



Use of the Post-9/11 GI Bill by the National Guard and Reserves

Summary

The Post-9/11 GI Bill provides educational benefits to service members and veterans who served on active duty on or after September 11, 2001. This GI Bill (officially the Post-9/11 Veterans Educational Assistance Act of 2008), which covers tuition, fees, housing, and related educational expenses, is managed by the Veterans Benefits Administration (VBA), part of the Department of Veterans Affairs. Partial benefits are available after 90 days of active-duty service, and many members of the National Guard and reserves have met that threshold because they have been activated for extended periods in support of military operations in Iraq and Afghanistan. Those with longer active-duty service receive greater benefits.

Scope of This Report

This report focuses on the reserve component's use of Post-9/11 GI Bill benefits in 2016 and the cost of those benefits. (Throughout this report, "reserve component" refers collectively to the non-active-duty part of the U.S. military, which encompasses the National Guard and reserves.) In 2016, about 78,500 members of the reserve component used the program, and the total cost to VBA for those benefits was about \$1 billion. About half of that amount was for tuition and fees; most of the remainder was for housing allowances. The cost of providing education benefits to the reserve component

under the Post-9/11 GI Bill is higher than it was under earlier laws.

Whereas the Montgomery GI Bill–Selected Reserve program and the Reserve Educational Assistance Program (REAP) have been available only to members of the reserve component, the Post-9/11 GI Bill may be used by both the reserve and regular components. The report compares the way members of the reserve and regular components use their benefits.¹

CBO's Findings

Overall, there were few variations in how members of the reserve component and other veterans used their benefits, but there was a difference in how much those benefits cost.

- Spending on veterans from the regular component was higher on average, mainly because most of them were eligible for full benefits, whereas members from the reserve component were more likely to qualify for

1. In an earlier report, the Congressional Budget Office examined use of Post-9/11 GI Bill benefits by all veterans (including members of the reserve component) and their eligible dependents. See Congressional Budget Office, *The Post-9/11 GI Bill: Beneficiaries, Choices, and Cost* (May 2019), www.cbo.gov/publication/55179.

Notes: All years referred to in this report are federal fiscal years, which run from October 1 to September 30 and are designated by the calendar year in which they end. Unless otherwise specified, all dollar values are expressed in 2018 dollars; to remove the effects of inflation, the Congressional Budget Office adjusted the dollar values with the Bureau of Economic Analysis's gross domestic product price index. This report uses the terms "spending" and "payments" to refer to outlays, which are payments by the federal government to meet a legal obligation. Outlays may be made for obligations incurred in a prior fiscal year or in the current year. Numbers in the text and tables may not add up to totals because of rounding.

a lower benefit level because they tend to have less time on active duty.

- The Congressional Budget Office found that the average annual spending per person in the reserve component was \$12,500 in 2016 (measured in 2018 dollars).
- By comparison, average annual spending per person for beneficiaries from the regular component was \$18,800.

There was little distinction between the ways members of the National Guard and members of the reserves used their Post-9/11 GI Bill benefits.

The National Guard and Reserves

The National Guard and reserves supplement the military's regular (active-duty) component as required. Each branch—the Army, Air Force, Navy, Marine Corps, and Coast Guard—has a reserve. In addition, the Army and Air Force each have a National Guard. Whereas the reserves are controlled by each service, National Guard units are generally organized and controlled at the state level by their governor. (An exception is the District of Columbia National Guard, which is under control of the President of the United States.) The federal government can call up members of the National Guard and reserves (that is, order them to active duty) under various statutory authorities.² When members of the National Guard are called up by the President, they receive federal pay and benefits; otherwise, they receive state pay and benefits.

Most members of the National Guard and reserves who are ordered to active duty (activated) are drawn from the Selected Reserve. Members of the Selected Reserve are generally required to perform one weekend of training each month and two weeks of training each year.³ In 2018, the reserve component was much smaller than the regular component: There were 803,000 service members in the reserve component, compared with 1,317,000 in the regular component.

2. See Lawrence Kapp and Barbara Salazar Torreon, *Reserve Component Personnel Issues: Questions and Answers*, Report for Congress RL30802 (Congressional Research Service, updated October 4, 2018), <https://go.usa.gov/xVS5Q> (PDF, 1.1 MB).

3. Ibid.

Overview of Benefits

The Post-9/11 GI Bill provides education and associated benefits to service members and veterans who served on active duty on or after September 11, 2001, and to their eligible dependents.⁴ In addition to receiving support for tuition, most beneficiaries qualify for a housing stipend and reimbursement for expenses such as books and test fees.⁵ Because partial benefits are available after as few as 90 days of active-duty service, many members of the reserve component who have been called up for federal duty are eligible for at least some benefits under the Post-9/11 GI Bill.

Range of Benefits

The program's benefits include tuition, fees, and a housing allowance. The total cost of tuition and fees at public institutions is covered at the in-state rate. For private schools and foreign universities, VBA covers up to \$24,477 (in 2019 dollars) in tuition and fees for the 2019–2020 academic year.⁶

Housing is the other primary expense for postsecondary students besides tuition and fees. Almost all Post-9/11 GI Bill beneficiaries receive a partial or full housing allowance.⁷ The full housing stipend is equivalent to what the Department of Defense (DoD) pays

4. Originally enacted as title V of the Supplemental Appropriations Act, 2008, Public Law 110-252, the Post-9/11 GI Bill has been frequently amended in subsequent years, most recently in August 2017 by the Harry W. Colmery Veterans Educational Assistance Act of 2017, P.L. 115-48, 131 Stat. 973.

