

110TH CONGRESS
2D SESSION

S. 2938

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 SENATE OF THE UNITED STATES

APRIL 29, 2008

Mr. GRAHAM (for himself, Mr. BURR, Mr. MCCAIN, Mr. CHAMBLISS, Mr. LIEBERMAN, Mr. CORNYN, Mr. ALEXANDER, Mrs. HUTCHISON, Mr. MARTINEZ, Mr. STEVENS, Mr. COCHRAN, Ms. COLLINS, Mr. BARRASSO, Mr. DOMENICI, Mrs. DOLE, Mr. WICKER, Mr. ISAKSON, and Mr. INHOFE) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

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,*

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

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

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 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.

3 **SEC. 2. FINDINGS.**

4 Congress makes the following findings:

5 (1) The World War II-era GI Bill assisted al-
 6 most 8,000,000 members of the Armed Forces in re-
 7 adjusting to civilian life after completing their serv-
 8 ice to the nation. With the support and assistance
 9 of America's colleges and universities, the GI Bill
 10 provided incentives that transformed American soci-
 11 ety, making a college degree a realizable goal for
 12 millions of Americans.

13 (2) In the years following World War II, the GI
 14 Bill continued to provide educational benefits for

1 members of the Armed Forces who had been drafted
2 into or volunteered for service.

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

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

17 (5) The All Volunteer Force depends for its ef-
18 fectiveness and vitality on successful recruiting of
19 highly capable men and women, and retention for
20 careers of soldiers, sailors, airmen, and marines, in
21 both the active and reserve components of the
22 Armed Forces, who, with the support of their fami-
23 lies and loved ones, develop into professional, dedi-
24 cated, and experienced officers, noncommissioned of-
25 ficers, and petty officers.

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

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

14 (8) It is in that national interest for the United
15 States—

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

20 (B) to provide significant educational bene-
21 fits to provide incentives for successful recruit-
22 ing;

23 (C) to motivate continued service in the All
24 Volunteer Force by those members with the po-

1 tential for military careers and their spouses
2 and children; and

3 (D) to assist those who serve and their
4 families in achieving their personal goals, in-
5 cluding higher education, while progressing in a
6 military career.

7 **SEC. 3. PLAN ON COORDINATION OF CURRENT EDU-**
8 **CATIONAL ASSISTANCE PROGRAMS AND DE-**
9 **VELOPMENT OF ADDITIONAL EDUCATIONAL**
10 **ASSISTANCE PROGRAMS TO ENABLE CA-**
11 **REER-ORIENTED MEMBERS OF THE ARMED**
12 **FORCES TO ATTAIN A BACHELOR'S DEGREE.**

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

15 (1) the outstanding men and women who volun-
16 teer for service in the Armed Forces and dem-
17 onstrate through their service the ability, motivation,
18 and commitment to serve as career commissioned of-
19 ficers, noncommissioned officers, petty officers, and
20 warrant officers should be given the opportunities
21 and resources needed to obtain a bachelor's degree
22 before they complete active duty and retire from the
23 Armed Forces; and

24 (2) every effort should be made by the leaders
25 of the Army, Navy, Marine Corps, Air Force, and

1 Coast Guard to demonstrate to members of the
2 Armed Forces who are willing to serve and study
3 that the dual goals of attaining a bachelor's degree
4 and a distinguished military career are achievable
5 and not mutually exclusive.

6 (b) PLAN TO COORDINATE AND DEVELOP EDU-
7 CATIONAL ASSISTANCE PROGRAMS.—

8 (1) PLAN REQUIRED.—The Secretary of De-
9 fense shall, in consultation with the Secretary of
10 Veterans Affairs, develop a plan to make the attain-
11 ment of a bachelor's degree an achievable goal for
12 members of the Armed Forces who are motivated to-
13 wards careers in the Armed Forces and who are able
14 and willing to accept the challenges of military duty
15 and pursuit of college level studies.

16 (2) ADVICE OF THE SERVICE CHIEFS.—The
17 Secretary of Defense shall develop the plan required
18 by paragraph (1) with the advice of the Chief of
19 Staff of the Army, the Chief of Naval Operations,
20 the Chief of Staff of the Air Force, and the Com-
21 mandant of the Marine Corps.

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

24 (A) Appropriate elements of current pro-
25 grams to assist members of the Armed Forces

1 in obtaining college-level education, including
2 tuition assistance programs, distance learning
3 programs, and technical training and education
4 provided by the military departments, including
5 programs currently administered by the Sec-
6 retary of Veterans Affairs.

7 (B) Appropriate elements of current pro-
8 grams to provide members of the Armed Forces
9 with assistance in obtaining college-level credit
10 for the technical training and experience they
11 undergo during their military career.

12 (C) One or more additional education pro-
13 grams to assist members of the Armed Forces
14 in obtaining a college-level education, including
15 mechanisms for the provision by the military
16 departments of guidance, mentoring, and re-
17 sources to assist members in achieving their
18 professional military and personal educational
19 goals.

