

H.R. 3874, Veterans Education Assistance Improvement Act

As ordered reported by the House Committee on Veterans' Affairs on July 26, 2023

By Fiscal Year, Millions of Dollars	2023	2023-2028	2023-2033
Direct Spending (Outlays)	0	*	-5
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	-5
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

H.R. 3874 would make changes to education benefit programs administered by the Department of Veterans Affairs (VA). The costs of those programs are paid from mandatory appropriations. Enacting the bill would decrease net direct spending by \$5 million over the 2023-2033 period, CBO estimates.

VA provides monetary benefits to or on behalf of students who pursue approved education or training programs for up to 36 months under the Post-9/11 GI Bill. VA pays an amount equivalent to in-state tuition and fees at public postsecondary institutions or up to \$26,381 (for the 2022-23 academic year) annually for private or foreign institutions. Other benefits include a monthly housing allowance (which currently averages \$1,976 nationally) for students enrolled more than half-time in an approved program and a stipend for books and supplies (up to \$1,000 each year). Payments for tuition and housing are adjusted annually for inflation.

Students who need only one or two courses to graduate during their last academic term will be enrolled half-time or less. Under current law, those students may take additional courses that are not required for graduation so that they remain enrolled more than half-time and can continue to receive monthly housing allowances.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



H.R. 3874 would require VA to pay the full housing allowances to students who are enrolled half-time or less during the academic term they graduate. Consequently, students could continue receiving housing allowances without taking additional courses. By eliminating the need to take additional courses to receive housing allowances, the bill would have two partially offsetting effects. First, most students who take such courses would no longer do so because they would receive housing allowances regardless. Second, students who choose not to take additional courses under current law would also become eligible to receive housing allowances.

On the basis of information provided by VA, CBO expects that an average of 3,000 students would no longer take additional courses each year, saving approximately \$3,300 per person in tuition costs. At the same time, each year about 1,000 students who will not take additional courses under current law would become eligible to receive housing allowances averaging \$9,300. CBO estimates that on net, those offsetting effects would decrease direct spending by \$5 million over the 2023-2033 period.

The bill also would make several changes to procedures that VA follows to administer education benefit programs such as the timing of certain notices VA provides. Altering those administrative procedures would change costs by insignificant amounts, CBO estimates. Any increase in spending would be subject to the availability of appropriated funds.

The costs of the legislation, detailed in Table 1, fall within budget function 700 (veterans benefits and services).

Table 1.
Estimated Budgetary Effects of H.R. 3874

	By Fiscal Year, Millions of Dollars											2023-2028	2023-2033
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		
	Decreases (-) in Direct Spending												
Estimated Outlays	0	*	*	*	*	*	-1	-1	-1	-1	-1	*	-5

* = between -\$500,000 and zero; budget authority equals outlays for all sections.

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

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