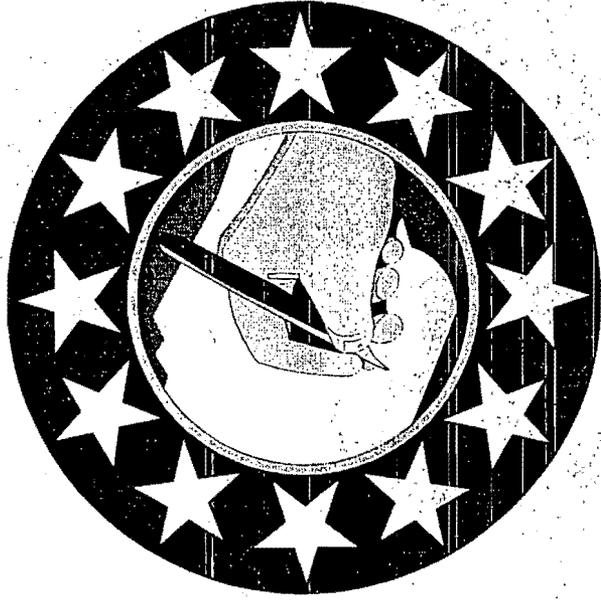


# The GI Bill

From  
Roosevelt



To  
Montgomery

## GI Bill History

### Background

#### Purpose

The purposes of the current educational assistance program, known as the Montgomery GI Bill--Active Duty (MGIB), are stated in chapter 30 of title 38, United States Code. They are:

- To help the members of the Armed Forces adjust to civilian life after separation from service
- To give those who cannot afford a higher education the chance to get one
- To restore lost educational opportunities and vocational readjustment to service members who lost these opportunities as the result of their active military duty
- To promote and assist the All-Volunteer Force program of the Armed Forces
- To aid in the retention of personnel in the Armed Forces
- To enhance our Nation's competitiveness through the development of a more highly educated and productive work force

(1)

The purpose of the educational assistance program for Selected Reservists, known as the Montgomery GI Bill--Selected Reserve (MGIB-SR) is stated in chapter 1606 of title 10, United States Code. The purpose of this program is to encourage membership in units of the Selected Reserve and National Guard.

The purposes of the educational assistance program for dependents and survivors of veterans, The Dependents Educational Assistance Program (DEA), are stated in chapter 35 of title 38, United States Code. The purposes are:

- To provide educational opportunities to children whose education is impeded or interrupted by the disability or death due to military service of a parent
- To help prepare surviving spouses of veterans who died because of military service and spouses of veterans who are totally disabled, to support themselves and their families



(2)

### Early Veterans' Benefits

America has traditionally compensated its veterans for their services. Veterans' benefits, in fact, date back to the earliest days of our history. In 1636 the Pilgrims declared: "If any person shalbe sent forth as a soldier and shall return maimed hee shalbe mayntained competently by the Collonie during his life." Early in the Revolutionary War, the Continental Congress created the first veterans' benefits package, which included life-long pensions for both disabled veterans and dependents of soldiers killed in battle. The last surviving dependent continued to receive benefits until 1911.



Veterans of the War of 1812, the Mexican War, the Civil War, the Indian wars, and the Spanish-American War also received benefits. The most common type of benefit was "mustering out" pay. Congress also passed several land grant acts during the 1850s to encourage the settling of the frontier. Veterans received more than forty-seven million acres of land as a result of these acts.

Education benefits for veterans date back to the beginning of the twentieth century. Congress recognized that military service prevented young people from receiving training for

employment or a vocation and passed the Rehabilitation Act of 1919. This act gave veterans disabled in World War I a monthly education assistance allowance.

### GI Bill of Rights

On June 22, 1944, President Franklin D. Roosevelt signed the "Servicemen's Readjustment Act of 1944," better known as the "GI Bill of Rights."

At first the subject of intense debate and parliamentary

maneuvering, the famed legislation for veterans of World War II has since been recognized as one of the most important acts of Congress. During the past five decades, the law has made possible the investment of billions of dollars in education and training for millions of veterans, and the nation has in return earned many times its investment in increased taxes and a dramatically changed society.