5. For the history and benefits of the Post-9/11 GI Bill, see Cassandra Dortch, *Harry W. Colmery Veterans Educational Assistance Act of 2017 (P.L. 115-48)*, Report for Congress R45205 (Congressional Research Service, May 16, 2018), <https://go.usa.gov/xpVXU> (PDF, 1.2 MB), and *The Post-9/11 GI Bill: A Primer*, Report for Congress R42755 (Congressional Research Service, updated August 1, 2018), <https://go.usa.gov/xpVXp> (PDF, 1.2MB).

6. Beneficiaries who enroll at institutions with tuition and fees that exceed the \$24,477 cap may be eligible for the Yellow Ribbon GI Education Enhancement Program, which covers part or all of the costs above the cap. Tuition data in this report include Yellow Ribbon contributions. For a description of that program, see Department of Veterans Affairs, Education and Training, "Yellow Ribbon Program," www.benefits.va.gov/GIBILL/yellow_ribbon.asp.

7. In 2016, about 90 percent of Post-9/11 GI Bill beneficiaries from the reserve component received money for housing. Beginning in 2019, the housing allowance for Post-9/11 GI Bill beneficiaries is the same as that for DoD, which is 5 percent below the average rental cost in each locality; previously, VBA was exempt from that reduction. Data in this report reflect the earlier 100 percent rate with no reductions.

as a monthly housing allowance to an enlisted service member with dependents and rank of E-5 near the physical campus where the beneficiary attends the majority of classes.⁸ Students must attend school more than half time to qualify for the housing allowance.⁹ Beneficiaries engaged in on-the-job training or an apprenticeship may also receive the housing allowance.

Other covered or partially covered expenses include books, licensing or certifications, national exams, tutoring, and moving (only for rural veterans).¹⁰ Most of the smaller categories have fixed amounts; for example, a certification or licensing test is fully reimbursed, up to an annual maximum of \$2,000 per test. Beneficiaries who participate in the veterans' work-study program accept part-time jobs that are paid partly or fully by VBA.

There is no set dollar amount for an individual's benefits under the Post-9/11 GI Bill. The benefit is scaled so that those who spend more time on active duty receive a larger benefit than those who serve for shorter periods. Benefits are measured in days and months. Anyone who qualifies is eligible for 36 months of education or training, but the share of expenses that VBA will pay for that education depends on the time served by the member. Someone who served on active duty for 36 months or longer is eligible for 100 percent of the benefit and would have all tuition and fees covered at the in-state rate at a public school, receive the full housing allowance, and receive the

maximum amount for books and related expenses. Those who were on active duty for less than 36 months receive a reduced benefit. For example, someone who served on active duty for 20 months is eligible for 70 percent of the benefit and would receive 70 percent of those amounts for tuition, housing, and educational expenses.

How Members of the Reserve Component Qualify for Benefits

Any service member who has 90 total days of active-duty service (excluding basic and skills training) on or after September 11, 2001, or who has been discharged with a service-connected disability after at least 30 continuous days of active duty, or who has been awarded a Purple Heart, may apply for benefits under the Post-9/11 GI Bill.¹¹ The lowest benefit level begins at 40 percent for service members with active-duty service of least 90 days but less than 6 months; in August 2020, it will rise to 50 percent for the same active-duty service requirement. In 2016, about 40 percent of reservists and one-quarter of National Guard members who used Post-9/11 GI Bill benefits had served 36 months of active duty and were eligible to have their education paid at the 100 percent level, CBO estimates.

To qualify for benefits, a member of the reserve component must have been released from active duty with an honorable discharge—either when converting back to inactive status or when separating from the military. No type of inactive-duty training (drills and funeral honors), including annual training, qualifies as service for Post-9/11 GI Bill education benefits, but time used for medical care that is authorized by DoD does. Beneficiaries may use Post-9/11 GI Bill benefits whenever they like, with the exception of those who left service before January 1, 2013, who must use their benefits within 15 years of discharge.

Like those in the regular component, members of the reserve component who have accumulated benefits under the Post-9/11 GI Bill may transfer some or all of their benefits to their spouse or children after completing six years of satisfactory service, although children must wait until the member has completed 10 years of service

8. The military uses pay grades for enlisted service members, starting with E-1. Service members in the first three pay grades are usually in training status; an E-5 is an experienced midlevel service member who has finished training or is on assignment. DoD publishes E-5 housing rates for service members with dependents that are about 10 percent higher than the rate for those without dependents, but the percentage increase for dependents varies considerably by location.

9. The formula for quantifying a student's rate of attendance for the purposes of the housing allowance varies by school. VBA determines a "rate of pursuit," which is expressed as a percentage calculated as the number of credits for which the student is enrolled divided by the number of credits considered to be full time. A student with a rate of pursuit greater than 50 percent qualifies for the housing allowance.

10. About 1,000 beneficiaries from the reserve component in 2016 received reimbursement for certification and licensing tests, national exams, or tutorial assistance, or participated in the veterans' work-study program. About 1,400 beneficiaries were given a onetime payment, generally to cover a previous shortage in one of those payment categories.

11. The Purple Heart medal is awarded to service members wounded or killed by enemy action. Purple Heart recipients are eligible at the 100 percent level regardless of the length of active-duty service.

Box 1.**Transferring Post-9/11 GI Bill Benefits to Dependents**

Members of the armed forces may transfer all or part of their educational benefit to dependents—a spouse, one or more children under age 23, or a combination thereof—as long as they spent at least 90 days on active duty, completed at least six but not more than 16 years of service, and agree to serve four additional years. Transferability is subject to an approval process and is not guaranteed.

