

**H.R. 290, a bill to amend title 38, United States Code, to render an individual, who transfers certain educational assistance, to which the individual is entitled because of an agreement by such individual to serve in the Armed Forces, to a dependent of that individual, and who fails to complete such agreement, solely liable for the overpayment of such educational assistance**  
 As ordered reported by the House Committee on Veterans' Affairs on May 4, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2026	2021-2031
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 2032?	No	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) pays the tuition and provides housing allowances 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 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 or receives a less than honorable discharge, 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. 290 would make the service member solely liable for overpayments of education benefits that arise from their failure to complete the service obligation or obtain an honorable

discharge. That policy change would expire at the start of fiscal year 2027. On the basis of information provided by VA, CBO expects that a small number of people who use benefits transferred to them by service members who fail to complete their service obligation or obtain an honorable discharge 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 2021-2031 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.