

S. 1607, Student Veterans Transparency and Protection Act of 2021

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

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	1
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	1
Spending Subject to Appropriation (Outlays)	1	2	not estimated
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 zero and \$500,000.			

S. 1607 would make changes to education benefits administered by the Department of Veterans Affairs (VA). Enacting the bill would increase discretionary spending by \$2 million over the 2022-2026 period and increase direct spending by \$1 million over the 2022-2031 period, CBO estimates.

VA's website, known as the GI Bill Comparison Tool, provides information about the department's education benefit programs and about educational institutions. That information includes topics of particular interest to veterans, such as whether the institution accepts GI Bill benefits and the types of resources the institution offers to veterans. It also provides information concerning each institution's accreditation, estimated costs, student outcomes, regulatory compliance, and other performance metrics.

Section 2 would require VA, in coordination with the Department of Education, to provide additional information on school performance and student outcomes such as more detailed average cost data, graduation and employment rates, median earnings of graduates, and student debt levels for both veteran and non-veteran students. The section also would make changes to how VA reviews and retains feedback from students concerning their experiences at schools.

On the basis of information provided by VA, CBO estimates that implementing section 2 would cost \$2 million over the 2022-2026 period; such spending would be subject to the availability of appropriated funds.

Most of VA's education benefit programs pay for up to 36 months of education at institutions that meet departmental standards and regulatory requirements. Under current law, if students are unable to complete an educational course and do not receive credits because a school closed or it was disapproved for the use of VA education benefits, those students may apply to VA to have their education benefits restored. VA typically restores benefits, as measured in months, for the academic term in which a closure or disapproval occurred, and restored benefits are not deducted from a beneficiary's total term of entitlement. Additionally, students who could not transfer more than 11 credits from a school that closed or lost approval between August 1, 2021, and September 30, 2023, may obtain full restoration of benefits for credits earned from the institution before it closed or lost approval. Those benefits are restored for academic terms for which students did not transfer any of the credits to another institution.

Section 3 would expand the reasons for which a student may have their benefits restored to include instances where they can't complete a course or earn credit as a result of federal or state civil enforcement or any VA actions against a school. CBO expects that few students would be affected by such civil enforcement actions who would not be covered by restoration policies under current law. Furthermore, restoring those benefits would increase VA's payments only for those students who would otherwise use all of their benefit entitlement. CBO assumes that about 20 such students would be unable to complete their courses and lose credits. At an average cost of about \$4,000 per student, total costs for restoring those benefits would be insignificant in each year and total \$1 million over the 2022-2031 period, CBO estimates.

A significant source of uncertainty for CBO's estimate involves the number of students who would be unable to complete courses and lose credit because of state or federal civil enforcement actions. If more or fewer students lose credit than we project, the cost of the bill would differ from the estimated amounts.

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