An eligible service member in the regular or reserve component may transfer up to 36 months' worth of benefits. For example, a service member may use 12 months' worth of benefits while on active duty, transfer 12 months' worth to one child, and transfer the remaining 12 months to another child.

Most members in the regular component complete at least 36 months of active duty, and as a result the Veterans Benefits Administration (VBA) covers all of their eligible expenses. (That level of benefits is known as the 100 percent level.) However, members in the reserve component have far less opportunity to accrue 36 months of active duty. They may serve many years before qualifying for the 100 percent level of benefits unless they previously served in the regular component. For instance, a member of the National Guard with 6 years of service can transfer 36 months of benefits. However, if only 20 months of those years were spent on active duty, VBA would pay only 70 percent of the benefits. (Some members of the reserve component with prior service in the regular component may

already have transferred some or all of their benefits while on active duty.)

The spouses of service members can use benefits immediately after receiving them or up to 15 years after the member separates from the armed forces if the member separated before January 2013; otherwise, the spouse may use benefits whenever he or she chooses. A dependent child may use the benefits only after the member has completed at least 10 years of qualifying service and only for postsecondary education. Children must have a high school diploma or be 18 years old, and they must finish using the benefits before age 26.

VBA did not provide data on the number of dependents using Post-9/11 GI Bill benefits. However, some relevant financial data were available. In 2016, spending for dependents of reservists accounted for about 30 percent of spending for all dependents (including those of active-duty members and veterans) under the Post-9/11 GI Bill. Members of the reserve component, by contrast, accounted for about 11 percent of Post-9/11 GI Bill spending for all veterans that year. That suggests that members of the reserve component are either more likely to pass their benefits on to their children than are members in the regular component, or that dependents from the reserve component spend more per student. (Spending for all dependents accounted for 15 percent, or \$1 billion, of total spending for Post-9/11 GI Bill beneficiaries in 2016.)

before using the benefit. Transferring benefits to dependents incurs an additional four-year service commitment (see Box 1).¹²

Eligible Schools and Programs

With few exceptions, any program or course with an educational, professional, or vocational objective may receive funds under the Post-9/11 GI Bill as long as it has been approved by the state in which it is located. To oversee participating educational institutions, VBA

contracts with state approving agencies (SAAs), which are partly or fully paid for by VBA.¹³ SAAs differ in structure, and their standards for approval differ as well, although they must follow federal statutory criteria in approving programs that will receive funding under the GI Bill. Institutions are not required to adhere to federal

12. As of September 2019, 213,100 members of the reserve component had been approved to transfer Post-9/11 GI Bill benefits to 450,900 family members. That compares with 430,800 members of the regular component transferring Post-9/11 GI Bill benefits to 1,051,600 family members.

13. An SAA currently works with a VBA liaison in every state, with the exception of California, Hawaii, and New Mexico; for programs in those states, VBA's regional staff evaluates applications and provides oversight directly. VBA rates the SAAs in each state every year for quality control. The amount that can be paid to SAAs each year is set in statute and adjusted for inflation. See Government Accountability Office, *VA Education Benefits: VA Needs to Ensure That It Can Continue to Provide Effective School Oversight*, GAO-19-3 (November 14, 2018), www.gao.gov/products/GAO-19-3.

standards that colleges and universities must follow in order to receive financial aid.¹⁴ That is because Post-9/11 GI Bill funds are not considered federal student aid.

SAAAs are also responsible for approving on-the-job training and apprenticeships. For those programs, a veteran generally enters into a training contract for a specific period with an employer or union, and at the end of the training period receives a certification or journeyman status.

Post-9/11 GI Bill Benefits Compared With Other Educational Benefits

From 1985 to 2006, the main educational assistance program for members of the reserve component was the Montgomery GI Bill–Selected Reserve. As the conflicts in Iraq and Afghanistan continued, lawmakers enhanced educational benefits for members of the reserve component, first by enacting legislation that authorized REAP in 2004, and later by including them as beneficiaries of the Post-9/11 GI Bill.

Since 1985, members of the reserve component have been eligible for the Montgomery GI Bill–Selected Reserve program if they commit to a further six-year obligation in the Selected Reserve (for enlisted members) or to six years in addition to their original obligation (for officers), and remain in good standing while serving. Unlike the Montgomery GI Bill–Active Duty program, there is no financial commitment required of service members.¹⁵ Effective October 2019, the basic total benefit for full-time study is \$392 per month (in 2019 dollars) for up to 36 months; for on-the-job training and apprenticeships, \$294 per month for the first 6 months. Eligibility usually ends when a member leaves the reserve component, with some exceptions. The Montgomery GI Bill–Selected Reserve program is funded through DoD; however, VBA administers the benefit.

In 2004, the Congress established REAP for members of the reserve component who were activated in support

of a war or national emergency. Under REAP, eligible members of the reserve component who were in active-duty status for at least two consecutive years or an aggregate of three years received the maximum amount of \$1,595 per month for up to 36 months; those who were activated for a shorter time had a smaller benefit. The National Defense Authorization Act of 2016 ended REAP on November 25, 2015. Beneficiaries who were attending school before that date remained eligible for REAP benefits until November 25, 2019. Members of the reserve component who were not attending school at that time lost REAP benefits; however, they could apply for benefits under the Post-9/11 GI Bill, for which most are eligible.