20 (D) Such additional programs or mecha-
21 nisms, such as sabbaticals from the Armed
22 Forces or college-level education provided or
23 funded by the military departments, as the Sec-
24 retary of Defense considers appropriate to as-
25 sist members of the Armed Forces in making

1 adequate progress towards a bachelor's degree
2 from an accredited institution of higher edu-
3 cation while continuing a successful military ca-
4 reer.

5 (E) Such mechanisms for the application
6 of the elements of the plan to members of the
7 National Guard and Reserves as the Secretary
8 of Defense considers appropriate to ensure that
9 such members receive appropriate assistance in
10 achieving their professional military and per-
11 sonal educational goals.

12 (F) Such elements of current programs of
13 the military departments for in-service edu-
14 cation of members of the Armed Forces as the
15 Secretary of Defense considers appropriate to
16 maintain and enhance the recruitment and re-
17 tention by the Armed Forces of highly trained
18 and experienced military leaders.

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

1 **SEC. 4. INCREASE IN RATES OF BASIC EDUCATIONAL AS-**
2 **SISTANCE UNDER THE MONTGOMERY GI**
3 **BILL.**

4 (a) INCREASE IN GENERAL RATES AND AUGMENTED
5 RATES FOR EXTENDED SERVICE.—

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

12 “(A) in the case of an individual who
13 served on active duty in the Armed Forces for
14 12 or more years, at the monthly rate of—

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

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

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

21 “(iv) for months occurring during a
22 subsequent fiscal year, the amount for
23 months occurring during the preceding fis-
24 cal year increased under subsection (h);
25 and

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

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

6 “(ii) for months occurring during a
7 subsequent fiscal year, the amount for
8 months occurring during the preceding fis-
9 cal year increased under subsection (h);
10 or”.

11 (2) RATES BASED ON TWO YEARS OF OBLI-
12 GATED SERVICE.—Subsection (b)(1) of such section
13 is amended—

14 (A) by striking subparagraphs (A) through
15 (C) and inserting the following new subpara-
16 graph (A):

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

19 (B) by redesignating subparagraph (D) as
20 subparagraph (B).

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 basic educational as-

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

3 (2) LIMITATION ON COST-OF-LIVING ADJUST-
4 MENTS.—

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

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

20 **SEC. 5. ANNUAL STIPEND FOR RECIPIENTS OF BASIC EDU-**
21 **CATIONAL ASSISTANCE UNDER THE MONT-**
22 **GOMERY GI BILL.**

23 (a) ENTITLEMENT TO STIPEND.—

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

4 **“§ 3020A. Educational stipend**

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

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

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

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

20 “(c) PAYMENT FREQUENCY AND METHOD.—The
21 educational stipend payable under this subsection shall be
22 paid with such frequency (including by lump sum), and
23 by such mechanisms, as the Secretary shall prescribe for
24 purposes of this section.”.

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

“3020A. Educational stipend.”.

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

9 **SEC. 6. INCREASE IN RATES OF EDUCATIONAL ASSISTANCE**
 10 **FOR MEMBERS OF THE SELECTED RESERVE.**

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

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

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

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

19 (b) EFFECTIVE DATE.—

20 (1) IN GENERAL.—The amendments made by
 21 subsection (a) shall take effect on October 1, 2008,
 22 and shall apply with respect to educational assist-
 23 ance payable for months beginning on or after that
 24 date.

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

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

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

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

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

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

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

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

10 (a) MODIFICATION OF AUTHORITY TO TRANSFER
11 ENTITLEMENT UNDER MONTGOMERY GI BILL.—

12 (1) IN GENERAL.—Subsection (a) of section
13 3020 of title 38, United States Code, is amended to
14 read as follows:

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

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

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

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

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

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

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

21 “(2) In the case of an individual who has completed
22 at least six but less than 12 years of service in the Armed
23 Forces at the time of the approval by the Secretary con-
24 cerned of the individual’s request to transfer entitlement
25 under this section, the number of months that may be

1 transferred by the individual under this section may not
2 exceed the lesser of—

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

5 “(B) 18 months.”.

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

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

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

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

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

24 (6) OVERPAYMENT.—Subsection (i) of such sec-
25 tion is amended—

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

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

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

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

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

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

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

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

22 **“§ 3020. Transfer of entitlement to basic educational**
23 **assistance”.**

24 (9) CLERICAL AMENDMENT.—The table of sec-
25 tions at the beginning of chapter 30 of such title is

1 amended by striking the item relating to section
2 3020 and inserting the following:

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

3 (b) AUTHORITY FOR TRANSFER OF ENTITLEMENT
4 UNDER RESERVE COMPONENTS EDUCATIONAL ASSIST-
5 ANCE PROGRAMS.—

6 (1) SELECTED RESERVE PROGRAM.—

7 (A) IN GENERAL.—Chapter 1606 of title
8 10, United States Code, is amended by insert-
9 ing after section 16131a the following new sec-
10 tion:

11 **“§ 16131b. Transfer of entitlement to educational as-**
12 **sistance**

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

21 “(b) ELIGIBLE MEMBERS.—A member described in
22 this subsection is a member of the Selected Reserve of the
23 Ready Reserve who, at the time of the approval of the
24 member’s request to transfer entitlement to educational
25 assistance under this section—

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

3 “(2) meets such other requirements as the Sec-
4 retary of Defense may prescribe for purposes of this
5 section.

