

109TH CONGRESS
1ST SESSION

H. R. 2248

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 eliminating the time limitation for use of benefits under the program, by expanding the opportunities to transfer educational assistance benefits to dependents, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2005

Mr. EVANS (for himself, Mr. DINGELL, Mr. FILNER, Mr. GUTIERREZ, Ms. CORRINE BROWN of Florida, Ms. HERSETH, Mr. STRICKLAND, Ms. HOOLEY, Mr. REYES, Mr. UDALL of New Mexico, Mr. SHERMAN, Mr. PALLONE, Ms. CARSON, Mr. SCHIFF, Mr. HOLT, Mr. DAVIS of Florida, Mrs. MALONEY, Mr. SERRANO, Mrs. JONES of Ohio, Mr. HIGGINS, Mr. GRIJALVA, Mr. MORAN of Virginia, and Mr. CONYERS) introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, 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 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 eliminating the time limitation for use of benefits under the program, by expanding the opportunities to transfer educational assistance benefits to dependents, and for other purposes

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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 “Montgomery GI Bill Improvements Act of 2005”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Enhanced benefits under the Montgomery GI Bill for four years of active-duty service.

Sec. 3. Increase in rates of basic educational assistance under the Montgomery GI Bill.

Sec. 4. Repeal of pay reduction and high school graduation requirement for participation in basic educational assistance under the Montgomery GI Bill.

Sec. 5. Repeal of delimiting date for use of entitlement to basic educational assistance under the Montgomery GI Bill.

Sec. 6. Elimination of limitation to critical military skills for authority to transfer entitlement.

Sec. 7. Increase in repayment amounts under the student loan repayment programs for servicemembers.

Sec. 8. Expansion of programs of education eligible for accelerated payments of educational assistance under the Montgomery GI Bill.

8 SEC. 2. ENHANCED BENEFITS UNDER THE MONTGOMERY
9 GI BILL FOR FOUR YEARS OF ACTIVE-DUTY
10 SERVICE.

11 (a) IN GENERAL.—Chapter 30 of title 38, United
12 States Code, is amended by adding at the end the fol-
13 lowing new subchapter:

3 “§ 3041. Enhanced educational assistance entitlement

4 “(a) ENTITLEMENT.—An eligible individual is enti-
5 tled to enhanced educational assistance under this sub-
6 chapter.

7 “(b) ELIGIBLE INDIVIDUAL DEFINED.—(1) For pur-
8 poses of this subchapter, the term ‘eligible individual’
9 means an individual who meets the service requirement
10 described in subsection (c) and whose status after comple-
11 tion of such service is described in section 3011(a)(3) of
12 this title (relating to continuation on active duty, honor-
13 able discharge, or honorable service, as the case may be).

14 “(2) Such term does not include an individual de-
15 scribed in paragraph (1) or (2) of section 3011(c) of this
16 title (relating to individuals not electing basic educational
17 assistance under subchapter II of this chapter or certain
18 commissioned officers, respectively).

19 "(c) SERVICE REQUIREMENT.—(1) The service re-
20 quirement referred to in subsection (b) is as follows:

21 “(A) After September 30, 2005, the individual—
22

23 " (j) first enters on active duty;

1 “(ii) reenlists or extends an enlistment on
2 active duty as a member of the Armed Forces;
3 or

4 “(iii) in the case of an officer, continues to
5 serve on active duty after that date.

6 “(B) From the date of such entry, reenlistment,
7 extension, or continuation, as the case may be, the
8 individual—

9 “(i) serves a continuous period of active
10 duty of at least four years in the Armed Forces;
11 or

12 “(ii) serves on active duty in the Armed
13 Forces and is discharged or released from ac-
14 tive duty—

15 “(I) as provided in subclause (I) of
16 section 3011(a)(1)(A)(ii) of this title (re-
17 lating to service-connected disabilities and
18 other medical conditions);

19 “(II) for the convenience of the Gov-
20 ernment, after having completed not less
21 than 42 months of continuous active duty;

22 or

23 “(III) as provided in subclause (III)
24 of section 3011(a)(1)(A)(ii) of this title
25 (relating to involuntary discharge or re-

1 lease for the convenience of the Govern-
2 ment as a result of a reduction in force).

