106TH CONGRESS 1ST SESSION H.R. 1071

To amend title 38, United States Code, to improve benefits under the Montgomery GI Bill by establishing an enhanced educational assistance program, by increasing the amount of basic educational assistance, by repealing the requirement for reduction in pay for participation in the program, by authorizing the Secretary of Veterans Affairs to make accelerated payments of basic educational assistance, and by reopening the period for certain VEAP participants to elect to participate in the program of basic educational assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 1999

Mr. EVANS (for himself, Mr. DINGELL, Mr. FILNER, Mr. SHOWS, and Ms. BROWN of Florida) introduced the following bill; which was referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve benefits under the Montgomery GI Bill by establishing an enhanced educational assistance program, by increasing the amount of basic educational assistance, by repealing the requirement for reduction in pay for participation in the program, by authorizing the Secretary of Veterans Affairs to make accelerated payments of basic educational assistance, and by reopening the period for certain VEAP participants to elect to participate in the program of basic educational assistance, 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.** This Act may be cited as the "Montgomery GI Bill 4 5 Improvements Act of 1999". SEC. 2. ENHANCED BENEFITS UNDER MONTGOMERY GI 6 7 BILL FOR FOUR YEARS OF ACTIVE-DUTY 8 SERVICE. 9 (a) IN GENERAL.—Chapter 30 of title 38, United 10 States Code, is amended by adding at the end the following new subchapter: 11 12 "SUBCHAPTER V-ENHANCED EDU-CATIONAL ASSISTANCE 13 14 "§ 3041. Enhanced educational assistance entitlement "(a) ENTITLEMENT.—An eligible individual is enti-15 tled to enhanced educational assistance under this sub-16 17 chapter. 18 "(b) ELIGIBLE INDIVIDUAL DEFINED.—For purposes of this subchapter, the term 'eligible individual' 19 means an individual who meets the service requirement 20 21 described in subsection (c) and whose status after comple-22 tion of such service is described in section 3011(a)(3) of 23 this title. Such term does not include an individual de-

scribed in paragraph (1) or (2) of section 3011(c) of this

25 title.

24

1	"(c) Service Requirement.—(1) The service re-
2	quirement referred to in subsection (b) is as follows:
3	"(A) After September 30, 1999, the
4	individual—
5	"(i) first enters on active duty;
6	"(ii) reenlists or extends an enlistment on
7	active duty as a member of the Armed Forces;
8	or
9	"(iii) in the case of an officer, continues to
10	serve on active duty after that date.
11	"(B) From the date of such entry, reenlistment,
12	extension, or continuation, as the case may be, the
13	individual—
14	"(i) serves a continuous period of active
15	duty of at least four years in the Armed Forces;
16	or
17	"(ii) serves on active duty in the Armed
18	Forces and is discharged or released from ac-
19	tive duty—
20	((I) as provided in subclause (I) of
21	section 3011(a)(1)(A)(ii) of this title;
22	"(II) for the convenience of the Gov-
23	ernment, after having completed not less
24	than 42 months of continuous active duty;
25	or

1	"(III) as provided in subclause (III)
2	of section $3011(a)(1)(A)(ii)$ of this title.
3	((2) In determining service under paragraph (1) , the
4	following rules apply:
5	"(A) Any period of service described in para-
6	graph (2) or (3) of section 3011(d) of this title that
7	applies to an eligible individual under this section
8	shall not be considered a part of the individual's pe-
9	riod of active duty.
10	"(B) A member described in paragraph (2) of
11	section 3011(f) of this title who serves the periods
12	of active duty referred to in such paragraph shall be
13	deemed to have served a continuous period of active
14	duty the length of which is the aggregate length of
15	the periods of active duty referred to in such para-
16	graph.
17	"(C) Subsections (g) and (h) of section 3011 of
18	this title apply with respect to an eligible individual
19	under this section in the same manner as they apply
20	to an individual under section 3011 of this title.
21	"(d) Election of Basic Educational Assist-
22	ANCE.—(1) An eligible individual entitled to enhanced
23	educational assistance under this subchapter may elect (in
24	a form and manner prescribed by the Secretary) to receive
25	basic educational assistance under subchapter ${\rm II}$ in lieu

of such enhanced educational assistance for an enrollment
 period. Such an election shall be made by not later than
 30 days before the beginning of the enrollment period.