6 “(c) ELIGIBLE DEPENDENTS.—A member approved
7 to transfer an entitlement to educational assistance under
8 this section may transfer the member’s entitlement as fol-
9 lows:

10 “(1) To the member’s spouse.

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

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

14 “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)
15 Except as provided in paragraph (2), a member may
16 transfer under this section any number of months of un-
17 used entitlement of the member to educational assistance
18 under this chapter.

19 “(2) In the case of a member who has completed at
20 least six but less than 12 years of service in the Selected
21 Reserve at the time of the approval by the Secretary con-
22 cerned of the member’s request to transfer entitlement
23 under this section, the number of months that may be
24 transferred by the member under this section may not ex-
25 ceed the lesser of—

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

3 “(B) 18 months.

4 “(e) DESIGNATION OF TRANSFEREE.—A member
5 transferring an entitlement to educational assistance
6 under this section shall—

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

9 “(2) designate the number of months of such
10 entitlement to be transferred to each such depend-
11 ent; and

12 “(3) specify the period for which the transfer
13 shall be effective for each dependent designated
14 under paragraph (1).

15 “(f) TIME FOR TRANSFER; REVOCATION AND MODI-
16 FICATION.—(1) Subject to the time limitation for use of
17 entitlement under section 16133 of this title, a member
18 approved to transfer entitlement to educational assistance
19 under this section may transfer such entitlement at any
20 time after the approval of the member’s request to trans-
21 fer such entitlement.

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

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

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

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

13 “(1) in the case of entitlement transferred to a
14 spouse, the completion by the member making the
15 transfer of six years of service in the Selected Re-
16 serve; or

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

19 “(A) the completion by the member mak-
20 ing the transfer of six years of service in the
21 Selected Reserve; and

22 “(B) either—

23 “(i) the completion by the child of the
24 requirements of a secondary school di-
25 ploma (or equivalency certificate); or

1 “(ii) the attainment by the child of 18
2 years of age.

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

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

15 “(3) The monthly rate of educational assistance pay-
16 able to a dependent to whom entitlement is transferred
17 under this section shall be the monthly amount payable
18 to the member making the transfer under section 16131
19 or 16132a of this title, as applicable.

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

24 “(B) The involuntary separation or retirement of a
25 member transferring entitlement under this section be-

1 cause of a nondiscretionary provision of law for age or for
2 years of service, as described in section 16133(b) of this
3 title, or medical disqualification which is not the result of
4 gross negligence or misconduct of the member shall not
5 affect the use of entitlement by the dependent to whom
6 the entitlement is transferred.

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

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

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

20 “(i) OVERPAYMENT.—(1) In the event of an overpay-
21 ment of educational assistance with respect to a dependent
22 to whom entitlement is transferred under this section, the
23 dependent and the member making the transfer shall be
24 jointly and severally liable to the United States for the

1 amount of the overpayment for purposes of section 3685
2 of title 38.

3 “(2)(A) Except as provided in subparagraph (B), in
4 the case of a member transferring entitlement under this
5 section whose eligibility is terminated under section
6 16134(2) of this title, the amount of any transferred enti-
7 tlement under this section that is used by a dependent
8 of the member as of the date of the failure of the member
9 to participate satisfactorily in training as specified in sec-
10 tion 16134(2) of this title shall be treated as an overpay-
11 ment of educational assistance under paragraph (1).

12 “(B) Subparagraph (A) shall not apply in the case
13 of a member who fails to complete service agreed to by
14 the member—

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

16 “(ii) for a reason referred to in section
17 16133(b) of this title.

18 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-
19 ABILITY OF APPROPRIATIONS.—The Secretary concerned
20 may approve transfers of entitlement to educational assist-
21 ance under this section in a fiscal year only to the extent
22 that appropriations for military personnel are available in
23 that fiscal year for purposes of making deposits in the De-
24 partment of Defense Education Benefits Fund under sec-
25 tion 2006 of this title in that fiscal year to cover the

1 present value of future benefits payable from the Fund
2 for the Department of Defense portion of payments of
3 educational assistance attributable to increased usage of
4 benefits as a result of such transfers of entitlement in that
5 fiscal year.