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 (re-
7 lating to periods of service terminated because of a
8 defective enlistment and periods of service on active
9 duty which individuals in the Selected Reserve were
10 ordered to perform under certain provisions of chap-
11 ter 1209 of title 10, respectively) that applies to an
12 eligible individual under this section shall not be
13 considered a part of the individual’s period of active
14 duty.

15 “(B) A member described in paragraph (2) of
16 section 3011(f) of this title (relating to certain mem-
17 bers discharged or released who subsequently reen-
18 list or re-enter on a period of active duty) who
19 serves the periods of active duty referred to in such
20 paragraph shall be deemed to have served a contin-
21 uous period of active duty the length of which is the
22 aggregate length of the periods of active duty re-
23 ferred to in such paragraph.

24 “(C) Subsections (g) and (h) of section 3011 of
25 this title (relating to assignment full time at a civil-

1 ian institution for courses of education and to com-
2 mencement of courses of education at a service acad-
3 emy, respectively) apply with respect to an eligible
4 individual under this section in the same manner as
5 they apply to an individual under section 3011 of
6 this title.

7 “(d) **ELECTION OF BASIC EDUCATIONAL ASSIST-
8 ANCE.**—(1) An eligible individual entitled to enhanced
9 educational assistance under this subchapter may elect (in
10 a form and manner prescribed by the Secretary) to receive
11 basic educational assistance under subchapter II in lieu
12 of such enhanced educational assistance for an enrollment
13 period. Such an election shall be made by not later than
14 30 days before the beginning of the enrollment period.

15 “(2) An eligible individual may revoke an election
16 made pursuant to paragraph (1), but in no case may such
17 revocation be made later than 30 days before the begin-
18 ning of the enrollment period.

19 **“§ 3042. Duration of enhanced educational assistance**

20 “(a) **IN GENERAL.**—Subject to section 3695 of this
21 title and except as provided in subsection (b), each indi-
22 vidual entitled to enhanced educational assistance under
23 section 3041 of this title is entitled to a monthly enhanced
24 educational assistance allowance under this subchapter for
25 a period or periods not to exceed a total of 36 months

1 (or the equivalent thereof in part-time enhanced edu-
2 cational assistance).

3 “(b) SPECIAL RULE FOR CERTAIN EARLY SEPARA-
4 TIONS.—Subject to section 3695 of this title, in the case
5 of an individual described in subclause (I) or (III) of sec-
6 tion 3041(c)(1)(B)(ii) of this title (relating to individuals
7 discharged for service-connected disabilities or medical
8 conditions or whose service is involuntarily terminated for
9 the convenience of the Government as a result of a reduc-
10 tion in force, respectively) who does not serve a continuous
11 period of active duty of at least four years in the Armed
12 Forces (as described in section 3041(c)(1)(B)(i) of this
13 title), the individual is entitled to one month of enhanced
14 educational assistance benefits under this subchapter (not
15 to exceed a total of 36 months (or the equivalent thereof
16 in part-time enhanced educational assistance)) for each
17 month of continuous active duty served by the individual
18 beginning with the date on which the entry on active duty,
19 reenlistment, enlistment extension, or continuation appli-
20 cable to that individual under section 3041(c)(1)(A) of
21 this title begins.

22 **“§ 3043. Payment of educational expenses**

23 “(a) IN GENERAL.—(1) Subject to paragraph (2), the
24 Secretary shall pay to the educational institution providing
25 a course under an approved program of education to an

1 eligible individual under this subchapter who is enrolled
2 in the course the actual cost of tuition and fees otherwise
3 payable by the individual.

4 “(2) Such cost may not exceed the amount charged
5 to nonveterans in similar circumstances.

6 “(b) STIPEND; COSTS OF BOOKS AND SUPPLIES.—
7 The Secretary shall pay to each eligible individual under
8 this subchapter who is pursuing an approved program of
9 education—

10 “(1) a stipend as provided in section 3044 of
11 this title; and

12 “(2) in accordance with regulations prescribed
13 by the Secretary, an amount equal to the average
14 cost, for the year involved, of books and supplies
15 payable by individuals pursuing courses of education
16 at educational institutions.

