Congressional Budget Office
Cost Estimate

November 30, 2021

H.R. 5151, Col. James Floyd Turner IV U.S.M.C. GI Bill Transfer Act of 2021

As ordered reported by the House Committee on Veterans' Affairs on November 4, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	3	3
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	3	3
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?	**< $5 billion**	Contains intergovernmental mandate?	**No**
		Contains private-sector mandate?	**No**

* = between 0 and $500,000.

H.R. 5151 would make changes to two education benefit programs that are managed by the Department of Veterans Affairs (VA). Enacting the bill would increase direct spending by $3 million over the 2022-2031 period, CBO estimates.

Under the Post-9/11 GI Bill, VA pays for tuition, housing, and other expenses for up to 36 months for beneficiaries pursuing approved education or training programs. Service members who complete at least six years of active duty and agree to perform another four years can typically transfer all or a portion of their Post-9/11 GI Bill benefits to their dependents. Those dependents must be designated to receive transferred benefits before service members are discharged from the armed forces. That designation is typically made by service members initially transferring at least one month of benefits to each dependent.

In the case of a service member or veteran who had designated dependents to receive transferred benefits but died without transferring all of their benefits, section 2 of H.R. 5151 would direct the Department of Defense (DoD) to transfer those benefits, distributed evenly to each designated dependent. On the basis of data provided by DoD and VA, CBO projects that an average of roughly 40 people each year would use benefits transferred under the bill at an average annual cost of about $17,500. In total, CBO estimates that those benefits would increase direct spending by $9 million over the 2022-2031 period.

See also *CBO's Cost Estimates Explained*, www.cbo.gov/publication/54437;
How CBO Prepares Cost Estimates, www.cbo.gov/publication/53519; and *Glossary*, www.cbo.gov/publication/42904.

Section 3 of the bill would prohibit VA from making payments for the costs of secondary school (e.g., high school) under the Survivors' and Dependents' Educational Assistance program (SDEA), beginning on August 1, 2025. Under the SDEA, VA pays a monthly benefit to dependents of veterans and service members who are permanently and totally disabled or have died as a result of a service-connected disability. The amount is determined by how many credits students earn during an academic term and is adjusted annually for inflation; the benefit for a full-time student is $1,298 per month in 2022.

On the basis of data provided by VA, CBO projects that on average roughly 115 students each year would no longer be able to use SDEA benefits for secondary school at an annual cost of about $13,600 per student. CBO expects that half of those students would use their benefits for other education programs, whereas the other half would not. Those unused benefits would decrease direct spending by a total of $6 million over the 2022-2031 period, CBO estimates.

Table 1.
CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 5151

	By Fiscal Year, Millions of Dollars											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2022-2026	2022-2031
	Increases or Decreases (-) in Direct Spending											
Benefit Transfer	*	1	1	1	1	1	1	1	1	1	4	9
Secondary School	0	0	0	*	-1	-1	-1	-1	-1	-1	-1	-6
Total Changes in Direct Spending	*	1	1	1	*	*	*	*	*	*	3	3

* = between -$500,000 and $500,000. Budget authority is equal to the outlays shown here for all provisions.

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in Table 1.

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