

H.R. 5781, a bill to amend title 38, United States Code, to make an individual who is eligible for educational assistance under chapter 33 of such title, transfers such educational assistance to a dependent, and fails to complete a service agreement, solely liable for any overpayment of such educational assistance

As ordered reported by the House Committee on Veterans' Affairs on March 12, 2020

By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	*	1	1
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	1	1
Spending Subject to Appropriation (Outlays)	0	0	0

Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	< \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and \$500,000.

Under the Post-9/11 GI Bill, the Department of Veterans Affairs (VA) provides monthly housing allowances and pays the tuition and fees for beneficiaries pursuing approved education programs. Beneficiaries, including veterans, service members, and their designated dependents, can receive that assistance for up to 36 months. Service members who complete at least six years of active duty and agree to perform another four years can be approved to transfer up to a total of 36 months of their education benefits under the Post-9/11 GI Bill to their spouses or children. Spouses may begin using benefits upon transfer, whereas children cannot use benefits until the service member completes the four additional years of service. With some exceptions, if the service member fails to complete their service obligation, payments for the use of transferred education benefits are classified as overpayments. Both the service member and the person to whom benefits were transferred are liable for repayment.

H.R. 5781 would make the service member solely liable for overpayments of education benefit that arise from their failure to complete the service obligation. That policy change



would expire at the start of fiscal year 2027. On the basis of testimony offered by the VA, CBO expects that few people would be affected by that change. Nonetheless, a small number of people who use benefits transferred to them by service members who fail to complete their service obligation would no longer be liable for those overpayments and, consequently, VA would likely collect fewer repayments than under current law. CBO estimates that the reduction in such repayments would total about \$1 million over the 2020-2030 period. That reduction in collections is classified as an increase in direct spending.

The CBO staff contact for this estimate is Paul B.A. Holland. The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.