPAY
19 FEDERAL STUDENT LOANS.—

20 (1) IN GENERAL.—Subchapter II of chapter 30
21 of title 38, United States Code, as amended by sec-
22 tion 5(a) of this Act, is further amended by insert-
23 ing after section 3020A the following new section:

1 **“§ 3020B. Use of basic educational assistance benefits**
2 **for repayment of Federal student loans**

3 “(a) IN GENERAL.—An individual entitled to basic
4 educational assistance under this subchapter who is serv-
5 ing on active duty in the Armed Forces may elect to apply
6 amounts of basic educational assistance otherwise avail-
7 able to the individual under this subchapter to repay all
8 or a portion of the outstanding principal and interest on
9 any Federal student loan owed by the individual for the
10 individual’s pursuit of a course of education.

11 “(b) DESIGNATION OF LOANS AND AMOUNTS PAY-
12 ABLE.—An individual electing under this section to apply
13 amounts of basic educational assistance to the payment
14 of the outstanding principal and interest on Federal stu-
15 dent loans shall designate (in such form and manner as
16 the Secretary shall prescribe for purposes of this section)
17 the following:

18 “(1) Each Federal student loan of the indi-
19 vidual for which payment shall be made under this
20 section.

21 “(2) For each Federal student loan designated
22 under paragraph (1), the monthly amount to be paid
23 under this section.

24 “(c) LIMITATION ON AMOUNT OF PAYMENTS.—(1)
25 The monthly amount payable with respect to an individual
26 under this section may not exceed the monthly rate of

1 basic educational assistance to which the individual is oth-
2 erwise entitled under this subchapter at the time of pay-
3 ment of such monthly amount.

4 “(2) The aggregate amount of basic educational as-
5 sistance payable with respect to an individual under this
6 section for any 12-month period may not exceed \$6,000.

7 “(d) FREQUENCY OF PAYMENTS.—Payment of
8 amounts of principal and interest on Federal student loans
9 of an individual under this section shall be made on a
10 monthly basis.

11 “(e) CESSATION OF PAYMENTS.—Payments made
12 under this section with respect to an individual shall cease
13 if the individual ceases serving on active duty in the
14 Armed Forces, effective as of the first month that begins
15 after the date on which the individual ceases serving on
16 active duty in the Armed Forces.

17 “(f) CHARGE AGAINST ENTITLEMENT.—The period
18 of entitlement to basic educational assistance under this
19 subchapter of an individual for whom payments are made
20 under this section shall be charged at the rate of one
21 month for each payment or aggregate of payments under
22 this section that are equivalent in amount to the monthly
23 rate of basic educational assistance to which the individual
24 is otherwise entitled under this subchapter.

1 “(g) REGULATIONS.—The Secretary shall prescribe
2 such regulations as the Secretary considers appropriate
3 for purposes of the administration of this section.

4 “(h) FEDERAL STUDENT LOAN DEFINED.—In this
5 section, the term ‘Federal student loan’ means any loan
6 made under title IV of the Higher Education Act of 1965
7 (20 U.S.C. 1070 et seq.).”.

8 (2) CLERICAL AMENDMENT.—The table of sec-
9 tions of subchapter II of chapter 30 of such title, as
10 so amended, is further amended by inserting after
11 the item relating to section 3020A the following new
12 item:

“3020B. Use of basic educational assistance benefits for repayment of Federal
student loans.”.

13 (b) EFFECTIVE DATE.—Section 3020B of title 38,
14 United States Code, as added by subsection (a), shall
15 apply with respect to educational assistance payable for
16 months that begin on or after the date that is one year
17 after the date of the enactment of this Act.

18 **SEC. 10. EDUCATIONAL ASSISTANCE FOR GRADUATES OF**
19 **THE SERVICE ACADEMIES AND RESERVE OF-**
20 **FICERS’ TRAINING CORPS PROGRAMS.**

21 (a) ACTIVE DUTY PROGRAM.—

22 (1) IN GENERAL.—Subsection (a)(1) of section
23 3011 of title 38, United States Code, is amended—

1 (A) in subparagraph (B), by striking “or”
2 at the end;

3 (B) in subparagraph (C), by adding “or”
4 at the end; and

5 (C) by adding at the end the following new
6 subparagraph:

7 “(D) after September 30, 2009—

8 “(i) receives a commission as an offi-
9 cer in the Armed Forces—

10 “(I) upon graduation from the
11 United States Military Academy, the
12 United States Naval Academy, the
13 United States Air Force Academy, or
14 the Coast Guard Academy; or

15 “(II) upon completion of a Senior
16 Reserve Officers’ Training Corps pro-
17 gram under chapter 103 of title 10;
18 and

19 “(ii) completes at least five years of
20 continuous active duty in the Armed
21 Forces (excluding any period of obligated
22 service in connection with receipt of a com-
23 mission as an officer in the Armed Forces
24 under clause (i) and excluding any other
25 period of obligated service in connection

1 with education, training, or instruction
2 provided or funded, whether in whole or in
3 part, by the United States);”.