4 "(2) An eligible individual may revoke an election
5 made pursuant to paragraph (1), but in no case may such
6 revocation be made later than 30 days before the begin7 ning of the enrollment period.

8 "§ 3042. Duration of enhanced educational assistance

9 "(a) IN GENERAL.—Subject to section 3695 of this 10 title and except as provided in subsection (b), each individual entitled to enhanced educational assistance under sec-11 tion 3041 of this title is entitled to a monthly enhanced 12 13 educational assistance allowance under this subchapter for a period or periods not to exceed a total of 36 months 14 15 (or the equivalent thereof in part-time enhanced educational assistance). 16

17 "(b) SPECIAL RULE FOR CERTAIN EARLY SEPARA-18 TIONS.—Subject to section 3695 of this title, in the case of an individual described in subclause (I) or (III) of sec-19 20 tion 3041(c)(1)(B)(ii) who does not serve a continuous pe-21 riod of active duty of at least four years in the Armed 22 Forces (as described in section 3041(c)(1)(B)(i) of this 23 title), the individual is entitled to one month of enhanced 24 educational assistance benefits under this subchapter (not 25 to exceed a total of 36 months (or the equivalent thereof in part-time enhanced educational assistance)) for each
 month of continuous active duty served by the individual
 beginning with the date on which the entry on active duty,
 reenlistment, enlistment extension, or continuation appli cable to that individual under section 3041(c)(1)(A) of
 this title begins.

7 "§ 3043. Payment of educational expenses

8 "(a) IN GENERAL.—(1) Subject to paragraph (2), the 9 Secretary shall pay to the educational institution providing 10 a course under an approved program of education to an 11 eligible individual under this subchapter who is enrolled 12 in the course the actual cost of tuition and fees otherwise 13 payable by the individual.

14 "(2) Such cost may not exceed the amount charged15 to similarly circumstanced nonveterans.

16 "(b) STIPEND; COSTS OF BOOKS AND SUPPLIES.—
17 The Secretary shall pay to each eligible individual under
18 this subchapter who is pursuing an approved program of
19 education—

20 "(1) a stipend as provided in section 3044 of21 this title; and

22 "(2) in accordance with regulations prescribed
23 by the Secretary, an amount equal to the average
24 cost of books and supplies payable by individuals

pursuing courses of education at educational institu tions.

3 "(c) EXCLUSION FROM INCOME FOR ELIGIBILITY 4 DETERMINATIONS FOR FEDERAL EDUCATIONAL LOANS.—Notwithstanding any other provision of law, 5 amounts payable by the Secretary under this subchapter 6 7 with respect to an eligible individual shall not be consid-8 ered as income for purposes of determining eligibility of 9 such individual for education grants or loans under any 10 other provision of Federal law.

11 "§ 3044. Amount of stipend

"(a) IN GENERAL.—Except as provided in section
3042 of this title, the stipend under this subchapter shall
be paid at a monthly rate (as that rate may be increased
pursuant to subsection (b)) as follows:

16 "(1) At the monthly rate of \$800 for an ap17 proved program of education pursued on a full-time
18 basis.

19 "(2) At the monthly rate of \$600 for an ap20 proved program of education pursued on a three21 quarter-time basis.

22 "(3) At the monthly rate of \$400 for an ap23 proved program of education pursued on a half-time
24 basis.

7

"(4) At the monthly rate of \$200 for an approved program of education pursued on less than a
 half-time basis.

4 "(b) ADJUSTMENT FOR INFLATION.—With respect to
5 any fiscal year beginning after fiscal year 2000, the Sec6 retary shall increase the rate paid under subsection (a)
7 for the previous fiscal year by the percentage applicable
8 under section 3015(g) of this title.

9 "§ 3045. Tutorial assistance

"An individual entitled to an enhanced educational
assistance allowance under this subchapter shall be entitled to benefits provided an individual under section 3019
of this title, subject to the conditions provided in such section.".

(b) CONFORMING AMENDMENTS.—(1) Section 3002
of such title is amended by inserting at the end the following new paragraph:

18 "(9) The term 'enhanced educational assistance'
19 means educational assistance provided under subchapter
20 V.".

(2) Section 3011 of such title is amended in subsection (f)(1) and (g) by striking "chapter" each place it
appears and inserting "subchapter".

24 (3) Section 3018 of such title is amended by striking25 "educational assistance under this chapter" each place it

appears and inserting "educational assistance under this
 subchapter".

