

108TH CONGRESS
1ST SESSION

H. R. 1713

To amend title 38, United States Code, to improve benefits under the Montgomery GI Bill by establishing an enhanced educational assistance program, by increasing the amount of basic educational assistance, by repealing the requirement for reduction in pay for participation in the program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2003

Mr. EVANS (for himself, Mr. DINGELL, Mr. FILNER, Ms. CORRINE BROWN of Florida, Mr. RODRIGUEZ, Mr. STRICKLAND, Mrs. DAVIS of California, Mr. RYAN of Ohio, Mr. WEINER, Mr. MCINTYRE, Mr. BROWN of Ohio, Mr. SERRANO, Mr. FROST, and Mr. SANDERS) introduced the following bill; which was referred to the Committee on Veterans' Affairs, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 38, United States Code, to improve benefits under the Montgomery GI Bill by establishing an enhanced educational assistance program, by increasing the amount of basic educational assistance, by repealing the requirement for reduction in pay for participation in the program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Montgomery GI Bill
3 Improvements Act of 2003”.

4 **SEC. 2. ENHANCED BENEFITS UNDER MONTGOMERY GI**
5 **BILL FOR FOUR YEARS OF ACTIVE-DUTY**
6 **SERVICE.**

7 (a) IN GENERAL.—Chapter 30 of title 38, United
8 States Code, is amended by adding at the end the fol-
9 lowing new subchapter:

10 “SUBCHAPTER V—ENHANCED EDU-
11 CATIONAL ASSISTANCE

12 **“§ 3041. Enhanced educational assistance entitlement**

13 “(a) ENTITLEMENT.—An eligible individual is enti-
14 tled to enhanced educational assistance under this sub-
15 chapter.

16 “(b) ELIGIBLE INDIVIDUAL DEFINED.—(1) For pur-
17 poses of this subchapter, the term ‘eligible individual’
18 means an individual who meets the service requirement
19 described in subsection (c) and whose status after comple-
20 tion of such service is described in section 3011(a)(3) of
21 this title (relating to continuation on active duty, honor-
22 able discharge, or honorable service, as the case may be).

23 “(2) Such term does not include an individual de-
24 scribed in paragraph (1) or (2) of section 3011(c) of this
25 title (relating to individuals not electing basic educational

1 assistance under subchapter II of this chapter or certain
2 commissioned officers, respectively).

3 “(c) SERVICE REQUIREMENT.—(1) The service re-
4 quirement referred to in subsection (b) is as follows:

5 “(A) After September 30, 2003, the indi-
6 vidual—

7 “(i) first enters on active duty;

8 “(ii) reenlists or extends an enlistment on
9 active duty as a member of the Armed Forces;

10 or

11 “(iii) in the case of an officer, continues to
12 serve on active duty after that date.

13 “(B) From the date of such entry, reenlistment,
14 extension, or continuation, as the case may be, the
15 individual—

16 “(i) serves a continuous period of active
17 duty of at least four years in the Armed Forces;

18 or

19 “(ii) serves on active duty in the Armed
20 Forces and is discharged or released from ac-
21 tive duty—

22 “(I) as provided in subclause (I) of
23 section 3011(a)(1)(A)(ii) of this title (re-
24 lating to service-connected disabilities and
25 other medical conditions);

1 “(II) for the convenience of the Gov-
2 ernment, after having completed not less
3 than 42 months of continuous active duty;
4 or

5 “(III) as provided in subclause (III)
6 of section 3011(a)(1)(A)(ii) of this title
7 (relating to involuntary discharge or re-
8 lease for the convenience of the Govern-
9 ment as a result of a reduction in force).

10 “(2) In determining service under paragraph (1), the
11 following rules apply:

12 “(A) Any period of service described in para-
13 graph (2) or (3) of section 3011(d) of this title (re-
14 lating to periods of service terminated because of a
15 defective enlistment and periods of service on active
16 duty which individuals in the Selected Reserve were
17 ordered to perform under certain provisions of chap-
18 ter 1209 of title 10, respectively) that applies to an
19 eligible individual under this section shall not be
20 considered a part of the individual’s period of active
21 duty.