4 (2) CONFORMING AMENDMENTS.—Such section
5 is further amended—

6 (A) in subsection (b), by striking “sub-
7 section (c)(1)” and inserting “subsection (c)”;

8 (B) in subsection (c)—

9 (i) by striking “(1)” after “(c)”; and

10 (ii) by striking paragraphs (2) and

11 (3); and

12 (C) in subsection (e)(1), by striking “sub-
13 section (c)(1)” and inserting “subsection (e)”.

14 (b) SELECTED RESERVE PROGRAM.—

15 (1) IN GENERAL.—Subsection (a)(1) of section
16 3012 of such title is amended—

17 (A) in subparagraph (B), by striking “or”
18 at the end;

19 (B) in subparagraph (C), by adding “or”
20 at the end; and

21 (C) by adding at the end the following new
22 subparagraph:

23 “(D) after September 30, 2009—

24 “(i) receives a commission as an offi-
25 cer in the Armed Forces—

1 “(I) upon graduation from the
2 United States Military Academy, the
3 United States Naval Academy, the
4 United States Air Force Academy, or
5 the Coast Guard Academy; or

6 “(II) upon completion of a Senior
7 Reserve Officers’ Training Corps pro-
8 gram under chapter 103 of title 10;
9 and

10 “(ii) completes at least five years of
11 continuous active duty in the Armed
12 Forces (excluding any period of obligated
13 service in connection with receipt of a com-
14 mission as an officer in the Armed Forces
15 under clause (i) and excluding any other
16 period of obligated service in connection
17 with education, training, or instruction
18 provided or funded, whether in whole or in
19 part, by the United States);”.

20 (2) CONFORMING AMENDMENTS.—Such section
21 is further amended—

22 (A) in subsection (c), by striking “sub-
23 section (d)(1)” and inserting “subsection (d)”;

24 (B) in subsection (d)—

25 (i) by striking “(1)” after “(d)”; and

1 (ii) by striking paragraphs (2) and
2 (3); and

3 (C) in subsection (f)(1), by striking “sub-
4 section (d)(1)” and inserting “subsection (d)”.

5 (c) AMOUNT OF BASIC EDUCATIONAL ASSIST-
6 ANCE.—Section 3015(c) of such title is amended—

7 (1) in paragraph (1), by striking “paragraph
8 (2)” and inserting “paragraphs (2) and (3)”; and

9 (2) by adding at the end the following new
10 paragraph:

11 “(3) Paragraph (1) of this section also applies to the
12 following:

13 “(A) An individual entitled to an educational
14 assistance allowance under section 3011 of this title
15 by reason of subsection (a)(1)(D) of such section.

16 “(B) An individual entitled to an educational
17 assistance allowance under section 3012 of this title
18 by reason of subsection (a)(1)(D) of such section.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect on October 1, 2009.

1 **SEC. 11. OPPORTUNITY FOR CURRENT AND CERTAIN RE-**
2 **TIRED VEAP-ERA PERSONNEL TO ENROLL IN**
3 **BASIC EDUCATIONAL ASSISTANCE UNDER**
4 **THE MONTGOMERY GI BILL.**

5 (a) OPPORTUNITY FOR CURRENT AND CERTAIN RE-
6 TIRED VEAP-ERA PERSONNEL TO ENROLL.—

7 (1) IN GENERAL.—Chapter 30 of title 38,
8 United States Code, is amended by inserting after
9 section 3018C the following new section:

10 **“§ 3018D. Opportunity for current and certain retired**
11 **VEAP-era personnel to enroll**

12 “(a) IN GENERAL.—An individual described in sub-
13 section (b) who makes an election described in paragraph
14 (5) of such subsection is entitled to basic educational as-
15 sistance under this chapter, subject to the provisions of
16 subsection (d).

17 “(b) COVERED INDIVIDUALS.—An individual de-
18 scribed in this subsection is an individual who meets each
19 of the following requirements:

20 “(1) The individual first became a member of
21 the Armed Forces or first entered on active duty as
22 a member of the Armed Forces on or after January
23 1, 1977, but before July 1, 1985.