3 (4) Section 3018A(a) of such title is amended by
4 striking "education assistance under this chapter" and in5 serting "educational assistance under this subchapter".

6 (5) Section 3018B of such title is amended by strik7 ing "education assistance under this chapter" each place
8 it appears and inserting "educational assistance under
9 this subchapter".

10 (6) Section 3018C of such title is amended—

(A) in subsection (a), by striking "educational
assistance under this chapter" and inserting "educational assistance under this subchapter"; and

(B) in subsection (b), by striking "education assistance under this chapter" and inserting "educational assistance under this subchapter".

17 (7) Section 3019 of such title is amended by striking18 "chapter" each place it appears and inserting "sub-19 chapter".

20 (8) Section 3031 of such title is amended—

(A) in subsection (f), by inserting "or 3042 of
this title" after "section 3013" each place it appears; and

1 (B) in subsection by inserting "or (g), 2 "section 3031(c)(1)(B)(ii)(III)" after 3 3011(a)(1)(A)(ii)(III)". 4 (9) Section 3032(e)(3) of such title is amended by inserting ", or section 3044(a)(1)" after "section 3015". 5 6 (c) CLERICAL AMENDMENT.—The table of sections 7 at the beginning of chapter 30 of title 38, United States 8 Code, is amended by adding at the end the following new 9 items: "SUBCHAPTER V—ENHANCED EDUCATIONAL ASSISTANCE "3041. Enhanced educational assistance entitlement. "3042. Duration of enhanced educational assistance. "3043. Payment of educational expenses. "3044. Amount of stipend. "3045. Tutorial assistance.".

10 SEC. 3. INCREASE IN RATES OF BASIC EDUCATIONAL AS-

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SISTANCE UNDER MONTGOMERY GI BILL.

(a) ACTIVE DUTY EDUCATIONAL ASSISTANCE.—Sec13 tion 3015 of title 38, United States Code, is amended—

14 (1) in subsection (a)(1), by striking "\$528" and

15 inserting "\$900"; and

16 (2) in subsection (b)(1), by striking "\$429"
17 and inserting "\$730".

(b) EFFECTIVE DATE.—The amendments made by
subsection (a) shall take effect on October 1, 1999, and
shall apply with respect to educational assistance allowances paid for months after September 1999.

1	SEC. 4. REPEAL OF PAY REDUCTION, ELECTION OF BENE-
2	FITS, AND HIGH SCHOOL GRADUATION RE-
3	QUIREMENT FOR PARTICIPATION IN BASIC
4	EDUCATIONAL ASSISTANCE UNDER MONT-
5	GOMERY GI BILL.
6	(a) Repeal of Pay Reduction and Election of
7	Benefits.—
8	(1) Active duty program.—(A) Section 3011
9	of title 38, United States Code, is amended—
10	(i) by striking subsection (b); and
11	(ii) in subsection (c), by striking paragraph
12	(1) and redesignating paragraphs (2) and (3)
13	as paragraphs (1) and (2), respectively.
14	(B) Section 3012 of such title is amended—
15	(i) by striking subsection (c); and
16	(ii) in subsection (d), by striking para-
17	graph (1) and redesignating paragraphs (2) and
18	(3) as paragraphs (1) and (2) , respectively.
19	(2) Opportunities to withdraw election
20	NOT TO ENROLL.—(A) Section 3016(a)(1) of such
21	title is amended by striking ", and does not make
22	an election under section $3011(c)(1)$ or section
23	3012(d)(1)".
24	(B) Sections 3018A and 3018B of such title
25	are each amended by adding at the end the following
26	new subsection:

"(e) Notwithstanding subsection (b), no reduction in
 the pay of an individual under this section shall be made
 for months beginning after September 30, 1999. Any obli gation of such individual under subsection (b), as of Sep tember 30, 1999, shall be deemed to be fully satisfied as
 of such date.".

7 (3) EFFECTIVE DATE.—The amendments made
8 by this subsection shall take effect on October 1,
9 1999, and apply to individuals whose initial obli10 gated period of active duty under section 3011 or
11 3012 of title 38, United States Code, as the case
12 may be, begins on or after such date.

TERMINATION OF PAY REDUCTIONS IN 13 (4)14 PROGRESS.—Any reduction in the basic pay of an 15 individual referred to in subsection (b) of section 16 3011 of title 38, United States Code, by reason of 17 such subsection, or of any individual referred to in 18 subsection (c) of section 3012 of such title by reason 19 of such subsection, shall cease commencing with 20 months beginning after September 30, 1999, and 21 any obligation of such individual under such sub-22 sections, as the case may be, as of September 30, 23 1999, shall be deemed to be fully satisfied as of such 24 date.