17 **“§ 3044. Amount of stipend**

18 “(a) IN GENERAL.—Except as provided in section
19 3042 of this title, the stipend under this subchapter shall
20 be paid at a monthly rate (as that rate may be increased
21 pursuant to subsection (b)) as follows:

22 “(1) At the monthly rate of \$900 for an ap-
23 proved program of education pursued on a full-time
24 basis.

1 “(2) At the monthly rate of \$700 for an ap-
2 proved program of education pursued on a three-
3 quarter-time basis.

4 “(3) At the monthly rate of \$500 for an ap-
5 proved program of education pursued on a half-time
6 basis.

7 “(4) At the monthly rate of \$300 for an ap-
8 proved program of education pursued on less than a
9 half-time basis.

10 “(b) ADJUSTMENT FOR INFLATION.—With respect to
11 any fiscal year beginning after fiscal year 2006, the Sec-
12 retary shall provide a percentage increase (rounded to the
13 nearest dollar) in the rates payable under subsection (a)
14 equal to the percentage by which—

15 “(1) the Consumer Price Index (all items,
16 United States city average) for the 12-month period
17 ending on the June 30 preceding the beginning of
18 the fiscal year for which the increase is made, ex-
19 ceeds

20 “(2) such Consumer Price Index for the 12-
21 month period preceding the 12-month period de-
22 scribed in paragraph (1).”.

23 (b) CONFORMING AMENDMENTS.—(1) Section 3002
24 of such title is amended by inserting at the end the fol-
25 lowing new paragraph:

1 “(9) The term ‘enhanced educational assistance’
2 means educational assistance provided under subchapter
3 V.”.

4 (2) Section 3011 of such title is amended in sub-
5 section (f)(1) and (g) by striking “chapter” each place it
6 appears and inserting “subchapter”.

7 (3) Section 3018A(a) of such title is amended by
8 striking “education assistance under this chapter” and in-
9 serting “educational assistance under this subchapter”.

10 (4) Section 3018B of such title is amended by strik-
11 ing “education assistance under this chapter” each place
12 it appears and inserting “educational assistance under
13 this subchapter”.

14 (5) Section 3018C of such title is amended by strik-
15 ing “educational assistance under this chapter” each place
16 it appears and inserting “educational assistance under
17 this subchapter”.

18 (6) Section 3019 of such title is amended by striking
19 “chapter” each place it appears and inserting “sub-
20 chapter”.

21 (7) Section 3032(e)(3) of such title is amended by
22 inserting “, or section 3044(a)(1)” after “section 3015”.

23 (c) CLERICAL AMENDMENT.—The table of sections
24 at the beginning of chapter 30 of title 38, United States

1 Code, is amended by adding at the end the following new
2 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.”.

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

6 (a) **RATES FOR BASIC EDUCATIONAL ASSISTANCE.**—
7 Section 3015 of title 38, United States Code, is amend-
8 ed—

9 (1) in subsection (a)(1)—
10 (A) in subparagraph (C), by striking
11 “and” at the end;
12 (B) by redesignating subparagraph (D) as
13 subparagraph (F); and
14 (C) by inserting after subparagraph (C)
15 the following new subparagraphs:
16 “(D) for months occurring during fiscal year
17 2005, \$1,004;
18 “(E) for months occurring during fiscal year
19 2006, \$1,300; and”; and

20 (2) in subsection (b)(1)—
21 (A) in subparagraph (C), by striking
22 “and” at the end;

1 (B) by redesignating subparagraph (D) as
2 subparagraph (F); and

3 (C) by inserting after subparagraph (C)
4 the following new subparagraphs:

5 “(D) for months occurring during fiscal year
6 2005, \$816;

7 “(E) for months occurring during fiscal year
8 2006, \$1,000; and”.

9 (b) APPLICATION OF INDEX BASED ON COSTS OF
10 HIGHER LEARNING.—Section 3015(h) of such title is
11 amended to read as follows:

12 “(h)(1) With respect to any fiscal year, the Secretary
13 shall provide a percentage increase (rounded to the near-
14 est dollar) in the rates payable under subsections (a)(1)
15 and (b)(1) equal to the percentage (as determined by the
16 Secretary) by which—

17 “(A) the average monthly costs of tuition and
18 expenses for commuter students at public institu-
19 tions of higher learning that award baccalaureate
20 degrees for purposes of subsections (a)(1) and (b)(1)
21 for the fiscal year involved, exceeds

22 “(B) such average monthly costs for the pre-
23 ceding fiscal year.