The Post-9/11 GI Bill was thus the second new educational benefit created by the Congress that was available to members of the reserve component. The Post-9/11 GI Bill has no explicit monetary cap, includes an option to transfer benefits to dependents, and has no deadline for using the benefits. Data provided by VBA show that members of the National Guard and reserves who were eligible for more than one educational program began using the Post-9/11 GI Bill when that program started; there was a concomitant decrease in beneficiaries using REAP. In 2010, the first full year that the Post-9/11 GI Bill was available, the number of REAP beneficiaries dropped by 25 percent, to about 30,000, and it continued to fall until the program ended in 2015.

In general, those in the reserve component who have been activated long enough to qualify for multiple educational benefits since September 11, 2001, receive a greater benefit under the Post-9/11 GI Bill than under the Montgomery GI Bill–Selected Reserve program or REAP. The increase in the number of reservists who received benefits under the Post-9/11 GI Bill in the mid-2000s is probably attributable to the heavy use of reservists in Iraq and Afghanistan; likewise, the drawdown of deployed forces from 2011 on probably influenced a recent reduction in the number of beneficiaries using the program.

The Reserve Component's Use of the Post-9/11 GI Bill

In analyzing how members of the reserve component used their educational benefits, CBO relied primarily

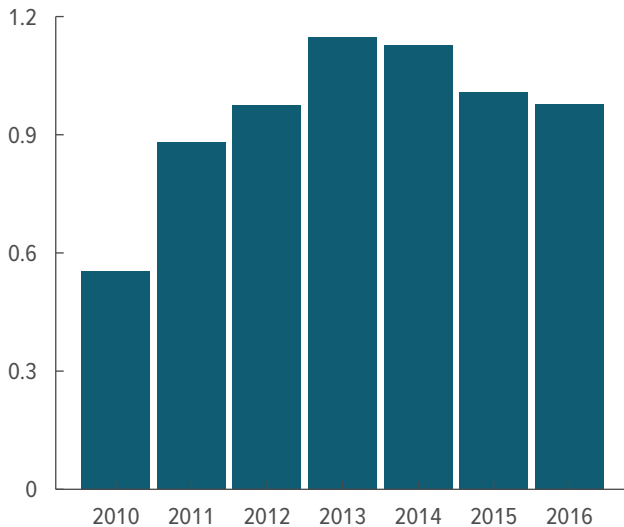
14. The requirements for federal student aid were established in titles IV and IX of the Higher Education Act of 1965, P.L. 89-329, and later amendments.

15. The Montgomery GI Bill–Active Duty requires a onetime, \$1,200 contribution during the first year of service in the form of a pay reduction. Benefits must be used within 10 years of leaving service.

Figure 1.

Historical Spending Under the Post-9/11 GI Bill for Members of the National Guard and Reserves

Billions of 2018 Dollars



Source: Congressional Budget Office, using data from the Department of Veterans Affairs.

Data include the Coast Guard Reserve, which accounted for about 1 percent of all beneficiaries in the reserve component.

on VBA's data. CBO examined two types of reserve beneficiaries:

- Those who had only served in the reserve component and who had been activated for 90 days or more (thereby qualifying for benefits), and
- Those who had previously been in the regular component—that is, active-duty service members—before joining the National Guard or reserves and had been activated while in the reserve component.

The second group could have qualified for some or all Post-9/11 GI Bill benefits because of their prior service in the regular component or because of their subsequent service in the reserve component, but VBA's data do not reflect which criterion applied. Rather, VBA identified the branch and component in which beneficiaries had last been activated. As a result, members of the reserve component who were entitled to Post-9/11 GI Bill benefits based on prior service in the regular component but who had not yet been activated while in the reserve component were excluded from the data.

VBA's data did not indicate whether members of the reserve component who used the Post-9/11 GI Bill had separated from the military at the time they used those benefits. However, DoD indicated to CBO that most members of the reserve component who use their Post-9/11 GI Bill benefits do so while they are still serving.

The cost of providing benefits to the reserve component under the Post-9/11 GI Bill was higher than under earlier laws. Spending was highest in 2013, about \$1.2 billion. That amount would have been larger if all beneficiaries from the reserve component qualified at the full benefit level: Just one-third of members from the reserve component spent enough time on active duty to receive 100 percent of benefits.

There were few or no differences in outcomes between members of the National Guard and members of the reserves. Generally, beneficiaries in the reserve component made educational choices that were the same or almost the same as those made by all veterans (see Box 2). No information was available on dependents who used benefits transferred to them by members of the reserve component, so dependents were excluded.

Cost of Providing Benefits to the Reserve Component

In 2010, the first full fiscal year of the Post-9/11 GI Bill, spending for enrolled students from the reserve component totaled about \$570 million (measured in 2018 dollars), CBO estimates. Annual spending peaked in 2013, at approximately \$1.2 billion, and fell each year thereafter (see Figure 1). The number of beneficiaries also peaked in 2013, at about 90,000, and has since decreased. Throughout the 2010–2016 period, spending for members in the reserve component was about 10 percent of total spending for all beneficiaries, and beneficiaries from the reserve component comprised about 14 percent of all beneficiaries.

It is unclear why there have been fewer Post-9/11 GI Bill beneficiaries since 2013, although a similar drop occurred among all Montgomery GI Bill beneficiaries. It might be that there were an unusually large number of beneficiaries in the early years of the Post-9/11 GI Bill because members of the reserve component who had not used education benefits found the new program attractive. Or perhaps the drawdown in deployed forces beginning in 2011 meant that fewer members of the reserve component were activated, and so fewer qualified for the

Box 2.