22 “(B) A member described in paragraph (2) of
23 section 3011(f) of this title (relating to certain mem-
24 bers discharged or released who subsequently reen-
25 list or re-enter on a period of active duty) who

1 serves the periods of active duty referred to in such
2 paragraph shall be deemed to have served a contin-
3 uous period of active duty the length of which is the
4 aggregate length of the periods of active duty re-
5 ferred to in such paragraph.

6 “(C) Subsections (g) and (h) of section 3011 of
7 this title (relating to assignment full time at a civil-
8 ian institution for courses of education and to com-
9 mencement of courses of education at a service acad-
10 emy, respectively) apply with respect to an eligible
11 individual under this section in the same manner as
12 they apply to an individual under section 3011 of
13 this title.

14 “(d) ELECTION OF BASIC EDUCATIONAL ASSIST-
15 ANCE.—(1) An eligible individual entitled to enhanced
16 educational assistance under this subchapter may elect (in
17 a form and manner prescribed by the Secretary) to receive
18 basic educational assistance under subchapter II in lieu
19 of such enhanced educational assistance for an enrollment
20 period. Such an election shall be made by not later than
21 30 days before the beginning of the enrollment period.

22 “(2) An eligible individual may revoke an election
23 made pursuant to paragraph (1), but in no case may such
24 revocation be made later than 30 days before the begin-
25 ning of the enrollment period.

1 **“§ 3042. Duration of enhanced educational assistance**

2 “(a) IN GENERAL.—Subject to section 3695 of this
3 title and except as provided in subsection (b), each indi-
4 vidual entitled to enhanced educational assistance under
5 section 3041 of this title is entitled to a monthly enhanced
6 educational assistance allowance under this subchapter for
7 a period or periods not to exceed a total of 36 months
8 (or the equivalent thereof in part-time enhanced edu-
9 cational assistance).

10 “(b) SPECIAL RULE FOR CERTAIN EARLY SEPARA-
11 TIONS.—Subject to section 3695 of this title, in the case
12 of an individual described in subclause (I) or (III) of sec-
13 tion 3041(c)(1)(B)(ii) of this title (relating to individuals
14 discharged for service-connected disabilities or medical
15 conditions or whose service is involuntarily terminated for
16 the convenience of the Government as a result of a reduc-
17 tion in force, respectively) who does not serve a continuous
18 period of active duty of at least four years in the Armed
19 Forces (as described in section 3041(c)(1)(B)(i) of this
20 title), the individual is entitled to one month of enhanced
21 educational assistance benefits under this subchapter (not
22 to exceed a total of 36 months (or the equivalent thereof
23 in part-time enhanced educational assistance)) for each
24 month of continuous active duty served by the individual
25 beginning with the date on which the entry on active duty,
26 reenlistment, enlistment extension, or continuation appli-

1 cable to that individual under section 3041(c)(1)(A) of
2 this title begins.

3 **“§ 3043. Payment of educational expenses**

4 “(a) IN GENERAL.—(1) Subject to paragraph (2), the
5 Secretary shall pay to the educational institution providing
6 a course under an approved program of education to an
7 eligible individual under this subchapter who is enrolled
8 in the course the actual cost of tuition and fees otherwise
9 payable by the individual.

10 “(2) Such cost may not exceed the amount charged
11 to nonveterans in similar circumstances.

12 “(b) STIPEND; COSTS OF BOOKS AND SUPPLIES.—
13 The Secretary shall pay to each eligible individual under
14 this subchapter who is pursuing an approved program of
15 education—

16 “(1) a stipend as provided in section 3044 of
17 this title; and

18 “(2) in accordance with regulations prescribed
19 by the Secretary, an amount equal to the average
20 cost, for the year involved, of books and supplies
21 payable by individuals pursuing courses of education
22 at educational institutions.

23 **“§ 3044. Amount of stipend**

24 “(a) IN GENERAL.—Except as provided in section
25 3042 of this title, the stipend under this subchapter shall

1 be paid at a monthly rate (as that rate may be increased
2 pursuant to subsection (b)) as follows:

3 “(1) At the monthly rate of \$900 for an ap-
4 proved program of education pursued on a full-time
5 basis.

6 “(2) At the monthly rate of \$700 for an ap-
7 proved program of education pursued on a three-
8 quarter-time basis.

