

At a Glance

S. 2644, GRAD VA Educational Assistance Parity Act of 2021

As ordered reported by the Senate Committee on Veterans' Affairs on December 15, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2027	2022-2032
Direct Spending (Outlays)	0	1,800	4,350
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	1,800	4,350

Spending Subject to Appropriation (Outlays)	0	0	0
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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 2033?	> \$5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Credit time spent on additional duties while serving in the reserve components toward entitlement for Post-9/11 GI Bill benefits

Estimated budgetary effects would mainly stem from

- Increased use of Post-9/11 GI Bill benefits

Areas of significant uncertainty include

- Predicting the number of reservists and guard members who would earn additional Post-9/11 GI Bill benefits as a result of time spent on the duties added by the bill

Detailed estimate begins on the next page.

Bill Summary

S. 2644 would credit additional time spent on certain duty statuses in the reserve components toward entitlement for education benefits under the Post-9/11 GI Bill, which is administered by the Department of Veterans Affairs (VA).

Estimated Federal Cost

The estimated budgetary effects of S. 2644 are shown in Table 1. The bill would increase direct spending by \$4.4 billion over the 2022-2032 period. The costs of the legislation fall within budget function 700 (veterans benefits and services).

Table 1.
Estimated Budgetary Effects of S. 2644

	By Fiscal Year, Millions of Dollars											2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
	Increases in Direct Spending												
Estimated Outlays	0	178	298	425	441	458	474	492	509	528	547	1,800	4,350

Budget authority is equal to outlays.

Basis of Estimate

For this estimate, CBO assumes that S. 2644 will be enacted in 2022 and that the bill's provisions will take effect beginning in 2023. Estimated outlays are based on historical spending patterns for the Post-9/11 GI Bill.

Direct Spending

Under the Post-9/11 GI Bill, VA pays tuition, housing, and other expenses for up to 36 months for beneficiaries who pursue approved education or training programs. People who serve at least 30 days on active duty in the armed forces are eligible for benefits. Those who serve at least six years in any of the uniformed services and agree to serve another four years may be approved to transfer benefits to their spouse or children. The amount of those benefits depends on the period of time that service members are on active duty.

Full benefits are paid to or on behalf of those who served on active duty for at least 36 months or for 30 continuous days if they were discharged because of a service-connected disability. VA pays an amount equivalent to in-state tuition and fees at a public postsecondary institution or up to \$26,043 (for the 2021-2022 academic year) annually for a private or a foreign institution. Other benefits include a monthly housing allowance (national average of \$1,896) for students enrolled more than half-time and a stipend for books and

supplies (up to \$1,000 each year). Entitlement to benefits for veterans who spent less than 36 months on active duty are reduced on the basis of the period of time served.

S. 2644 would count additional types of reserve-component duty toward entitlement for Post-9/11 GI Bill benefits for guard members and reservists that are not counted under current law. Those include full-time duty for the National Guard such as required drills, field exercises, and formal military education. The bill would also credit time spent during two weeks of required annual training for members of the National Guard. It would not credit similar required annual training for reservists nor monthly weekend drill for either reservists or guard members.

By counting the additional time spent on those duties, S. 2644 would increase benefit amounts for some people who already will be using benefits under current law, CBO anticipates, and it would increase the number of people who would use their benefits because the amounts would be larger than they are under current law. The bill also would make some people eligible for benefits solely because of participation in full-time duty and annual training. On the basis of data from the Department of Defense on separations and duty statuses, CBO estimates that members of the reserve components would accrue about three more months of service toward entitlement for Post-9/11 GI Bill benefits, on average.

Using information from VA, CBO estimates that the additional time counted would increase annual benefits, on average, by about \$2,300 for each of the roughly 22,000 beneficiaries who use reduced benefits, on average each year under current law. In addition, roughly 3,300 people each year who are eligible for benefits but will not use them under current law would use the larger benefit amounts under the bill, at an average annual cost of about \$13,400 per beneficiary. Lastly, more people would become eligible solely because of their full-time duty and annual training. CBO estimates that roughly 39,000 of those people would use the benefits each year, at an annual cost of about \$8,700 each, on average.

CBO estimates that in total, those larger benefit amounts and additional beneficiaries would increase direct spending by \$4.4 billion over the 2022-2032 period.

Uncertainty

A significant source of uncertainty for CBO's estimate involves the number of reservists and guard members who would earn additional Post-9/11 GI Bill benefits as a result of time spent on the additional duties specified in the bill. If that number is higher or lower than projected, the cost of the bill could differ significantly from the estimated amounts.

Pay-As-You-Go Considerations

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

Increase in Long-Term Deficits

CBO estimates that enacting S. 2644 would not increase on-budget deficits by more than \$5 billion in each of the four consecutive 10-year periods beginning in 2033.

Mandates: None

Previous CBO Estimate

On December 6, 2021, CBO transmitted a [cost estimate for H.R. 1836](#), the Guard and Reserve GI Bill Parity Act of 2021, as ordered reported by the House Committee on Veterans' Affairs on November 4, 2021. Section 2 of H.R. 1836 is similar to section 2 of S. 2644 as both bills would credit time spent on certain duties in the reserve components toward Post-9/11 GI Bill entitlement. The sections differ in the specific types of duty that would be credited toward entitlement and the period over which time spent on such duties would count; accordingly, CBO's estimates for the sections are different.

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