Beneficiaries From the Reserve Component Compared With Those From the Regular Component

This table compares various characteristics of veterans from the military’s regular (active-duty) component to veterans from National Guard and reserves (reserve component). The Veterans Benefits Administration (VBA) did not identify how beneficiaries qualified for Post-9/11 GI Bill benefits: prior

service in the regular component; activation while serving in the National Guard or reserves; or some combination of the two. Rather, VBA provided the military branch and component in which the beneficiary had last been in an activated status that counted as qualifying service for the Post-9/11 GI Bill.

Share of Veterans Using the Post-9/11 GI Bill, by Program Characteristic, 2016

Percent

	Regular Component	National Guard and Reserves	Total
Benefit Level			
40 percent	0	3	1
50 percent	1	16	4
60 percent	2	24	5
70 percent	2	8	3
80 percent	2	7	3
90 percent	3	7	4
100 percent	89	33	80
Type of Program			
Undergraduate	48	46	48
Junior college	28	24	27
Graduate	12	18	13
Noncollege	11	10	10
Apprentice or on-the-job training	1	2	1
Type of Institution			
Public	49	49	49
Nonprofit	18	21	18
For-profit	32	30	31
Rate of Attendance			
Full time (includes on-the-job training)	70	66	69
Between full time and half time	21	24	22
Half time or less	9	11	9
Use of Online Programs	12	14	13
Memorandum:			
Number of People Using the Program	426,400	78,500	505,000
Average Annual Spending per Person (2018 Dollars)	18,800	12,500	17,800
Average Spending per Person, by Category (2018 Dollars)			
Tuition and fees	8,500	5,600	8,100
Housing	9,400	6,300	8,900
Other	800	600	800

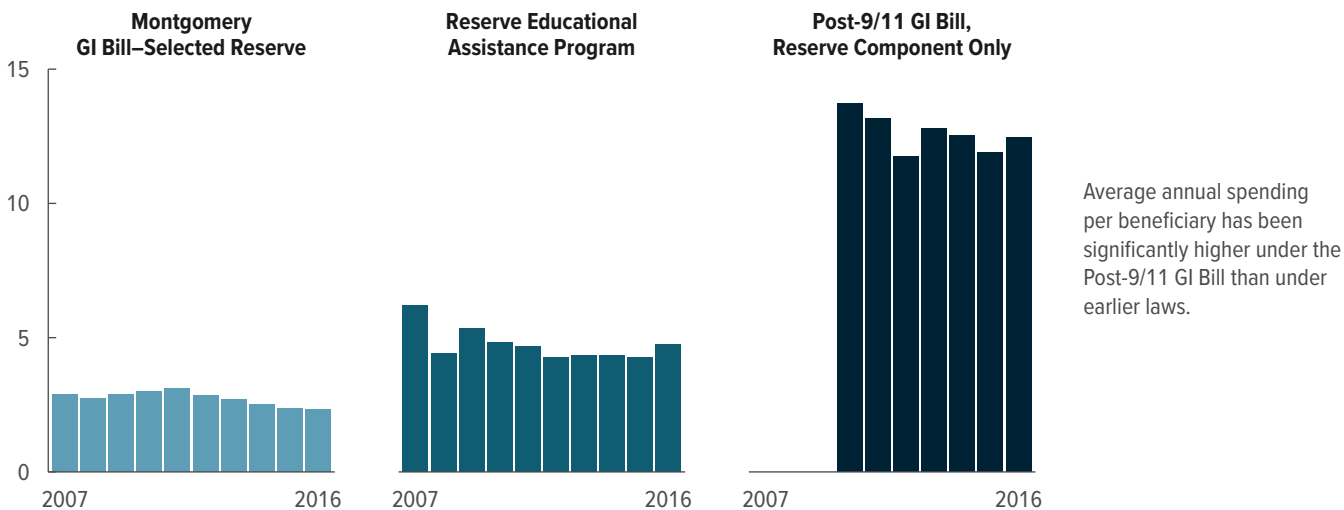
Source: Congressional Budget Office, using data from the Department of Veterans Affairs, the Department of Education, and the Distance Education Accrediting Commission.

Data include the Coast Guard Reserve, which accounted for about 1 percent of all beneficiaries in the reserve component.

Figure 2.

Average Educational Spending for a Member of the National Guard and Reserves Under Various Laws

Thousands of 2018 Dollars



Source: Congressional Budget Office, using data from the Department of Veterans Affairs.

Data include the Coast Guard Reserve, which accounted for about 1 percent of all beneficiaries in the reserve component.

Post-9/11 GI Bill. It might also be that after 2013, the improved economy made attending school less attractive than working. Or some combination of those or other factors might have played a role.

Benefits cost considerably more under the Post-9/11 GI Bill than under either the Montgomery GI Bill–Selected Reserve or REAP (see Figure 2). The average payment for each student from the reserve component under the Post-9/11 GI Bill was about \$12,600 annually from 2010 to 2016. That compares with annual averages of \$4,700 per person under REAP and \$2,700 per person under the Montgomery GI Bill–Selected Reserve during the 2007–2016 period.

CBO does not expect the number of Post-9/11 GI Bill beneficiaries to grow in the next decade. However, per-person spending will probably increase as long as tuition and housing costs continue to rise.

Demographic and Other Characteristics of Beneficiaries

In 2016, most beneficiaries from the reserve component using the Post-9/11 GI Bill, 78 percent, were men—about the same as the overall percentage of men in the reserve component. The Marine Corps Reserve had the largest share of male beneficiaries (93 percent) and the

Air Force Reserve had the smallest (68 percent). The average age of all beneficiaries was 37. Marine Corps reservists were the youngest beneficiaries (34 years old, on average) and Navy reservists the oldest (40 years old, on average).