1 “(2) The Secretary shall make the determination
2 under paragraph (1) after consultation with the Secretary
3 of Education.

4 “(3) A determination made under paragraph (1) in
5 a year shall take effect on October 1 of that year and
6 apply with respect to basic educational assistance allow-
7 ances payable under this section for the fiscal year begin-
8 ning in that year.

9 “(4) Not later than September 30 each year, the Sec-
10 retary shall publish in the Federal Register the average
11 monthly costs of tuition and expenses as determined under
12 paragraph (1) in that year.”.

13 (c) EFFECTIVE DATES.—(1) The amendments made
14 by subsection (a) shall apply with respect to payments for
15 months beginning after September 30, 2005.

16 (2) The amendment made by subsection (b) shall
17 apply with respect to payments for months beginning after
18 September 30, 2006. No adjustment in rates of edu-
19 cational assistance shall be made under section 3015(h)
20 of title 38, United States Code, for months occurring dur-
21 ing fiscal year 2006.

1 **SEC. 4. REPEAL OF PAY REDUCTION AND HIGH SCHOOL**
2 **GRADUATION REQUIREMENT FOR PARTICI-**
3 **PATION IN BASIC EDUCATIONAL ASSISTANCE**
4 **UNDER THE MONTGOMERY GI BILL.**

5 (a) REPEAL OF PAY REDUCTION AND ELECTION OF
6 BENEFITS.—(1) Section 3011 of title 38, United States

7 Code, is amended—

8 (A) by striking subsection (b); and

9 (B) in subsection (c), by striking paragraph (1)
10 and redesignating paragraphs (2) and (3) as para-
11 graphs (1) and (2), respectively.

12 (2) Section 3012 of such title is amended—

13 (A) by striking subsection (c); and

14 (B) in subsection (d), by striking paragraph (1)
15 and redesignating paragraphs (2) and (3) as para-
16 graphs (1) and (2), respectively.

17 (3) Section 3016(a)(1) of such title is amended by
18 striking “, and does not make an election under section
19 3011(c)(1) or section 3012(d)(1)”.

20 (4) The amendments made by this subsection shall
21 take effect on October 1, 2005, and apply to individuals
22 whose initial obligated period of active duty under section
23 3011 or 3012 of title 38, United States Code, as the case
24 may be, begins on or after such date.

25 (5) Any reduction in the basic pay of an individual
26 referred to in subsection (b) of section 3011 of title 38,

1 United States Code, by reason of such subsection, or of
2 any individual referred to in subsection (c) of section 3012
3 of such title by reason of such subsection, shall cease com-
4 mencing with months beginning after September 30,
5 2005, and any obligation of such individual under such
6 subsections, as the case may be, as of September 30,
7 2005, shall be deemed to be fully satisfied as of such date.

8 (b) REPEAL OF HIGH SCHOOL GRADUATION RE-
9 QUIREMENT.—(1) Section 3011(a) of title 38, United
10 States Code, is amended—

11 (A) by striking paragraph (2); and
12 (B) by redesignating paragraph (3) as para-
13 graph (2).

14 (2) Section 3012(a) of such title is amended—

15 (A) by striking paragraph (2); and
16 (B) by redesignating paragraph (3) as para-
17 graph (2).

18 (3) Section 3018(b) of such title is amended—

19 (A) by striking paragraph (4);
20 (B) by inserting “and” at the end of paragraph
21 (3)(C); and
22 (C) by redesignating paragraph (5) as para-
23 graph (4).

24 (4) The amendments made by this subsection shall
25 take effect on the date of the enactment of this Act and

1 apply with respect to individuals applying for basic edu-
2 cational assistance under chapter 30 of title 38, United
3 States Code, on or after such date.

4 (c) EXCLUSION FROM INCOME FOR ELIGIBILITY DE-
5 TERMINATIONS FOR FEDERAL EDUCATIONAL LOANS.—
6 Section 3015 of such title is amended—

7 (1) by redesignating subsection (h), as amended
8 in section 3(b), as subsection (i); and
9 (2) by inserting after subsection (g) the fol-
10 lowing new subsection:

11 “(h) EXCLUSION FROM INCOME FOR ELIGIBILITY
12 DETERMINATIONS FOR FEDERAL EDUCATIONAL
13 LOANS.—Notwithstanding any other provision of law,
14 amounts payable by the Secretary under this subchapter
15 with respect to an eligible individual shall not be consid-
16 ered as income for purposes of determining eligibility of
17 such individual for education grants or loans under any
18 other provision of Federal law.”.