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

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

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

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

20 (B) CLERICAL AMENDMENT.—The table of
21 sections at the beginning of chapter 1606 of
22 such title is amended by inserting after the
23 item relating to section 16131a the following
24 new item:

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

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

3 (A) IN GENERAL.—Chapter 1607 of title
4 10, United States Code, is amended by insert-
5 ing after section 16162a the following new sec-
6 tion:

7 **“§ 16162b. Transfer of entitlement to educational as-**
8 **sistance**

9 “(a) IN GENERAL.—Subject to the provisions of this
10 section, the Secretary concerned may permit a member of
11 the Armed Forces described in subsection (b) who is enti-
12 tled to educational assistance under this chapter to elect
13 to transfer to one or more of the dependents specified in
14 subsection (c) a portion of such member’s entitlement to
15 such assistance, subject to the limitations under sub-
16 section (d).

17 “(b) ELIGIBLE MEMBERS.—A member referred to in
18 subsection (a) is a member of the Armed Forces who, at
19 the time of the approval of the member’s request to trans-
20 fer entitlement to educational assistance under this sec-
21 tion—

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

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

4 “(c) ELIGIBLE DEPENDENTS.—A member approved
5 to transfer an entitlement to educational assistance under
6 this section may transfer the member’s entitlement as fol-
7 lows:

8 “(1) To the member’s spouse.

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

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

12 “(d) NUMBER OF MONTHS TRANSFERRABLE.—(1)
13 Except as provided in paragraph (2), a member may
14 transfer under this section any number of months of un-
15 used entitlement of the member to educational assistance
16 under this chapter.

17 “(2) In the case of a member who has completed at
18 least six but less than 12 years of service in the Armed
19 Forces at the time of the approval by the Secretary con-
20 cerned of the member’s request to transfer entitlement
21 under this section, the number of months that may be
22 transferred by the member under this section may not ex-
23 ceed the lesser of—

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

1 “(B) 18 months.

2 “(e) DESIGNATION OF TRANSFEREE.—A member
3 transferring an entitlement to educational assistance
4 under this section shall—

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

7 “(2) designate the number of months of such
8 entitlement to be transferred to each such depend-
9 ent; and

10 “(3) specify the period for which the transfer
11 shall be effective for each dependent designated
12 under paragraph (1).

13 “(f) TIME FOR TRANSFER; REVOCATION AND MODI-
14 FICATION.—(1) Subject to the time limitation for use of
15 entitlement under section 16164 of this title, a member
16 approved to transfer entitlement to educational assistance
17 under this section may transfer such entitlement only
18 while serving as a member of the Armed Forces when the
19 transfer is executed.

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

23 “(B) The modification or revocation of the transfer
24 of entitlement under this paragraph shall be made by the

1 submittal of written notice of the action to both the Sec-
2 retary concerned and the Secretary of Veterans Affairs.

3 “(g) COMMENCEMENT OF USE.—A dependent to
4 whom entitlement to educational assistance as transferred
5 under this section may not commence the use of the trans-
6 ferred entitlement until—

7 “(1) in the case of entitlement transferred to a
8 spouse, the completion by the member making the
9 transfer of the years of service in the Armed Forces
10 applicable to the member under subsection (b); or

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

13 “(A) the completion by the member mak-
14 ing the transfer of the years of service in the
15 Armed Forces applicable to the member under
16 subsection; and

17 “(B) either—

18 “(i) the completion by the child of the
19 requirements of a secondary school di-
20 ploma (or equivalency certificate); or

21 “(ii) the attainment by the child of 18
22 years of age.

23 “(h) ADDITIONAL ADMINISTRATIVE MATTERS.—(1)
24 The use of any entitlement to educational assistance
25 transferred under this section shall be charged against the

1 entitlement of the member making the transfer at the rate
2 of one month for each month of transferred entitlement
3 that is used.

4 “(2) Except as provided under subsection (e)(2) and
5 subject to paragraphs (5) and (6), a dependent to whom
6 entitlement is transferred under this section is entitled to
7 educational assistance under this chapter in the same
8 manner as the member from whom the entitlement was
9 transferred.

10 “(3) The monthly rate of educational assistance pay-
11 able to a dependent to whom entitlement is transferred
12 under this section shall be the monthly amount payable
13 to the member making the transfer under section 16162
14 or 16162a of this title, as applicable.

15 “(4) The death of a member transferring an entitle-
16 ment under this section shall not affect the use of the enti-
17 tlement by the dependent to whom the entitlement is
18 transferred.

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

22 “(6) The purposes for which a dependent to whom
23 entitlement is transferred under this section may use such
24 entitlement shall include the pursuit and completion of the

1 requirements of a secondary school diploma (or equiva-
2 lency certificate).

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

8 “(i) OVERPAYMENT.—In the event of an overpayment
9 of educational assistance with respect to a dependent to
10 whom entitlement is transferred under this section, the de-
11 pendent and the member making the transfer shall be
12 jointly and severally liable to the United States for the
13 amount of the overpayment for purposes of section 3685
14 of title 38.