In 2016, members of the National Guard made up 48 percent of beneficiaries under the Post-9/11 GI Bill, and members of the reserves made up 52 percent. The Army National Guard and Army Reserve had the most recipients (see Figure 3). By branch of service, the Army had the majority of beneficiaries (65 percent), with the remainder split evenly between the Air Force and Navy (including the Marine Corps). Each branch's share of beneficiaries was roughly proportional to its size; for example, in 2016, the Air Force accounted for 18 percent of recipients from the reserve component, and Air Force personnel represented 22 percent of the reserve component.

Almost 40 percent of members of the reserves qualified for full benefits under the Post-9/11 GI Bill compared with only 27 percent of the National Guard (see Figure 4). That is because, in general, only about one-third of the National Guard had previously served in the regular component, whereas more than half of those in the reserves had done so (56 percent). The same share of National

Guard members qualified at the 100 percent level (meaning that the member had been on active duty for at least 36 months) as at the 60 percent level (meaning that the member had been on active duty for 12 to 18 months).

Compared with the reserve component, a far larger share of the regular component that used Post-9/11 GI Bill benefits in 2016—about 90 percent—qualified for the full benefit. That discrepancy in benefit levels generally explains why average spending for veterans from the regular component was higher: Most of them had 100 percent of their expenses paid, unlike members of the National Guard and reserves. Despite the lower average benefits, members of the reserve component made decisions about types of programs, types of institutions, use of online programs, and rate of attendance similar to those of veterans from the regular component. Most students in the regular and reserve components had not exhausted their benefits. As of 2016, fewer than 1 in 100 beneficiaries in the reserve component had used all of their benefits (on average, they had used 12 out of 36 months’ worth).

Types of Schools and Programs That Beneficiaries Chose

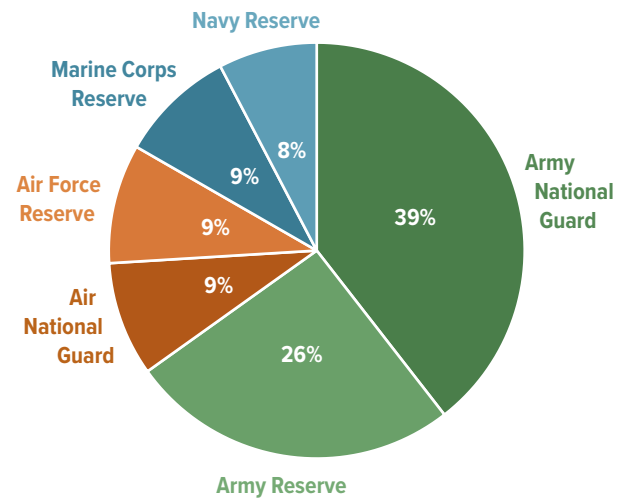
About half of beneficiaries from the reserve component who enrolled in education programs under the Post-9/11 GI Bill attended public institutions in 2016. Their rate of attendance at for-profit schools—about 30 percent—was similar to that of other veterans but much higher than the rate for all students nationwide; in 2016, about 10 percent of all postsecondary enrollment in the United States was at for-profit schools.¹⁶

Nearly half of beneficiaries from the reserve component enrolled in college (a four-year undergraduate program) in 2016 (see Figure 5). One in five members of the reserves chose graduate programs; fewer members of the regular component and the National Guard did. Otherwise, the program choices of beneficiaries in the

Figure 3.

Beneficiaries of the Post-9/11 GI Bill in the National Guard and Reserves, by Branch, 2016

The Army National Guard and Reserve accounted for nearly two-thirds of all beneficiaries in the reserve component.



Source: Congressional Budget Office, using data from the Department of Veterans Affairs.

National Guard and the reserves were similar. They were also similar to the choices of all veterans.

A majority of beneficiaries (66 percent) from the reserve component attended a program full time. A small minority (11 percent) attended school half time or less; the remainder attended more than half time but less than full time. Enrollment status varied considerably by type of degree or training. For example, half of the enrollees who went to junior colleges attended full time, compared with 79 percent of those in noncollege programs (which were mainly trade and technical schools).

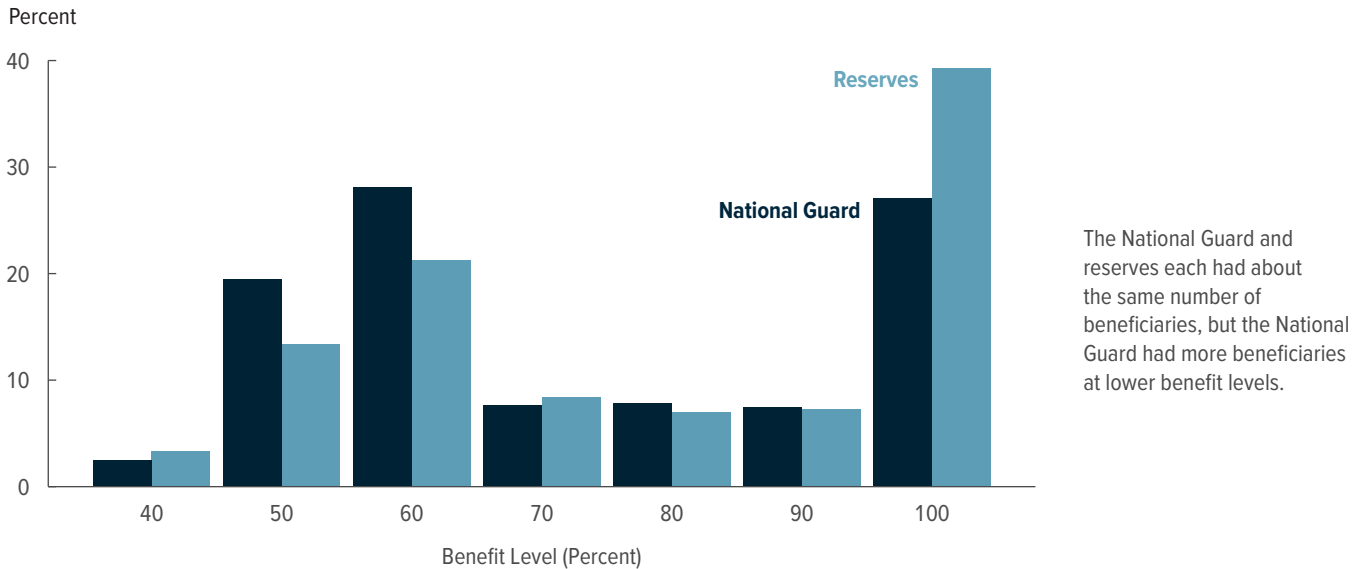
The enrollment rate for members of the reserve component in programs that were offered mostly or entirely online was 14 percent, slightly higher than the rate for all students nationwide.¹⁷ The most popular online