President Roosevelt signs  
"GI Bill of Rights"

*An Uncertain Beginning* - Though the GI Bill became law in a fast-paced six months, many in Congress and educators at colleges and universities had serious misgivings. Some felt it was too expensive and would encourage sloth among veterans. Others feared veterans would lower standards in education. But dire economic predictions for the post-war years created a great pressure to pass offsetting legislation. Many saw a postwar America faced with the loss of millions of jobs, creating unprecedented unemployment. Many business and government leaders anticipated a widespread economic depression after the war. As early as 1942, plans were being made to handle the anticipated postwar problems. The National Resources Planning Board, a White House agency, had studied postwar manpower needs and in June 1943 recommended a series of programs for education and training.

It was the American Legion, however, that is credited with designing the main features of the GI Bill and pushing it through Congress. The Legion overcame objections by other organizations that the proposed bill was too sweeping and could jeopardize veterans getting any help at all. At the time Congress already had failed to act on about 640 bills concerning veterans. The GI Bill was introduced in the Congress in January 1944, and after a nationwide campaign it passed on June 13.

President Roosevelt signed it into law on June 22. In the years since, legislation for veterans, often called GI Bills, has adjusted benefits to fit changes in America. Men and women in uniform still earn education benefits. In addition to being used to help veterans ease into civilian life, education benefits now are offered as an incentive to join the current all-volunteer military forces. As background to our description of the current benefit programs, we have outlined below the main provisions of the GI Bills associated with World War II, the Korean Conflict, and the Vietnam Era.

### *World War II GI Bill*

The first GI Bill provided six benefits:

- education and training
- loan guaranty for a home, farm, or business
- unemployment pay of \$20 a week for up to 52 weeks
- job-finding assistance
- top priority for building materials for VA hospitals
- military review of dishonorable discharges

The first three of these benefits were administered by VA.

To be eligible for GI Bill education benefits, a World War II veteran had to serve 90 days or more after September 16, 1940; and have other than a dishonorable discharge. Veterans of the war were entitled to one year of full-time training plus a period equal to their time in service, up to a maximum of 48 months.

VA paid the educational institution up to a maximum of \$500 a year for tuition, books, fees, and other training costs. VA also paid the single veteran a subsistence allowance of up to \$50 a month. This was increased to \$65 a month in 1946 and to \$75 a month in 1948. Allowances for veterans with dependents were higher.

This program ended July 25, 1956. In the peak year of 1947, veterans accounted for 49 percent of college enrollment. Out of a veteran population of 15,440,000, some 7.8 million were trained, including:

- 2,230,000 in college
- 3,480,000 in other schools
- 1,400,000 in on-job training
- 690,000 in farm training

Total cost of the World War II education program was \$14.5 billion. Millions who would have flooded the labor market instead opted for education, which reduced joblessness during the demobilization period.

When they did enter the labor market, most were better prepared to contribute to the support of their families and society.

### *Korean Conflict GI Bill*

Public Law 550, the "Veterans Readjustment Assistance Act of 1952," was approved by President Truman on July 16, 1952. To be eligible for Korean GI Bill benefits, a veteran had to:

- serve 90 days or more after June 27, 1950,
- enter service before Feb. 1, 1955, and
- receive an other than dishonorable discharge.

Like the World War II program, the Korean GI Bill provided education and training benefits as well as home, farm, and business loans. But unlike the federally funded unemployment allowance for World War II veterans, it made payment of unemployment compensation a state function.

VA paid a single veteran an education benefit of up to \$110 a month, out of which the veteran paid for tuition, books, fees, supplies, and other training costs. Allowances for veterans with dependents were higher. The decision to have veterans pay for their tuition and books was made after Congressional hearings disclosed

fraud by colleges and other institutions in the program for World War II veterans. Korean Conflict veterans were entitled to GI Bill education and training for a period equal to one and one-half times their active service, up to a maximum of 36 months of training.