19 **SEC. 5. REPEAL OF DELIMITING DATE FOR USE OF ENTI-**
20 **TLEMENT TO BASIC EDUCATIONAL ASSIST-**
21 **ANCE UNDER THE MONTGOMERY GI BILL.**

22 (a) REPEAL.—Section 3031 of title 38, United States
23 Code, and section 16133 of title 10, United States Code,
24 are repealed.

1 (b) CONFORMING AMENDMENTS.—(1) Section
2 3018C(e)(3)(B) of such title is amended—

3 (A) by striking clause (ii); and
4 (B) by striking “(B)(i)” and inserting “(B)”.

5 (2) Section 3020 of such title is amended—

6 (A) in subsection (f)(1), by striking “Subject to
7 the time limitation for use of entitlement under sec-
8 tion 3031 of this title, an” and inserting “An”; and

9 (B) in subsection (h)(5), by striking “Notwith-
10 standing section 3031 of this title, a” and inserting
11 “A”.

12 (3) Section 16164 of title 10, United States Code,
13 is repealed.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to individuals entitled to edu-
16 cational assistance under chapter 30 of title 38, United
17 States Code, on or after the date of the enactment of this
18 Act.

19 **SEC. 6. ELIMINATION OF LIMITATION TO CRITICAL MILI-**
20 **TARY SKILLS FOR AUTHORITY TO TRANSFER**
21 **ENTITLEMENT.**

22 Subsection (b) of section 3020 of title 38, United
23 States Code, is amended—

24 (1) by striking paragraph (2);

1 (2) be redesignating paragraph (3) as para-
2 graph (2); and

3 (3) by inserting “and” at the end of paragraph
4 (1).

5 SEC. 7. INCREASE IN REPAYMENT AMOUNTS UNDER THE
6 STUDENT LOAN REPAYMENT PROGRAMS FOR
7 SERVICEMEMBERS.

8 (a) ACTIVE DUTY.—Subsection (b) of section 2171
9 of title 10, United States Code, is amended—

10 (1) by striking "is 33 1/3 percent or \$1,500,
11 whichever is greater." and inserting "is \$6,000";

12 (2) by inserting “(1)” after “(b); and

13 (3) by adding at the end the following new
14 paragraph:

15 “(2) The total amount that may be repaid on behalf
16 of any person under this section may not exceed
17 \$40,000.”.

18 (b) SELECTED RESERVE.—Subsection (b) of section
19 16301 of title 10, United States Code, is amended—

20 (1) by striking "is 15 percent or \$500, which-
21 ever is greater." and inserting "is \$3,000";

22 (2) by inserting “(1)” after “(b)”; and

23 (3) by adding at the end the following new
24 paragraph:

1 “(2) The total amount that may be repaid on behalf
2 of any person under this section may not exceed
3 \$20,000.”.

4 SEC. 8. EXPANSION OF PROGRAMS OF EDUCATION ELIGI-
5 BLE FOR ACCELERATED PAYMENTS OF EDU-
6 CATIONAL ASSISTANCE UNDER THE MONT-
7 GOMERY GI BILL.

8 (a) IN GENERAL.—Subsection (b)(1) of section
9 3014A of title 38, United States Code, is amended by
10 striking “that leads to employment in a high technology
11 occupation in a high technology industry (as determined
12 pursuant to regulations prescribed by the Secretary)”.
13

13 (b) CONFORMING AMENDMENTS.—(1) The heading
14 of section 3014A of such title is amended to read as fol-
15 lows:

16 "SEC. 3014A. ACCELERATED PAYMENT OF BASIC EDU-
17 CATIONAL ASSISTANCE FOR CERTAIN AP-
18 PROVED PROGRAMS OF EDUCATION."

19 (2) The table of sections at the beginning of chapter
20 30 of such title is amended by striking the item relating
21 to section 3014A and inserting after the item relating to
22 section 3014 the following new item:

“3014A. Accelerated payment of basic educational assistance for certain approved programs of education.”.