16. An estimated 1.4 million students enrolled in private, for-profit institutions that participate in Title IV programs; Cellini and Goldin estimated that another 670,000 students attended for-profit institutions that do not receive federal aid. See National Center for Education Statistics, “Digest of Education Statistics 2017,” Table 303.20, <https://go.usa.gov/xEkXA>; and Stephanie Riegg Cellini and Claudia Goldin, “Does Federal Student Aid Raise Tuition? New Evidence on For-Profit Colleges,” *American Economic Journal: Economic Policy*, vol. 6, no. 4 (November 2014), pp. 174–206, <https://tinyurl.com/u4zvzf2>.

17. For comparison, the Department of Education reported that among schools participating in Title IV programs in 2012, approximately 12.5 percent of students enrolled exclusively in online, or distance, programs, and another 13.5 percent enrolled in some online programs. See Department of Education, National Center for Education Statistics, *Enrollment in Distance Education Courses, by State: Fall 2012* (prepared by RTI International, June 2014), <https://nces.ed.gov/pubs2014/2014023.pdf> (903 KB).

Figure 4.

Distribution of Service Members in the National Guard and Reserves Who Used the Post-9/11 GI Bill, by Benefit Level, 2016



Source: Congressional Budget Office, using data from the Department of Veterans Affairs.

Benefit levels are based on length of active-duty service as follows: 40 percent = 90 days to less than 6 months; 50 percent = 6 months to 12 months; 60 percent = 12 months to 18 months; 70 percent = 18 months to 24 months; 80 percent = 24 months to 30 months; 90 percent = 30 months to 36 months; 100 percent = at least 36 months, at least 30 continuous days with a discharge due to a service-connected disability, or receipt of a Purple Heart award. Beginning in August 2020, the benefit level for those serving 90 days to 6 months increases to 50 percent, and the benefit level for those serving 6 months to 12 months increases to 60 percent.

programs were for college, which accounted for about 75 percent of all online use; graduate programs were an additional 20 percent of that total. Most of the online programs (88 percent) were offered by for-profit firms. (Many institutions offer some online courses even if an entire program is not online; those programs are not included in CBO's tallies of online programs.) Those patterns were similar to those of all veteran beneficiaries.

Spending per Beneficiary

The average payment in 2016 for a beneficiary of the Post-9/11 GI Bill with service in the reserve component was \$12,500, slightly less than the average from 2010 to 2016. That average annual spending was about \$6,300 less than for veterans from the regular component, largely because fewer members of the reserve component qualified at the 100 percent level. Housing allowances accounted for the largest share of payments, 50 percent.

Tuition and fees made up most of the remainder, 45 percent. Other spending was mainly for books.

Spending per service member was similar in all three branches. Average spending per student was \$11,700 in the Army; \$11,900 in the Air Force; and \$13,400 in the Navy (including Marine Corps). The share of total spending by service was roughly proportional to the size of each branch's reserve. The Army accounted for 63 percent of total spending and 67 percent of the total members of the reserve component; the Air Force represented 18 percent of total spending and 22 percent of the reserve component, and the Navy accounted for 19 percent of total spending and 12 percent of the reserve component.

Total payments in 2016 were highest, on average, for students in graduate programs (\$13,500), followed closely by undergraduate students (\$13,200) and noncollege

students (\$13,000). Junior college enrollees cost less, an average of \$10,400. The average payment for tuition and fees for most programs was between \$6,700 and \$7,800; however, it was much lower at junior colleges: \$3,500, on average.

The highest tuition payments per student in 2016 (\$100,000 or more) were for programs that trained helicopter and fixed-wing aircraft pilots at community colleges. Tuition payments were similarly high for medical and other professional degrees at universities. Otherwise, per-person payments for tuition and fees were often much lower for beneficiaries enrolled in public programs than for those in private nonprofit or for-profit institutions (see Table 1). For most students, payments for housing were about the same as payments for tuition and fees; the exception was for students at community colleges, which on average have very low tuition and fees.

In 2016, programs that were primarily online cost less per student (\$9,200) than other programs because tuition and fees were lower (\$5,000) than the average for all programs (\$6,200). Average housing costs were also lower for online students (\$4,100), because their housing allowance was set at half the average amount DoD pays for an E-5 with dependents.