1	(b) Repeal of High School Graduation Re-
2	QUIREMENT.—
3	(1) ACTIVE DUTY.—(A) Section 3011(a) of title
4	38, United States Code, is amended—
5	(i) by striking paragraph (2); and
6	(ii) by redesignating paragraph (3) as
7	paragraph (2).
8	(B) Section 3011 of such title is amended—
9	(i) by striking subsection (e); and
10	(ii) by redesignating subsections (f), (g),
11	and (h) as subsections (e), (f), and (g), respec-
12	tively.
13	(C) Section 3012(a) of such title is amended—
14	(i) by striking paragraph (2); and
15	(ii) by redesignating paragraph (3) as
16	paragraph (2).
17	(D) Section 3012 of such title is amended—
18	(i) by striking subsection (f); and
19	(ii) by redesignating subsection (g) as sub-
20	section (f).
21	(2) Opportunities to withdraw election
22	NOT TO ENROLL.—(A) Section 3018 of such title is
23	amended—
24	(i) by striking paragraph (4) of subsection
25	(b);

1	(ii) by inserting "and" at the end of para-
2	graph $(3)(C)$; and
3	(iii) by redesignating paragraph (5) as
4	paragraph (4).
5	(B)(i) Section 3018A(a) of such title is
6	amended—
7	(I) by striking paragraph (2);
8	(II) by redesignating paragraphs (3) , (4) ,
9	and (5) as paragraphs (2), (3), and (4), respec-
10	tively; and
11	(III) by striking "paragraph (3)" in para-
12	graphs (3) and (4), as so redesignated, and in-
13	serting "paragraph (2)".
14	(ii) Section 3018A(c) of such title is amended
15	by striking "subsection $(a)(3)$ of this section" and
16	inserting "subsection (a)(2)".
17	(iii) Section 3018A(d)(1) of such title is amend-
18	ed by striking "subsection (a)(4) of this subsection"
19	and inserting "subsection (a)(3)".
20	(C)(i) Section $3018B(a)(1)$ of such title is
21	amended—
22	(I) by striking subparagraph (B);
23	(II) by redesignating subparagraphs (C),
24	(D), and (E) as subparagraphs (B), (C), and
25	(D), respectively; and

1	(III) by striking "subparagraph (C)" in
2	subparagraphs (C) and (D), as so redesignated,
3	and inserting "subparagraph (B)".
4	(D)(i) Section $3018B(a)(2)$ of such title is
5	amended—
6	(I) by striking subparagraph (B);
7	(II) by redesignating subparagraphs (C),
8	(D), and (E) as subparagraphs (B), (C), and
9	(D), respectively;
10	(III) by striking "paragraph $(1)(C)$ of this
11	subsection" in subparagraph (B), as so redesig-
12	nated, and inserting "paragraph (1)(B)"; and
13	(IV) by striking "subparagraph (C)" in
14	subparagraphs (C) and (D), as so redesignated,
15	and inserting "subparagraph (B)".
16	(ii) Section 3018B(c) of such title is amended
17	by striking "subsection $(a)(1)(C)$ or $(a)(2)(C)$ of this
18	section" and inserting "subsection $(a)(1)(B)$ or
19	(a)(2)(B)".
20	(iii) Section 3018B(d)(1) of such title is amend-
21	ed by striking "subsection $(a)(1)(D)$ or $(a)(2)(D)$ of
22	this section" and inserting "subsection $(a)(1)(C)$ or
23	(a)(2)(C)".
24	(E)(i) Section 3018C(a) of such title is

25 amended—

1	(I) by striking paragraph (3);
2	(II) by redesignating paragraphs (4) and
3	(5) as paragraphs (3) and (4), respectively; and
4	(III) by striking "paragraph (5)" in para-
5	graph (3), as so redesignated, and inserting
6	"paragraph (4)".
7	(ii) Section 3018C(b) of such title is amended
8	by striking "as specified in subsection $(a)(4)$ " and
9	inserting "as specified in subsection (a)(3)".
10	(iii) Section $3018C(c)(1)$ of such title is amend-
11	ed by striking "election described in subsection
12	(a)(5)" and inserting "election described in sub-
13	section $(a)(4)$ ".
14	(3) EFFECTIVE DATE.—The amendments made
15	by this subsection shall take effect on the date of the
16	enactment of this Act and apply with respect to indi-
17	viduals applying for basic educational assistance
18	under chapter 30 of title 38, United States Code, on
19	or after such date.
20	(c) Education Outreach Services to Members
21	of the Armed Forces.—
22	(1) IN GENERAL.—Section 3034(e)(1) of title
23	38, United States Code, is amended to read as fol-
24	lows:

"(e)(1) Not later than one year after an individual
 initially enters on active duty as a member of the Armed
 Forces, and at such additional times as the Secretary de termines appropriate, the Secretary shall furnish the indi vidual the information described in paragraph (2).".

6 (2) EFFECTIVE DATE.—The amendment made 7 by paragraph (1) shall take effect on October 1, 8 1999, and apply to individuals whose initial obli-9 gated period of active duty under section 3011 or 10 3012 of title 38, United States Code, as the case 11 may be, begins on or after such date.

12 SEC. 5. AUTHORITY OF SECRETARY TO MAKE ACCELER-

14 **SIS**

13

SISTANCE UNDER MONTGOMERY GI BILL.

ATED PAYMENTS OF BASIC EDUCATIONAL AS-

15 (a) IN GENERAL.—Section 3014 of title 38 is16 amended—

17 (1) by inserting "(a) IN GENERAL.—" before18 "The Secretary"; and

19 (2) by adding at the end the following new sub-20 section:

21 "(b) ACCELERATED PAYMENT.—(1)(A) Notwith22 standing any other provision of this chapter and subject
23 to subparagraph (B), an individual entitled to basic edu24 cational assistance under this subchapter may elect to re-

ceive an accelerated payment of the basic educational as sistance allowance.

3 "(B) The Secretary may not make an accelerated
4 payment for a course to an individual who has received
5 an advance payment under section 3680(d) of this title
6 for the same enrollment period.

7 "(2)(A) Pursuant to an election under paragraph (1),
8 the Secretary shall make an accelerated payment to an
9 individual for a course in a lump-sum amount equal to
10 the lesser of—

11 "(i) the amount of the educational assistance 12 allowance for the month, or fraction thereof, in 13 which the course begins plus the educational assist-14 ance allowance for each of the succeeding four 15 months; or

16 "(ii)(I) in the case of a course offered on a 17 quarter, semester, or term basis, the amount of ag-18 gregate monthly educational assistance allowance 19 otherwise payable under this subchapter for the 20 course for the entire quarter, semester, or term; or

21 "(II) in the case of a course that is not offered 22 on a quarter, semester, or term basis, the amount of 23 aggregate monthly educational assistance allowance 24 otherwise payable under this subchapter for the en-25 tire course. "(B) In the case of an adjustment under section
 3015(g) of this title in the monthly rate of basic edu cational assistance that occurs during a period for which
 an accelerated payment is made under this subsection, the
 Secretary shall pay—

6 "(i) on an accelerated basis the amount of the
7 allowance otherwise payable under this subchapter
8 for the period without regard to the adjustment
9 under that section; and

"(ii) on the date of the adjustment any additional amount of the allowance that is payable for
the period as a result of the adjustment.

"(3) Pursuant to an election under paragraph (1),
the Secretary shall pay the accelerated payment to the individual for a course by not later than the date on which
the course begins.

17 "(4) For each accelerated payment made to an indi-18 vidual, the individual's entitlement under this subchapter 19 shall be charged at the same rate at which the entitlement 20 would be charged if the individual had received a monthly 21 educational assistance allowance for the period of edu-22 cational pursuit covered by the accelerated payment.

"(5) The Secretary shall prescribe regulations to
carry out this subsection, and include in such regulations
the requirements, conditions, and methods for the request,

issuance, delivery, certification of receipt and use, and re covery of overpayment of an accelerated payment.".

3 (b) EFFECTIVE DATE.—The amendments made by 4 subsection (a) shall take effect on March 1, 2000, and 5 apply with respect to courses of education beginning on 6 or after such date.

7 SEC. 6. AVAILABILITY OF MONTGOMERY GI BILL BENEFITS 8 FOR PAYMENT FOR LICENSING OR CERTIFI9 CATION TESTS.

(a) IN GENERAL.—Section 3452(b) of title 38,
United States Code, is amended by adding at the end the
following new sentence: "Such term also includes licensing
or certification tests required under Federal, State, or
local law, or regulation, for vocations or professions.".