15 “(j) APPROVALS OF TRANSFER SUBJECT TO AVAIL-
16 ABILITY OF APPROPRIATIONS.—The Secretary concerned
17 may approve transfers of entitlement to educational assist-
18 ance under this section in a fiscal year only to the extent
19 that appropriations for military personnel are available in
20 that fiscal year for purposes of making deposits in the De-
21 partment of Defense Education Benefits Fund under sec-
22 tion 2006 of this title in that fiscal year to cover the
23 present value of future benefits payable from the Fund
24 for the Department of Defense portion of payments of
25 educational assistance attributable to increased usage of

1 benefits as result of such transfers of entitlement in that
2 fiscal year.

3 “(k) REGULATIONS.—The Secretary of Defense shall,
4 in consultation with the Secretary of Veterans Affairs,
5 prescribe regulations for purposes of this section. Such
6 regulations shall specify the following:

7 “(1) The circumstances under which the Secre-
8 taries concerned may permit and approve transfers
9 of entitlement under this section.

10 “(2) Such requirements for eligibility for trans-
11 fer of entitlement under this section as the Secretary
12 of Defense considers appropriate for purposes of
13 subsection (b)(2).

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

17 (B) CLERICAL AMENDMENT.—The table of
18 sections at the beginning of chapter 1607 of
19 such title is amended by inserting after the
20 item relating to section 16162a the following
21 new item:

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

22 (3) FUNDING UNDER DEPARTMENT OF DE-
23 FENSE EDUCATION BENEFITS FUND.—Section
24 2006(b)(2)(D) of title 10, United States Code, is
25 amended by inserting before the period at the end

1 the following: “, including payments attributable to
2 increased usage of benefits as a result of transfers
3 of entitlement to educational assistance under sec-
4 tions 16131b and 16162b of this title”.

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

7 **SEC. 9. USE OF EDUCATIONAL ASSISTANCE TO REPAY FED-**
8 **ERAL STUDENT LOANS.**

9 (a) USE OF EDUCATIONAL ASSISTANCE TO REPAY
10 FEDERAL STUDENT LOANS.—

11 (1) IN GENERAL.—Subchapter II of chapter 30
12 of title 38, United States Code, as amended by sec-
13 tion 4(a) of this Act, is further amended by insert-
14 ing after section 3020A the following new section:

15 **“§ 3020B. Use of basic educational assistance benefits**
16 **for repayment of Federal student loans**

17 “(a) IN GENERAL.—An individual entitled to basic
18 educational assistance under this subchapter who is serv-
19 ing on active duty in the Armed Forces may elect to apply
20 amounts of basic educational assistance otherwise avail-
21 able to the individual under this subchapter to repay all
22 or a portion of the outstanding principal and interest on
23 any Federal student loan owed by the individual for the
24 individual’s pursuit of a course of education.

1 “(b) DESIGNATION OF LOANS AND AMOUNTS PAY-
2 ABLE.—An individual electing under this section to apply
3 amounts of basic educational assistance to the payment
4 of the outstanding principal and interest on Federal stu-
5 dent loans shall designate (in such form and manner as
6 the Secretary shall prescribe for purposes of this section)
7 the following:

8 “(1) Each Federal student loan of the indi-
9 vidual for which payment shall be made under this
10 section.

11 “(2) For each Federal student loan designated
12 under paragraph (1), the monthly amount to be paid
13 under this section.

14 “(c) LIMITATION ON AMOUNT OF PAYMENTS.—(1)
15 The monthly amount payable with respect to an individual
16 under this section may not exceed the monthly rate of
17 basic educational assistance to which the individual is oth-
18 erwise entitled under this subchapter at the time of pay-
19 ment of such monthly amount.

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

23 “(d) FREQUENCY OF PAYMENTS.—Payment of
24 amounts of principal and interest on Federal student loans

1 of an individual under this section shall be made on a
2 monthly basis.

3 “(e) CESSATION OF PAYMENTS.—Payments made
4 under this section with respect to an individual shall cease
5 if the individual ceases serving on active duty in the
6 Armed Forces, effective as of the first month that begins
7 after the date on which the individual ceases serving on
8 active duty in the Armed Forces.

9 “(f) CHARGE AGAINST ENTITLEMENT.—The period
10 of entitlement to basic educational assistance under this
11 subchapter of an individual for whom payments are made
12 under this section shall be charged at the rate of one
13 month for each payment or aggregate of payments under
14 this section that are equivalent in amount to the monthly
15 rate of basic educational assistance to which the individual
16 is otherwise entitled under this subchapter.

17 “(g) REGULATIONS.—The Secretary shall prescribe
18 such regulations as the Secretary considers appropriate
19 for purposes of the administration of this section.

20 “(h) FEDERAL STUDENT LOAN DEFINED.—In this
21 section, the term ‘Federal student loan’ means any loan
22 made under title IV of the Higher Education Act of 1965
23 (20 U.S.C. 1070 et seq.).”.