24 “(2) The individual, as of the date of the indi-
25 vidual’s election under paragraph (5)—

1 “(A) is serving on active duty without a
2 break in service (other than as described in sec-
3 tion 3202(1)(C) of this title) since the date the
4 individual first became such a member or first
5 entered on active duty as such a member; or

6 “(B) is retired from the Armed Forces
7 after serving at least 20 years on active duty in
8 the Armed Forces, which service included serv-
9 ice on active duty in the Armed Forces on or
10 after September 11, 2001, and elected not to
11 participate in the program of educational assist-
12 ance under chapter 32 of this title.

13 “(3) The individual, before applying for benefits
14 under this section, has completed the requirements
15 of a secondary school diploma (or equivalency certifi-
16 cate) or has successfully completed the equivalent of
17 12 semester hours in a program of education leading
18 to a standard college degree, but has not completed
19 the requirements for nor been awarded a bachelor’s
20 degree.

21 “(4) The individual—

22 “(A) in the case of an individual described
23 by paragraph (2)(A), is discharged with an hon-
24 orable discharge or released with service charac-

1 terized as honorable by the Secretary con-
2 cerned; or

3 “(B) in the case of an individual described
4 by paragraph (2)(B), was discharged with an
5 honorable discharge or released with service
6 characterized as honorable by the Secretary
7 concerned.

8 “(5) During the one-year period beginning on
9 October 1, 2009, the individual makes an irrevocable
10 election to receive benefits under this section pursu-
11 ant to procedures which the Secretary of each mili-
12 tary department shall provide in accordance with
13 regulations prescribed by the Secretary of Defense
14 for the purpose of carrying out this section or which
15 the Secretary of Transportation shall provide for
16 such purpose with respect to the Coast Guard when
17 it is not operating as a service in the Navy.

18 “(c) REDUCTION OF PAY; COLLECTION AND PAY-
19 MENT OF AMOUNTS.—(1) In the case of an individual de-
20 scribed by subsection (b) who makes an election under this
21 section to become entitled to basic educational assistance
22 under this chapter—

23 “(A) the basic pay or retired or retainer pay, as
24 applicable, of the individual shall be reduced (in a
25 manner determined by the Secretary concerned)

1 until the total amount by which such pay is reduced
2 is \$2,700; or

3 “(B) to the extent that the basic pay of the in-
4 dividual is not so reduced before the individual’s dis-
5 charge or release from active duty as described in
6 subsection (d)(4)(A), the Secretary concerned shall
7 collect from the individual an amount equal to the
8 difference between \$2,700 and the total amount of
9 reductions with respect to the individual under sub-
10 paragraph (A).

11 “(2) An individual covered by paragraph (1) may at
12 any time pay the Secretary concerned an amount equal
13 to the difference between the total of the reductions other-
14 wise required with respect to the individual under that
15 paragraph and the total amount of the reductions with
16 respect to the individual under that paragraph at the time
17 of the payment.

18 “(3) Any amounts collected under paragraph (1)(B)
19 or paid under paragraph (2) shall be paid into the Depart-
20 ment of Defense Education Benefits Fund under section
21 2006 of title 10.

22 “(4) The total amount of reductions in pay, or of col-
23 lections or payments, required with respect to an indi-
24 vidual under paragraph (1) shall be achieved not later

1 than 12 months after the date on which the individual
2 makes an election under subsection (b)(5).

3 “(5) No amount of educational assistance allowance
4 under this chapter shall be paid to an individual covered
5 by paragraph (1) until the date on which the total amount
6 of reductions in pay, or of collections or payments, re-
7 quired with respect to the individual under paragraph (1)
8 is achieved.

9 “(d) LIMITATIONS ON BASIC EDUCATIONAL ASSIST-
10 ANCE.—(1) The basic educational assistance allowance
11 payable under this chapter to an individual entitled to
12 such educational assistance allowance under this section
13 shall be payable at the monthly rate of basic educational
14 assistance payable under section 3015(a)(1)(B) of this
15 title.

16 “(2) Basic educational assistance under this section
17 shall be available only for pursuit of a non-degree voca-
18 tional training program, an associate degree, or a bach-
19 elor’s degree, but shall not be available for pursuit of a
20 masters degree or other advanced college degree.

21 “(3) An individual entitled under this section to basic
22 educational assistance under this chapter is entitled to the
23 educational stipend provided under section 3020A of this
24 title.

1 “(4)(A) Entitlement under this section to basic edu-
2 cational assistance under this chapter is not transferrable
3 under the provisions of section 3020 of this title.