(b) AMOUNT OF PAYMENT.—Section 3032 of such
title is amended by adding at the end the following new
subsection:

"(g) The amount of educational assistance payable
under this chapter for a licensing or certification test described in section 3452(b) of this title is the fee charged
for the test.".

(c) EFFECTIVE DATE.—The amendments made by
this section shall take effect on October 1, 1999, and apply
with respect to licensing and certification tests approved
by the Secretary offered on or after such date.

	21
1	SEC. 7. AVAILABILITY OF MONTGOMERY GI BILL BENEFITS
2	FOR PREPARATORY COURSES FOR COLLEGE
3	AND GRADUATE SCHOOL ENTRANCE EXAMS.
4	(a) IN GENERAL.—Section 3452(b) of title 38,
5	United States Code, as amended by section 6, is further
6	amended by adding at the end the following new sentence:
7	"Such term also includes a preparatory course for a test
8	that is required or utilized for admission to an institution
9	of higher education or to a graduate school.".
10	(b) EFFECTIVE DATE.—The amendment made by
11	subsection (a) shall take effect on October 1, 1999, and
12	applies with respect to preparatory courses approved by
13	the Secretary beginning on or after such date.
14	SEC. 8. AVAILABILITY OF MONTGOMERY GI BILL BENEFITS
15	FOR TRAINING FOR TECHNOLOGICAL OCCU-
16	PATIONS OFFERED BY ENTITIES OTHER
17	THAN EDUCATIONAL INSTITUTIONS.
18	(a) IN GENERAL.—Section 3452(c) of title 38,
19	United States Code, is amended to read as follows:
20	"(c) The term 'educational institution' means—
21	"(1) any public or private elementary school,
22	secondary school, vocational school, correspondence

- secondary school, vocational school, correspondence
 school, business school, junior college, teachers' college, college, normal school, professional school, university, or scientific or technical institution, or other
- 26 institution furnishing education for adults;

"(2) any entity that provides training required
 for completion of any State-approved alternative
 teacher certification program (as determined by the
 Secretary); or

5 "(3) any entity that provides, either directly or
6 under an agreement with another entity, training re7 quired for certification in a vocation or profession in
8 a technological occupation (as defined by the Sec9 retary).".

(b) EFFECTIVE DATE.—The amendment made by
subsection (a) shall take effect on October 1, 1999, and
applies with respect to training courses, approved by the
Secretary, for certification for technological occupations
beginning on or after such date.

15 SEC. 9. ENROLLMENT OF CERTAIN VEAP PARTICIPANTS IN
16 BASIC EDUCATIONAL ASSISTANCE UNDER
17 MONTGOMERY GI BILL.

18 (a) IN GENERAL.—Section 3018C(a) of title 38 is19 amended—

(1) in subsection (a), by striking "an individual
who—" and inserting "an individual who is described in subsection (e) or who—"; and

23 (2) by adding at the end the following new sub-24 section:

1	"(e) An individual referred to in the matter preceding
2	paragraph 1 of subsection (a) is an individual who meets
3	the following requirements:
4	"(1) Before October 10, 1996, the individual
5	was enrolled in the educational benefits program
6	provided in chapter 32 of this title.
7	((2) The individual has continuously served on
8	active duty since October 9, 1996.
9	"(3) The individual, if discharged or released
10	from active duty after the date on which the individ-
11	ual makes the election described in paragraph (4), is
12	discharged or released therefrom with an honorable
13	discharge.
14	"(4) During the 18-month period beginning on
15	the date of the enactment of the Montgomery GI
16	Bill Improvements Act of 1999, the individual makes
17	an election pursuant to procedures established under
18	subsection $(a)(4)$.".
19	(b) Elimination of Pay Reduction.—(1) Section
20	3018C(b) of such title is amended by striking "With re-
21	spect" and inserting "Except as provided in subsection (f),
22	with respect".
23	(2) Section 3018C of such title, as amended by sub-
24	section (a), is further amended, by adding at the end the

following new subsection:

"(f) No reduction in the pay of an individual under
 this section shall be made for months beginning after the
 date of the enactment of the Montgomery GI Bill Improve ments Act of 1999. Any obligation of such individual
 under subsection (b), as of such date, shall be deemed to
 be fully satisfied as of such date.".