24 (2) CLERICAL AMENDMENT.—The table of sec-
25 tions of subchapter II of chapter 30 of such title, as

1 so amended, is further amended by inserting after
 2 the item relating to section 3020A the following new
 3 item:

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

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

9 **SEC. 10. EDUCATIONAL ASSISTANCE FOR GRADUATES OF**
 10 **THE SERVICE ACADEMIES AND RESERVE OF-**
 11 **FICERS' TRAINING CORPS PROGRAMS.**

12 (a) **ACTIVE DUTY PROGRAM.**—

13 (1) **IN GENERAL.**—Subsection (a)(1) of section
 14 3011 of title 38, United States Code, is amended—

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

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

19 (C) by adding at the end the following new
 20 subparagraph:

21 “(D) after September 30, 2009—

22 “(i) receives a commission as an offi-
 23 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 (b), by striking “sub-
23 section (c)(1)” and inserting “subsection (c)”;

24 (B) in subsection (c)—

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

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

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

5 (b) SELECTED RESERVE PROGRAM.—

6 (1) IN GENERAL.—Subsection (a)(1) of section
7 3012 of such title is amended—

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

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

12 (C) by adding at the end the following new
13 subparagraph:

14 “(D) after September 30, 2009—

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

17 “(I) upon graduation from the
18 United States Military Academy, the
19 United States Naval Academy, the
20 United States Air Force Academy, or
21 the Coast Guard Academy; or

22 “(II) upon completion of a Senior
23 Reserve Officers’ Training Corps pro-
24 gram under chapter 103 of title 10;
25 and

1 “(ii) completes at least five years of
 2 continuous active duty in the Armed
 3 Forces (excluding any period of obligated
 4 service in connection with receipt of a com-
 5 mission as an officer in the Armed Forces
 6 under clause (i) and excluding any other
 7 period of obligated service in connection
 8 with education, training, or instruction
 9 provided or funded, whether in whole or in
 10 part, by the United States);”.

11 (2) CONFORMING AMENDMENTS.—Such section
 12 is further amended—

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

15 (B) in subsection (d)—

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

17 (ii) by striking paragraphs (2) and
 18 (3); and

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

21 (c) AMOUNT OF BASIC EDUCATIONAL ASSIST-
 22 ANCE.—Section 3015(e) of such title is amended—

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

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

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

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

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

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

13 **SEC. 11. OPPORTUNITY FOR CURRENT AND CERTAIN RE-**
14 **TIRED VEAP-ERA PERSONNEL TO ENROLL IN**
15 **BASIC EDUCATIONAL ASSISTANCE UNDER**
16 **THE MONTGOMERY GI BILL.**

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

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

22 **“§ 3018D. Opportunity for current and certain retired**
23 **VEAP-era personnel to enroll**

24 “(a) IN GENERAL.—An individual described in sub-
25 section (b) who makes an election described in paragraph

1 (5) of such subsection is entitled to basic educational as-
2 sistance under this chapter, subject to the provisions of
3 subsection (d).

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

7 “(1) The individual first became a member of
8 the Armed Forces or first entered on active duty as
9 a member of the Armed Forces on or after January
10 1, 1977, but before July 1, 1985.

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

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

18 “(B) is retired from the Armed Forces
19 after serving at least 20 years on active duty in
20 the Armed Forces, which service included serv-
21 ice on active duty in the Armed Forces on or
22 after September 11, 2001, and elected not to
23 participate in the program of educational assist-
24 ance under chapter 32 of this title.

1 “(3) The individual, before applying for benefits
2 under this section, has completed the requirements
3 of a secondary school diploma (or equivalency certifi-
4 cate) or has successfully completed the equivalent of
5 12 semester hours in a program of education leading
6 to a standard college degree, but has not completed
7 the requirements for nor been awarded a bachelor’s
8 degree.

9 “(4) The individual—

10 “(A) in the case of an individual described
11 by paragraph (2)(A), is discharged with an hon-
12 orable discharge or released with service charac-
13 terized as honorable by the Secretary con-
14 cerned; or

15 “(B) in the case of an individual described
16 by paragraph (2)(B), was discharged with an
17 honorable discharge or released with service
18 characterized as honorable by the Secretary
19 concerned.

20 “(5) During the one-year period beginning on
21 October 1, 2009, the individual makes an irrevocable
22 election to receive benefits under this section pursu-
23 ant to procedures which the Secretary of each mili-
24 tary department shall provide in accordance with
25 regulations prescribed by the Secretary of Defense

1 for the purpose of carrying out this section or which
2 the Secretary of Transportation shall provide for
3 such purpose with respect to the Coast Guard when
4 it is not operating as a service in the Navy.

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

10 “(A) the basic pay or retired or retainer pay, as
11 applicable, of the individual shall be reduced (in a
12 manner determined by the Secretary concerned)
13 until the total amount by which such pay is reduced
14 is \$2,700; or

15 “(B) to the extent that the basic pay of the in-
16 dividual is not so reduced before the individual’s dis-
17 charge or release from active duty as described in
18 subsection (d)(4)(A), the Secretary concerned shall
19 collect from the individual an amount equal to the
20 difference between \$2,700 and the total amount of
21 reductions with respect to the individual under sub-
22 paragraph (A).