This program ended on January 31, 1965. During the course of the program, 2,391,000 of 5,509,000 eligible veterans received training, including:

- 1,213,000 in institutions of higher learning
- 860,000 in other schools
- 223,000 on the job
- 95,000 in institutional on-farm training

Total cost of the Korean Conflict GI Bill education and training program was \$4.5 billion.

### ***Post-Korean - Vietnam Era GI Bill***

Public Law 358, the "Veterans Readjustment Benefits Act of 1966, " was approved by President Lyndon B. Johnson on March 3, 1966. Home and farm loans, job counseling, and an employment placement service were other benefits provided. The education and training program went into effect on June 1, 1966. It was retroactive, providing benefits to Post-Korean veterans, who served between February 1, 1955, and August 4, 1964, as well as to Vietnam Era veterans who served

between August 5, 1964, and May 7, 1975. For the first time in GI Bill history, service personnel also were eligible for GI Bill education and training while they were on active duty.

To be eligible, a veteran had to serve more than 180 continuous days, any part of which was after January 31, 1955, and have other than a dishonorable discharge. Participants on active duty had to have two years of service. This was later changed to 180 days.

Originally, this GI Bill provided one month of education and training for each month of service, for a maximum of 36 months. In December 1976, maximum entitlement was extended to 45 months.

A major change in 1967 enabled veterans to take cooperative farm, on-job, flight and correspondence training. Disadvantaged veterans, those who did not finish high school before entering service, were given full VA benefits while completing high school without losing any entitlement for college or other training.



VA paid the veteran directly, out of which he or she paid tuition, fees, books, and other training costs. At first, a single veteran received up to \$100 a month. Later legislation increased this rate as the following table shows:

Year in Which Rate Increased	Rate for Single Veteran
1967	\$130
1970	\$175
1972	\$220
1974	\$270
1976	\$292
1977	\$311
1980	\$327
1981	\$342
1984	\$376

This program ended on December 31, 1989. During the years of the program, a total of 8.2 million veterans and service members received training, as follows:

- 5.1 million in colleges
- 2.5 million in other schools
- 591,000 on the job
- 56,000 in on farm training

VA spent more than \$42 billion during this time to provide educational assistance.

## Description of Current Programs

### *38 U.S.C. Chapter 32, Post-Vietnam Era Veterans' Educational Assistance Program (VEAP)*

VEAP was the first GI Bill program which required a contribution by the service member. It was available to people who entered on active duty between December 31, 1976, and July 1, 1985. These service members could volunteer to contribute between \$25 and \$100 a month which would be matched on a 2-for-1 basis by the government. Total contribution by the service person could be no more than \$2700, but DOD could make additional contributions, or "kickers", into the fund on behalf of individuals in critical military fields to encourage enlistment or reenlistment in the Armed Forces. In 1996, Public Law 104-275 provided that certain VEAP participants who were on active duty on October 9, 1996, could elect MGIB. The deadline for this election is October 8, 1997. More than 70,000 servicepersons and a smaller number of veterans are eligible to make the election. Here is a summary of the main features of VEAP:

- First entered on active duty after December 31, 1976 and before July 1, 1985
- Contributed to VEAP while on active duty and before April 1, 1987

- Maximum contribution of \$2700
- Government matches \$2 for \$1
- Maximum entitlement is 36 months
- Must be used within ten years of discharge from the service
- Refunds of unused contributions available
- Additional "kickers" from DOD.
- Current full-time VEAP rate is \$300 per month plus any DOD "kicker"

**38 U.S.C. Chapter 30, Montgomery G. I. Bill - Active Duty Educational Assistance Program (MGIB)**

MGIB is the education program for individuals initially entering active duty after June 30, 1985. Payments for MGIB benefits currently represent 77 percent of the total VA educational assistance payments. MGIB was enacted not only to help with the readjustment of discharged service members, but also to support the concept of an all volunteer armed force. With this in mind, a provision was made to allow certain veterans with remaining entitlement under the Vietnam Era GI Bill, to qualify for MGIB benefits if they continued their active duty.



MGIB is available to honorably discharged veterans and to service-members. Although there are a number of categories of eligibles, generally, veterans must:

- meet their basic service requirement,
- have completed their high school education or its equivalent, and
- receive an honorable discharge.

