

H.R. 7323, Montgomery GI Bill Selected Reserves Tuition Fairness Act of 2024

As ordered reported by the House Committee on Veterans' Affairs on May 1, 2024

By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	0	-2	-4
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	-2	-4
Spending Subject to Appropriation (Outlays)	0	3	3
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	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 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

H.R. 7323 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. CBO estimates that enacting the bill would decrease direct spending by \$4 million and increase spending subject to appropriation by \$3 million, over the 2024-2034 period. The costs of the legislation, detailed in Table 1, fall within budget function 700 (veterans benefits and services). For purposes of this estimate, CBO assumed H.R. 7323 would be enacted late in fiscal year 2024.

See also

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



Table 1.
Estimated Budgetary Effects of H.R. 7323

	By Fiscal Year, Millions of Dollars											2024-2029	2024-2034
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
Decreases (-) in Direct Spending													
Estimated Budget Authority	0	*	*	-1	*	-1	*	-1	*	-1	*	-2	-4
Estimated Outlays	0	*	*	-1	*	-1	*	-1	*	-1	*	-2	-4
Increases in Spending Subject to Appropriation													
Estimated Authorization	0	3	0	0	0	0	0	0	0	0	0	3	3
Estimated Outlays	0	2	1	*	0	0	0	0	0	0	0	3	3

* = between -\$500,000 and \$500,000.

Direct Spending

H.R. 7323 would limit some education benefits for veterans. The limit on payments for flight training programs would reduce direct spending, whereas the prohibition on paying out-of-state tuition rates would not, in CBO’s estimation, affect direct spending.

Flight Training Limit. Section 3 would limit the maximum amount of tuition and fees that VA would pay to public educational institutions on behalf of beneficiaries of the Post-9/11 GI Bill who enroll in flight training programs.

Currently, VA pays an amount equivalent to in-state tuition and fees at public educational institutions for students enrolled in degree-granting programs of education. Benefits are paid for up to 36 months of enrollment in approved programs and also can include housing allowances and book stipends. Although there are practical limitations, there is no specified cap on the total amount of benefits that can be paid for a person attending a public institution under current law.

The bill would limit the amount of tuition and fee payments for students who first enroll in a flight training program at a public institution after the 2024-2025 academic year to a lifetime total of \$108,480 (increased each year thereafter to account for inflation). Limiting total payments for the tuition and fees of flight training would reduce benefit costs under the Post-9/11 GI Bill. On the basis of data from VA, CBO estimates that annual benefit payments for roughly 15 flight trainees would be reduced by an average of \$30,000 over the next 10 years. Consequently, enacting the bill would decrease direct spending by \$4 million over the 2024-2034 period, CBO estimates.

In-state Tuition. Section 2 would generally prohibit VA from paying any VA education benefits to students enrolled at public schools that charge beneficiaries of the Montgomery GI



Bill – Selected Reserve (MGIB-SR) tuition and fees at amounts higher than the rates charged to state residents if those beneficiaries are living in the state where the school is located, regardless of whether they are state residents.

Under the MGIB-SR, VA pays monthly benefits to eligible members of the federal reserves and National Guard. Those members may receive payments for up to 36 months while they are enrolled in school. The amount is determined by the number of college credits the members earn during an academic term (currently, \$466 per month for full-time enrollment in 2024) and is adjusted annually for inflation. Many schools offer in-state tuition to students receiving MGIB-SR benefits, and CBO anticipates schools that do not would choose to do so if the bill is enacted. As a result, MGIB-SR students enrolled in those schools would pay less for tuition.

Payment rates under MGIB-SR are not based on tuition rates. Thus, reducing tuition for beneficiaries would not affect the amount of their benefits. Consequently, CBO estimates that enacting section 2 would not affect direct spending.

Spending Subject to Appropriation

Implementing the limit on flight training benefits would require changes to the information technology systems used by VA to manage education benefits. On the basis of information from VA, CBO estimates that those changes would cost \$3 million over the 2024-2029 period; such spending would be subject to the availability of appropriated funds.

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.

Phillip L. Swagel
Director, Congressional Budget Office