Data Used in the Analysis

VBA collects some data about beneficiaries: their date of birth, sex, branch of service, separation date, benefit level, and enrollment status (full time or part time); the number of months they have used the benefit; and the type of degree or training they pursued. VBA’s data cover every enrollee for whom VBA made a payment in a fiscal year. The amount spent on each beneficiary is separated into tuition and fees, housing, and several smaller categories.¹⁸ (VBA does not regularly collect data on students’ graduation rates or on how veterans fare after their schooling is complete.¹⁹)

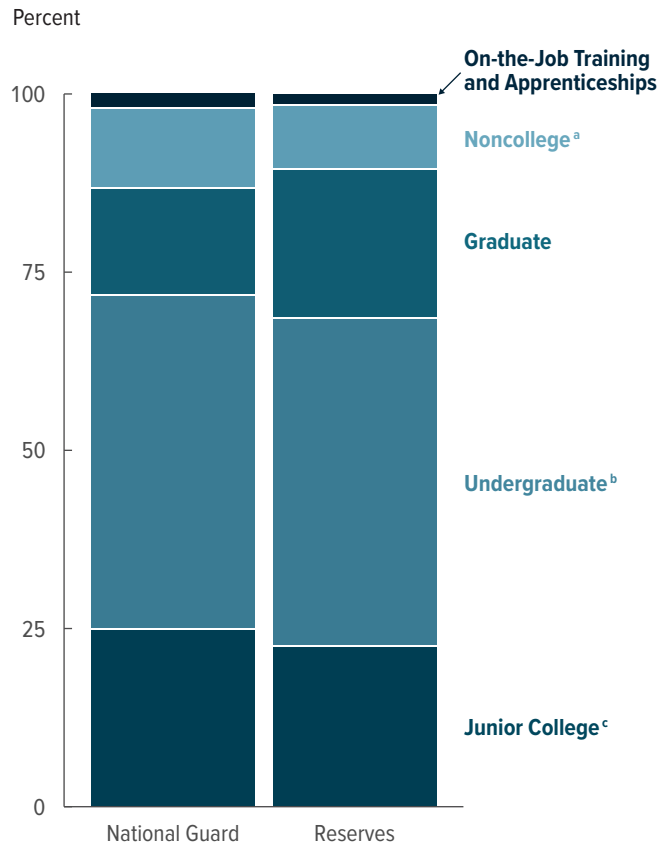
18. The other disbursement categories are fees for licenses and certifications, national exams, onetime payments, tutoring, work-study jobs, and a payment to rural residents to assist with relocation expenses.

19. In a 2015 report, VBA stated that 48 percent of veterans who used the Post-9/11 GI Bill completed degrees within six years, a rate similar to students in the general population (49 percent). See Department of Veterans Affairs, *2015 Veteran Economic Opportunity Report*, <https://go.usa.gov/xpy37> (PDF, 4.5 MB).

Figure 5.

Share of Post-9/11 GI Bill Beneficiaries From the National Guard and Reserves, by Choice of Program, 2016

Beneficiaries chose undergraduate programs more often than other types of programs.



Source: Congressional Budget Office, using data from the Department of Veterans Affairs.

- a. Primarily trade and technical schools.
- b. Four-year undergraduate programs.
- c. Two-year undergraduate programs and certificates.

CBO supplemented the data provided by VBA with information from the Department of Education and the Distance Education Accrediting Commission regarding institutional type (public, private, for-profit) and online programs, respectively. CBO considered a program to be online if VBA described it as such or if the majority of an institution’s programs were offered online.

Data limitations affected this report. VBA provided information for each year separately, and results reflect

Table 1.

Average Tuition and Fees Paid for Beneficiaries of the Post-9/11 GI Bill From the National Guard and Reserves, 2016

2018 Dollars

	Public	Nonprofit	For-Profit
Junior College	2,500	7,800	10,500
Undergraduate	5,200	7,200	7,100
Graduate	7,500	7,900	6,400
Noncollege	2,300	5,900	9,300

Source: Congressional Budget Office, using data from the Department of Veterans Affairs and the Department of Education.

Number of beneficiaries pursuing each type of program: Graduate = 13,500; Undergraduate = 35,200; Junior college = 17,800; Noncollege = 7,000. Beneficiaries are excluded if the type of institution they attended (public, nonprofit, or for-profit) is unknown.

only a single year’s outlays rather than what the average beneficiary spends over the maximum of 36 months. Because data were for fiscal rather than academic years, a record may contain information for two or more separate programs attended by an individual during that year. The data on beneficiaries exclude those who served in the Coast Guard Reserve unless otherwise noted. (The effect of that omission is small, however: In 2016, for example, 560 beneficiaries served in the Coast Guard Reserve, less than 1 percent of the total number of beneficiaries from the reserve component who used the program in that year.)

This Congressional Budget Office report was prepared at the request of the Ranking Member of the House Budget Committee. In keeping with CBO’s mandate to provide objective, impartial analysis, the report makes no recommendations.

Elizabeth Bass prepared the report with guidance from David Mosher and Edward G. Keating. Adebayo Adedeji, Nabeel Alsalam, Heidi Golding, Paul Holland, and David Newman provided useful comments, as did Jennie W. Wenger of RAND. (The assistance of external reviewers implies no responsibility for the final product, which rests solely with CBO.) Major Robert Carter, a fellow at CBO from the Air Force, fact-checked the report.

Wendy Edelberg and Robert Sunshine reviewed this report. The editor was Elizabeth Schwinn, and the graphics editor was Casey Labrack. An electronic version is available on CBO’s website (www.cbo.gov/publication/55916).

CBO continually seeks feedback to make its work as useful as possible. Please send any comments to communications@cbo.gov.



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