MGIB is a contributory program. Service pay is automatically reduced by \$100 per month for 12 months unless the service person declines to participate at the time of enlistment. Individuals on active duty must complete a minimum of two years of continuous active duty to be eligible. Qualified service members with remaining Vietnam Era entitlement are exempt from the pay reduction requirement. The MGIB benefit rate varies depending on active service and Selected Reserve obligation. The following table shows the current rates for full-time school attendance:

Service Obligation	Full-time Rate
3-year active duty enlistment	\$427.87*
2-year active duty plus 4-year Selected Reserve	\$427.87*
2-year active duty enlistment	\$347.65*
Vietnam Era Eligibles	\$615.87**

\*In addition to these rates, DOD can add additional amounts called "kickers" to the basic monthly benefit rate to encourage enlistment in critical military fields.

\*\*plus additional amount for dependents

MGIB has proven to be extremely popular among young people enlisting in the services. Ninety-five percent of those who enlisted in service in Fiscal Year 1996 enrolled in the program. Seventy-five percent of all enlistees since the inception of the program have enrolled.

The following briefly summarizes major MGIB provisions:

- Served on active duty after June 30, 1985.
- Must fulfill one's basic service obligation.
- Must have completed high school.
- Received an honorable discharge.
- Maximum entitlement is 36 months.
- Additional "kicker" as determined by DOD.
- Generally must use benefits within 10 years following discharge.



***10 U.S.C. Chapter 1606, Montgomery G. I. Bill -  
Selected Reserve Educational Assistance Program  
(MGIB-SR)***

MGIB-SR is the first GI Bill to provide educational assistance to members of the Selected Reserve (including National Guard units.) This program is primarily an incentive for recruitment into the

Selected Reserve. DOD funds this program and is responsible for determining eligibility to MGIB-SR. VA administers the program. In general to be eligible, a reservist must:

- have accepted a six year reserve obligation after July 1, 1985,
- have completed high school or its equivalent,
- have completed Initial Active Duty for Training (IADT), and
- continue to satisfactorily participate in required Selected Reserve training.

Eligible reservists are currently entitled to full-time education benefits of \$203.24 monthly in MGIB-SR benefits. Some states are now offering their own tuition assistance programs to complement the MGIB-SR benefits. Generally reservists must maintain their Selected Reserve status to receive benefits. While other VA programs usually give the veteran ten years from the date of military discharge to use benefits, MGIB-SR must be used within 10 years from the date eligibility began. Here is a summary of the main features of MGIB-SR:

- Based on a 6-year Selected Reserve obligation after July 1, 1985
- Must have completed high school education

- remain a member in good standing
- Maximum entitlement is 36 months
- Current full-time rate is \$203.24 per month
- Generally must use benefits within 10 years of date eligibility began

***38 U.S.C. Chapter 35, Survivors' and Dependents' Educational Assistance Program (DEA)***

DEA is the only VA educational assistance program designed for students who have never served in the Armed Forces. Public Law 84-634, The War Orphans' Educational Assistance Act of 1956, established this benefit program. It is therefore the oldest active VA educational assistance program. DEA provides educational assistance to the spouses and children of living veterans who:

- are permanently and totally disabled because of a service-connected disability, or
- have been listed for more than 90 days as missing in action, or
- were captured in line of duty, or
- are detained or interned in line of duty by a hostile force or foreign government.

DEA provides educational assistance to surviving spouses and children of veterans who:

- died while on active duty, or
- died as the result of a disability arising from active duty, or
- died from any cause while rated permanently and totally disabled from service-connected disability.

Here is a summary of the main features of DEA:

- Eligibility is based on the veteran's service-connected death, total service-connected disability, or MIA/POW/hostage status.
- Current full-time DEA rate is \$404 per month.
- Maximum entitlement is 45 months.
- Children generally have eight years in which to use benefits.
- With some exceptions, children must be between ages 18 and 26.
- Spouses have ten years in which to use benefits.
- A spouse's remarriage bars further benefits, but a child's marriage does not affect eligibility.