23 “(2) An individual covered by paragraph (1) may at
24 any time pay the Secretary concerned an amount equal
25 to the difference between the total of the reductions other-

1 wise required with respect to the individual under that
2 paragraph and the total amount of the reductions with
3 respect to the individual under that paragraph at the time
4 of the payment.

5 “(3) Any amounts collected under paragraph (1)(B)
6 or paid under paragraph (2) shall be paid into the Depart-
7 ment of Defense Education Benefits Fund under section
8 2006 of title 10.

9 “(4) The total amount of reductions in pay, or of col-
10 lections or payments, required with respect to an indi-
11 vidual under paragraph (1) shall be achieved not later
12 than 12 months after the date on which the individual
13 makes an election under subsection (b)(5).

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

20 “(d) LIMITATIONS ON BASIC EDUCATIONAL ASSIST-
21 ANCE.—(1) The basic educational assistance allowance
22 payable under this chapter to an individual entitled to
23 such educational assistance allowance under this section
24 shall be payable at the monthly rate of basic educational

1 assistance payable under section 3015(a)(1)(B) of this
2 title.

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

8 “(3) An individual entitled under this section to basic
9 educational assistance under this chapter is entitled to the
10 educational stipend provided under section 3020A of this
11 title.

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

15 “(B) An individual entitled under this section to basic
16 educational assistance under this chapter is not eligible
17 for the following:

18 “(i) The use of basic educational assistance
19 benefits under this chapter for the repayment of
20 Federal student loans under section 3020B of this
21 title.

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

24 “(5)(A) Except as provided in subparagraph (B), the
25 provisions of section 3031 of this title shall apply to the

1 use of entitlement under this section to basic educational
2 assistance under this chapter.

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

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

12 (2) CLERICAL AMENDMENT.—The table of sec-
13 tions at the beginning of chapter 30 of such title is
14 amended by inserting after the item relating to sec-
15 tion 3018C the following new item:

“3018D. Opportunity for current and certain retired VEAP-era personnel to en-
roll.”.

16 (b) CONFORMING AMENDMENTS.—Section
17 3017(b)(1) of such title is amended—

18 (1) in subparagraphs (A) and (C), by striking
19 “or 3018C(e)” and inserting “3018C(e), or
20 3018D(c)”; and

21 (2) in subparagraph (B), by striking “or
22 3018C(e) of this title” after “section 3018C(e), or
23 3018D(c) of this title or paid by the individual
24 under section 3018D(c) of this title”.

1 **SEC. 12. COLLEGE PATRIOTS GRANT PROGRAM.**

2 (a) PROGRAM AUTHORIZED.—

3 (1) IN GENERAL.—Chapter 36 of title 38,
4 United States Code, is amended by adding at the
5 end the following new subchapter:

6 “SUBCHAPTER IV—COLLEGE PATRIOTS
7 GRANTS

8 “§ 3699A. College Patriots Grant Program

9 “(a) PURPOSE.—It is the purpose of this section to
10 provide, through a partnership with the Department and
11 institutions of higher education, supplemental educational
12 grants to assist in making available the benefits of post-
13 secondary education to qualified veterans by meeting such
14 veterans’ unmet financial need.

15 “(b) ESTABLISHMENT OF PROGRAM.—The Secretary
16 shall carry out a supplemental educational grant program
17 under which—

18 “(1) an institution of higher education partici-
19 pating in the program voluntarily provides a covered
20 individual enrolled in the institution with the non-
21 Federal share of a percentage of the covered individ-
22 ual’s unmet financial need determined in accordance
23 with subsection (e); and

24 “(2) the Secretary provides the Federal share
25 of a percentage of the covered individual’s unmet fi-

1 nancial need determined in accordance with sub-
2 section (e).

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

6 “(d) INSTITUTIONAL ELIGIBILITY CRITERIA.—As-
7 sistance may be made available under this section only to
8 an institution of higher education that satisfies any cri-
9 teria specified by the Secretary. Such criteria shall include
10 an agreement or other appropriate assurance from the in-
11 stitution of higher education that—

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

16 “(A) institutional grants and scholarships;

17 “(B) tuition or fee waivers;

18 “(C) State scholarships; and

19 “(D) foundation or other charitable organi-
20 zation funds; and

21 “(2) funds made available under this section
22 shall be provided to a covered individual for whom
23 the institution of higher education has made a deter-
24 mination that the covered individual has an unmet
25 financial need, which determination shall be made

1 before including Federal student loans under title IV
2 of the Higher Education Act of 1965 in the covered
3 individual's financial aid package.

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

5 “(1) IN GENERAL.—The Secretary shall not ap-
6 prove an institution of higher education for partici-
7 pation in the College Patriots Grant Program unless
8 the institution of higher education has provided, in
9 the manner required by the Secretary, the following:

10 “(A) An agreement or other assurance that
11 the institution of higher education will provide
12 the non-Federal share in accordance with this
13 subsection.

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

16 “(C) An acknowledgment that the non-
17 Federal share provided under this subsection
18 shall supplement and not supplant other Fed-
19 eral and non-Federal funds.

