

H.R. 6604, Veterans Eligible to Transfer School (VETS) Credit Act

As ordered reported by the House Committee on Veterans' Affairs on April 6, 2022

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
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 -\$500,000 and \$500,000.			

H.R. 6604 would make two changes to educational assistance benefits provided by the Department of Veterans Affairs (VA). VA pays monthly benefits to or on behalf of students who pursue approved education or training programs, up to a maximum number of months. Benefits are paid from mandatory appropriations.

Institutions offering educational programs to students using VA education benefits are required to meet departmental standards and regulatory requirements to receive payments.¹ If a school closes or is disapproved because it did not meet those requirements, students who do not receive credit for courses they were unable to complete and who transfer fewer than 12 credits from that school may apply to VA to have the education benefits they used at those schools restored for the entire period during which they were enrolled. Restored benefits are not deducted from a beneficiary's total term of entitlement to monthly benefits.

Section 2 would change the procedure under which VA restores benefits, requiring students to certify that they transferred fewer than 12 credits and acknowledge that they are ineligible for restoration if they transfer additional credits. Currently, educational institutions provide that information to VA. The bill would not change eligibility for or use of educational

1. If VA, or any state agency acting on VA's behalf, determines that an institution or entity has not complied with those standards, the courses they offer may be disapproved, and the institution becomes ineligible to receive payment through education benefits administered by VA.



benefits, but on the basis of information from VA, CBO expects that it would modify the process for restoring benefits in a way that could increase or decrease erroneous payments. CBO estimates that those amounts would be small and potentially offsetting; thus, enacting the provision would not significantly affect direct spending over the 2022-2031 period.

Military 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. Section 3 of the bill would eliminate the requirement for service members who transfer benefits to specify the period during which each dependent may use those benefits. Most service members designate the maximum period allowed, and those who select shorter periods may extend that date at any time. Consequently, CBO expects that few beneficiaries would have more time to attend school than under current law and estimates that enacting the provision would increase direct spending by an insignificant amount over the 2022-2031 period.

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