9 “(3) At the monthly rate of \$500 for an ap-
10 proved program of education pursued on a half-time
11 basis.

12 “(4) At the monthly rate of \$300 for an ap-
13 proved program of education pursued on less than a
14 half-time basis.

15 “(b) ADJUSTMENT FOR INFLATION.—With respect to
16 any fiscal year beginning after fiscal year 2004, the Sec-
17 retary shall provide a percentage increase (rounded to the
18 nearest dollar) in the rates payable under subsection (a)
19 equal to the percentage by which—

20 “(1) the Consumer Price Index (all items,
21 United States city average) for the 12-month period
22 ending on the June 30 preceding the beginning of
23 the fiscal year for which the increase is made, ex-
24 ceeds

1 “(2) such Consumer Price Index for the 12–
2 month period preceding the 12-month period de-
3 scribed in paragraph (1).”.

4 (b) CONFORMING AMENDMENTS.—(1) Section 3002
5 of such title is amended by inserting at the end the fol-
6 lowing new paragraph:

7 “(9) The term ‘enhanced educational assistance’
8 means educational assistance provided under subchapter
9 V.”.

10 (2) Section 3011 of such title is amended in sub-
11 section (f)(1) and (g) by striking “chapter” each place it
12 appears and inserting “subchapter”.

13 (3) Section 3018A(a) of such title is amended by
14 striking “education assistance under this chapter” and in-
15 serting “educational assistance under this subchapter”.

16 (4) Section 3018B of such title is amended by strik-
17 ing “education assistance under this chapter” each place
18 it appears and inserting “educational assistance under
19 this subchapter”.

20 (5) Section 3018C of such title is amended by strik-
21 ing “educational assistance under this chapter” each place
22 it appears and inserting “educational assistance under
23 this subchapter”.

1 (6) Section 3019 of such title is amended by striking
 2 “chapter” each place it appears and inserting “sub-
 3 chapter”.

4 (7) Section 3031 of such title is amended—

5 (A) in subsection (f), by inserting “or 3042 of
 6 this title” after “section 3013” each place it ap-
 7 pears; and

8 (B) in subsection (g), by inserting “or
 9 3031(e)(1)(B)(ii)(III)” after “section
 10 3011(a)(1)(A)(ii)(III)”.

11 (8) Section 3032(e)(3) of such title is amended by
 12 inserting “, or section 3044(a)(1)” after “section 3015”.

13 (c) CLERICAL AMENDMENT.—The table of sections
 14 at the beginning of chapter 30 of title 38, United States
 15 Code, is amended by adding at the end the following new
 16 items:

“SUBCHAPTER V—ENHANCED EDUCATIONAL ASSISTANCE

“3041. Enhanced educational assistance entitlement.

“3042. Duration of enhanced educational assistance.

“3043. Payment of educational expenses.

“3044. Amount of stipend.”.

17 **SEC. 3. INCREASE IN RATES OF BASIC EDUCATIONAL AS-**
 18 **SISTANCE UNDER MONTGOMERY GI BILL.**

19 (a) RATES FOR BASIC EDUCATIONAL ASSISTANCE.—
 20 Section 3015 of title 38, United States Code, is amend-
 21 ed—

1 (1) in subsection (a)(1)(C), by striking “\$985”
2 and inserting “1,200”; and

3 (2) in subsection (b)(1)(C), by striking “\$800”
4 and inserting “\$950”.

5 (b) APPLICATION OF INDEX BASED ON COSTS OF
6 HIGHER LEARNING.—Section 3015(h) of such title is
7 amended to read as follows:

8 “(h)(1) With respect to any fiscal year, the Secretary
9 shall provide a percentage increase (rounded to the near-
10 est dollar) in the rates payable under subsections (a)(1)
11 and (b)(1) equal to the percentage (as determined by the
12 Secretary) by which—

13 “(A) the average monthly costs of tuition and
14 expenses for commuter students at public institu-
15 tions of higher learning that award baccalaureate
16 degrees for purposes of subsections (a)(1) and (b)(1)
17 for the fiscal year involved, exceeds

18 “(B) such average monthly costs for the pre-
19 ceding fiscal year.

20 “(2) The Secretary shall make the determination
21 under paragraph (1) after consultation with the Secretary
22 of Education.