4 “(B) An individual entitled under this section to basic
5 educational assistance under this chapter is not eligible
6 for the following:

7 “(i) The use of basic educational assistance
8 benefits under this chapter for the repayment of
9 Federal student loans under section 3020B of this
10 title.

11 “(ii) Supplemental educational assistance au-
12 thorized by subchapter III of this chapter.

13 “(5)(A) Except as provided in subparagraph (B), the
14 provisions of section 3031 of this title shall apply to the
15 use of entitlement under this section to basic educational
16 assistance under this chapter.

17 “(B) In the case of an individual entitled under this
18 section to basic educational assistance under this chapter
19 who is described by subsection (b)(2)(B), the period dur-
20 ing which the individual may use such entitlement expires
21 on October 1, 2019.

22 “(e) OUTREACH.—The Secretary shall, in coordina-
23 tion with the Secretary of Defense, provide for notice of
24 the opportunity under this section to elect to become enti-
25 tled to basic educational assistance under this chapter.”.

1 grants to assist in making available the benefits of post-
2 secondary education to qualified veterans by meeting such
3 veterans' unmet financial need.

4 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary
5 shall carry out a supplemental educational grant program
6 under which—

7 “(1) an institution of higher education partici-
8 pating in the program voluntarily provides a covered
9 individual enrolled in the institution with the non-
10 Federal share of a percentage of the covered individ-
11 ual's unmet financial need determined in accordance
12 with subsection (e); and

13 “(2) the Secretary provides the Federal share
14 of a percentage of the covered individual's unmet fi-
15 nancial need determined in accordance with sub-
16 section (e).

17 “(c) DESIGNATION OF PROGRAM.—The program
18 under this section shall be known as the ‘College Patriots
19 Grant Program’.

20 “(d) INSTITUTIONAL ELIGIBILITY CRITERIA.—As-
21 sistance may be made available under this section only to
22 an institution of higher education that satisfies any cri-
23 teria specified by the Secretary. Such criteria shall include
24 an agreement or other appropriate assurance from the in-
25 stitution of higher education that—

1 “(1) the non-Federal share of a covered individ-
2 ual’s unmet financial need awarded under this sec-
3 tion shall be provided from non-Federal resources,
4 including—

5 “(A) institutional grants and scholarships;

6 “(B) tuition or fee waivers;

7 “(C) State scholarships; and

8 “(D) foundation or other charitable organi-
9 zation funds; and

10 “(2) funds made available under this section
11 shall be provided to a covered individual for whom
12 the institution of higher education has made a deter-
13 mination that the covered individual has an unmet
14 financial need, which determination shall be made
15 before including Federal student loans under title IV
16 of the Higher Education Act of 1965 in the covered
17 individual’s financial aid package.

18 “(e) FEDERAL SHARE; NON-FEDERAL SHARE.—

19 “(1) IN GENERAL.—The Secretary shall not ap-
20 prove an institution of higher education for partici-
21 pation in the College Patriots Grant Program unless
22 the institution of higher education has provided, in
23 the manner required by the Secretary, the following:

24 “(A) An agreement or other assurance that
25 the institution of higher education will provide

1 the non-Federal share in accordance with this
2 subsection.

3 “(B) Information on the specific methods
4 by which the non-Federal share shall be paid.

5 “(C) An acknowledgment that the non-
6 Federal share provided under this subsection
7 shall supplement and not supplant other Fed-
8 eral and non-Federal funds.

9 “(2) FEDERAL AND NON-FEDERAL SHARES.—
10 Each institution of higher education participating in
11 the program under this section shall select one of
12 the three contribution percentage tiers described in
13 paragraph (3) for purposes of meeting a percentage
14 of the unmet financial needs of covered individuals
15 enrolled in the institution.

16 “(3) PERCENTAGE CONTRIBUTION TIERS.—

17 “(A) 25 PERCENT TIER.—In the case of a
18 covered individual enrolled in the institution
19 who has an unmet financial need that is—

20 “(i) less than \$8,000, the non-Federal
21 share shall be 12.5 percent of the unmet
22 financial need and the Federal share shall
23 be 12.5 percent of the unmet financial
24 need, except that the Federal share shall
25 not exceed \$1,000; and

1 “(ii) equal to or greater than \$8,000,
2 the Federal share shall be \$1,000 and the
3 non-Federal share shall be 25 percent of
4 the covered individual’s unmet financial
5 need minus \$1,000.