20 “(2) FEDERAL AND NON-FEDERAL SHARES.—

21 Each institution of higher education participating in
22 the program under this section shall select one of
23 the three contribution percentage tiers described in
24 paragraph (3) for purposes of meeting a percentage

1 of the unmet financial needs of covered individuals
2 enrolled in the institution.

3 “(3) PERCENTAGE CONTRIBUTION TIERS.—

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

7 “(i) less than \$8,000, the non-Federal
8 share shall be 12.5 percent of the unmet
9 financial need and the Federal share shall
10 be 12.5 percent of the unmet financial
11 need, except that the Federal share shall
12 not exceed \$1,000; and

13 “(ii) equal to or greater than \$8,000,
14 the Federal share shall be \$1,000 and the
15 non-Federal share shall be 25 percent of
16 the covered individual’s unmet financial
17 need minus \$1,000.

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

21 “(i) less than \$8,000, the non-Federal
22 share shall be 25 percent of the unmet fi-
23 nancial need and the Federal share shall
24 be 25 percent of the unmet financial need,

1 except that the Federal share shall not ex-
2 ceed \$2,000; and

3 “(ii) equal to or greater than \$8,000,
4 the Federal share shall be \$2,000 and the
5 non-Federal share shall be 50 percent of
6 the covered individual’s unmet financial
7 need minus \$2,000.

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

11 “(i) less than \$6,000, the non-Federal
12 share shall be 50 percent of the unmet fi-
13 nancial need and the Federal share shall
14 be 50 percent of the unmet financial need,
15 except that the Federal share shall not ex-
16 ceed \$3,000; and

17 “(ii) equal to or greater than \$6,000,
18 the Federal share shall be \$3,000 and the
19 non-Federal share shall be 100 percent of
20 the covered individual’s unmet financial
21 need minus \$3,000.

22 “(f) REGULATIONS.—The Secretary shall prescribe
23 regulations necessary to implement and administer the
24 College Patriots Grant Program, including regulations es-
25 tablishing the procedures for determining eligibility for the

1 program, applying for supplemental educational grants
2 under the program, and distributing the Federal share
3 provided by the Secretary under the program.

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

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

9 “(A) a current list of institutions of higher
10 education participating in the College Patriots
11 Grant Program; and

12 “(B) information on the extent of partici-
13 pation of each institution of higher education
14 participating in the College Patriots Grant Pro-
15 gram;

16 “(2) make available to the public on the Inter-
17 net website of the Department information about all
18 Federal and State education benefits that members
19 of the regular components of the Armed Forces,
20 members of the reserve components of the Armed
21 Forces, veterans, and their dependents may be eligi-
22 ble to receive; and

23 “(3) make available to institutions of higher
24 education information about the College Patriots
25 Grant Program and take appropriate actions to en-

1 courage broad participation of institutions of higher
2 education in the program.

3 “(h) AWARDS FOR INSTITUTIONAL RECOGNITION.—

4 The Secretary may establish and administer an awards
5 program to recognize the extent of an institution of higher
6 education’s participation in the College Patriots Grant
7 Program.

8 “(i) DEFINITIONS.—In this section:

9 “(1) COST OF ATTENDANCE.—The term ‘cost of
10 attendance’ has the meaning given the term in sec-
11 tion 472 of the Higher Education Act of 1965 (20
12 U.S.C. 1087ll).

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

15 “(A) is enrolled in an institution of higher
16 education that is participating in the College
17 Patriots Grant Program;

18 “(B) has such amount of remaining enti-
19 tlement to educational assistance under chapter
20 30 or 32 of this title, or under chapter 1606 or
21 1607 of title 10, as the Secretary may require
22 for purposes of this section; and

23 “(C) after receipt of any of the educational
24 assistance described in subparagraph (B), has
25 an unmet financial need to attend the institu-

1 tion of higher education for which a supple-
2 mental educational grant is sought.

3 “(3) INSTITUTION OF HIGHER EDUCATION.—

4 The term ‘institution of higher education’ has the
5 meaning given the term in section 102 of the Higher
6 Education Act of 1965 (20 U.S.C. 1002).

7 “(4) UNMET FINANCIAL NEED.—The term
8 ‘unmet financial need’ means, with respect to a cov-
9 ered individual, the cost of attendance for the cov-
10 ered individual to attend an institution of higher
11 education participating in the College Patriots Grant
12 Program, minus the sum of—

13 “(A) grant and work assistance received by
14 the covered individual under title IV of the
15 Higher Education Act of 1965 (20 U.S.C. 1070
16 et seq.); and

17 “(B) any educational assistance payments
18 received by the covered individual through any
19 programs administered by the Department of
20 Veterans Affairs or the Department of De-
21 fense.”.

22 (2) CLERICAL AMENDMENT.—The table of sec-
23 tions at the beginning of chapter 36 of such title is
24 amended by adding at the end the following new
25 items:

“3699A. College Patriots Grant Program.”.

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

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