23 “(3) A determination made under paragraph (1) in
24 a year shall take effect on October 1 of that year and
25 apply with respect to basic educational assistance allow-

1 ances payable under this section for the fiscal year begin-
2 ning in that year.

3 “(4) Not later than September 30 each year, the Sec-
4 retary shall publish in the Federal Register the average
5 monthly costs of tuition and expenses as determined under
6 paragraph (1) in that year.”.

7 (c) EFFECTIVE DATES.—(1) The amendments made
8 by subsection (a) shall apply with respect to payments for
9 months beginning after September 30, 2003.

10 (2) The amendment made by subsection (b) shall
11 apply to payments for months beginning after September
12 20, 2004.

13 **SEC. 4. REPEAL OF PAY REDUCTION AND HIGH SCHOOL**
14 **GRADUATION REQUIREMENT FOR PARTICI-**
15 **PATION IN BASIC EDUCATIONAL ASSISTANCE**
16 **UNDER MONTGOMERY GI BILL.**

17 (a) REPEAL OF PAY REDUCTION AND ELECTION OF
18 BENEFITS.—(1) Section 3011 of title 38, United States
19 Code, is amended—

20 (A) by striking subsection (b); and

21 (B) in subsection (c), by striking paragraph (1)
22 and redesignating paragraphs (2) and (3) as para-
23 graphs (1) and (2), respectively.

24 (2) Section 3012 of such title is amended—

25 (A) by striking subsection (c); and

1 (B) in subsection (d), by striking paragraph (1)
2 and redesignating paragraphs (2) and (3) as para-
3 graphs (1) and (2), respectively.

4 (3) Section 3016(a)(1) of such title is amended by
5 striking “, and does not make an election under section
6 3011(c)(1) or section 3012(d)(1)”.

7 (4) The amendments made by this subsection shall
8 take effect on October 1, 2003, and apply to individuals
9 whose initial obligated period of active duty under section
10 3011 or 3012 of title 38, United States Code, as the case
11 may be, begins on or after such date.

12 (5) Any reduction in the basic pay of an individual
13 referred to in subsection (b) of section 3011 of title 38,
14 United States Code, by reason of such subsection, or of
15 any individual referred to in subsection (c) of section 3012
16 of such title by reason of such subsection, shall cease com-
17 mencing with months beginning after September 30,
18 2003, and any obligation of such individual under such
19 subsections, as the case may be, as of September 30,
20 2003, shall be deemed to be fully satisfied as of such date.

21 (b) REPEAL OF HIGH SCHOOL GRADUATION RE-
22 QUIREMENT.—(1) Section 3011(a) of title 38, United
23 States Code, is amended—

24 (A) by striking paragraph (2); and

1 (B) by redesignating paragraph (3) as para-
2 graph (2).

3 (2) Section 3012(a) of such title is amended—

4 (A) by striking paragraph (2); and

5 (B) by redesignating paragraph (3) as para-
6 graph (2).

7 (3) Section 3018(b) of such title is amended—

8 (A) by striking paragraph (4);

9 (B) by inserting “and” at the end of paragraph
10 (3)(C); and

11 (C) by redesignating paragraph (5) as para-
12 graph (4).

13 (4) The amendments made by this subsection shall
14 take effect on the date of the enactment of this Act and
15 apply with respect to individuals applying for basic edu-
16 cational assistance under chapter 30 of title 38, United
17 States Code, on or after such date.

18 (c) EXCLUSION FROM INCOME FOR ELIGIBILITY DE-
19 TERMINATIONS FOR FEDERAL EDUCATIONAL LOANS.—
20 Section 3015 of such title is amended—

21 (1) by redesignating subsection (h), as amended
22 in section 3(b), as subsection (i); and

23 (2) by inserting after subsection (g) the fol-
24 lowing new subsection:

1 “(h) EXCLUSION FROM INCOME FOR ELIGIBILITY
2 DETERMINATIONS FOR FEDERAL EDUCATIONAL
3 LOANS.—Notwithstanding any other provision of law,
4 amounts payable by the Secretary under this subchapter
5 with respect to an eligible individual shall not be consid-
6 ered as income for purposes of determining eligibility of
7 such individual for education grants or loans under any
8 other provision of Federal law.”.

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