6 “(B) 50 PERCENT TIER.—In the case of a
7 covered individual enrolled in the institution
8 who has an unmet financial need that is—

9 “(i) less than \$8,000, the non-Federal
10 share shall be 25 percent of the unmet fi-
11 nancial need and the Federal share shall
12 be 25 percent of the unmet financial need,
13 except that the Federal share shall not ex-
14 ceed \$2,000; and

15 “(ii) equal to or greater than \$8,000,
16 the Federal share shall be \$2,000 and the
17 non-Federal share shall be 50 percent of
18 the covered individual’s unmet financial
19 need minus \$2,000.

20 “(C) 100 PERCENT TIER.—In the case of
21 a covered individual enrolled in the institution
22 who has an unmet financial need that is—

23 “(i) less than \$6,000, the non-Federal
24 share shall be 50 percent of the unmet fi-
25 nancial need and the Federal share shall

1 be 50 percent of the unmet financial need,
2 except that the Federal share shall not ex-
3 ceed \$3,000; and

4 “(ii) equal to or greater than \$6,000,
5 the Federal share shall be \$3,000 and the
6 non-Federal share shall be 100 percent of
7 the covered individual’s unmet financial
8 need minus \$3,000.

9 “(f) REGULATIONS.—The Secretary shall prescribe
10 regulations necessary to implement and administer the
11 College Patriots Grant Program, including regulations es-
12 tablishing the procedures for determining eligibility for the
13 program, applying for supplemental educational grants
14 under the program, and distributing the Federal share
15 provided by the Secretary under the program.

16 “(g) OUTREACH.—The Secretary of Veterans Affairs,
17 in coordination with the Secretary of Defense and the Sec-
18 retary of Education, shall—

19 “(1) make available to the public on the Inter-
20 net website of the Department—

21 “(A) a current list of institutions of higher
22 education participating in the College Patriots
23 Grant Program; and

24 “(B) information on the extent of partici-
25 pation of each institution of higher education

1 participating in the College Patriots Grant Pro-
2 gram;

3 “(2) make available to the public on the Inter-
4 net website of the Department information about all
5 Federal and State education benefits that members
6 of the regular components of the Armed Forces,
7 members of the reserve components of the Armed
8 Forces, veterans, and their dependents may be eligi-
9 ble to receive; and

10 “(3) make available to institutions of higher
11 education information about the College Patriots
12 Grant Program and take appropriate actions to en-
13 courage broad participation of institutions of higher
14 education in the program.

15 “(h) AWARDS FOR INSTITUTIONAL RECOGNITION.—
16 The Secretary may establish and administer an awards
17 program to recognize the extent of an institution of higher
18 education’s participation in the College Patriots Grant
19 Program.

20 “(i) DEFINITIONS.—In this section:

21 “(1) COST OF ATTENDANCE.—The term ‘cost of
22 attendance’ has the meaning given the term in sec-
23 tion 472 of the Higher Education Act of 1965 (20
24 U.S.C. 1087l).

1 “(2) COVERED INDIVIDUAL.—The term ‘cov-
2 ered individual’ means an individual who—

3 “(A) is enrolled in an institution of higher
4 education that is participating in the College
5 Patriots Grant Program;

6 “(B) has such amount of remaining enti-
7 tlement to educational assistance under chapter
8 30 or 32 of this title, or under chapter 1606 or
9 1607 of title 10, as the Secretary may require
10 for purposes of this section; and

11 “(C) after receipt of any of the educational
12 assistance described in subparagraph (B), has
13 an unmet financial need to attend the institu-
14 tion of higher education for which a supple-
15 mental educational grant is sought.

16 “(3) INSTITUTION OF HIGHER EDUCATION.—
17 The term ‘institution of higher education’ has the
18 meaning given the term in section 102 of the Higher
19 Education Act of 1965 (20 U.S.C. 1002).

20 “(4) UNMET FINANCIAL NEED.—The term
21 ‘unmet financial need’ means, with respect to a cov-
22 ered individual, the cost of attendance for the cov-
23 ered individual to attend an institution of higher
24 education participating in the College Patriots Grant
25 Program, minus the sum of—

1 “(A) grant and work assistance received by
2 the covered individual under title IV of the
3 Higher Education Act of 1965 (20 U.S.C. 1070
4 et seq.); and

5 “(B) any educational assistance payments
6 received by the covered individual through any
7 programs administered by the Department of
8 Veterans Affairs or the Department of De-
9 fense.”.

10 (2) CLERICAL AMENDMENT.—The table of sec-
11 tions at the beginning of chapter 36 of such title is
12 amended by adding at the end the following new
13 items:

“SUBCHAPTER IV—COLLEGE PATRIOTS GRANTS

“3699A. College Patriots Grant Program.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect one year after the date of
16 the enactment of this Act, and shall apply to terms, quar-
17 ters, or semesters beginning on or after that date.

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