



The 21st Century GI Bill: What it means for California

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Introduction

The Post-9/11 Veterans Educational Assistance Act, referred to as the 21st Century GI Bill, became law on June 30, 2008. When the bill becomes effective in August 2009, it will offer the largest expansion of educational benefits to active duty service members, veterans, National Guard personnel, and reservists since the original GI Bill of 1944.

California leads the nation in enrollments of veterans and service members, with 30,048 in public and private institutions in spring 2008. Nearly 22,000 of these attend California's public institutions, with 17,000 attending California Community Colleges.

In California, the 21st Century GI Bill provides up to \$22,165 per academic year to cover the cost of in-state undergraduate tuition, fees and living expenses, an increase of \$12,000 per year from the current Montgomery GI Bill funding. According to the Iraq and Afghanistan Veterans Association, a non-profit, nonpartisan advocacy organization, California will benefit from an additional \$432 million in education assistance from the new GI Bill in 2009–10 alone.

The Commission projects a possible enrollment increase of 34,000 veterans and active duty personnel in private and public colleges and universities, with the greatest increase at community colleges.

Commission staff believes that the 21st Century GI Bill will become an essential tool for providing affordability and access to California's current veterans and active duty personnel and the many new veterans returning home. The expanded benefits of the bill will allow veterans to focus on attending full time and graduating without the financial burden of debt from college costs. This funding should decrease time-to-degree and increase degree attainment.

The number of veterans and active duty personnel who enroll and their success may depend on how prepared colleges are to serve them. Some campuses have already made preparations to increase accessibility while others are in the planning stages.

What the Bill Does

The original GI Bill was signed in 1944 by President Franklin Delano Roosevelt and enabled veterans returning from World War II to afford college. The bill covered tuition, fees, and books, and gave veterans a living allowance while in school. One million veterans used the original benefit to attend college in the bill's first year. In the ten years the bill was funded, eight million veterans had attended a college or a vocational school.

Currently, veterans receive benefits under the Montgomery GI Bill of 1985. With this, active duty service members, veterans, National Guard personnel, and Reservists are provided with a monthly living allowance, but no allowance for books or tuition. The living allowance is tied to the Consumer Price Index for inflation. In 1985 the stipend was \$300 per month and over 23 years the stipend has increased to its current level of \$1,101 per month.

Today, 1.5 million veterans are returning from Iraq and Afghanistan to a GI Bill that nearly doubles past benefits. The Department of Veterans Affairs predicts that overall, benefits will amount to \$796 million per year for a total of \$62.8 billion over 11 years.

The 21st Century GI Bill provides benefits to service members or veterans who served after September 11, 2001, and who served an aggregate of at least 36 months on active duty, and who remain on active duty or is discharged or released as designated in the law. Those who serve 30 days to 36 months receive prorated benefits. Benefits are available for up to 36 months — equivalent to four academic years — and are available during 15 years after separation from service.

GI Bill benefits will cover the cost of full-time undergraduate tuition and fees, up to the state’s most expensive public institution. In California this is UC Davis, at \$8,124 per year. Benefits also include a monthly payment based on the local cost of living. For independent colleges and professional schools, where costs may exceed that allowed under the law, the college can enter into an agreement with the federal government where the government matches the funds to cover a portion of the excess fees. This program is referred to as the “Yellow Ribbon GI Education Enhancement Program.” Other benefits include a yearly payment of \$1,000 for books and supplies, up to \$1,200 per year for tutorial assistance, and payment for one eligible licensing or certification test.

Veterans and active duty personnel already receiving educational benefits under the current law will see an increase in their benefits and those veterans currently receiving Cal Grant awards will continue to do so with the new benefits replacing previous Cal Grant funding. The 21st Century GI Bill also offers active duty personnel who have served for six years and agree to serve at least four more to transfer their educational benefits to their spouse or children.

The California Perspective

The benefits under the new GI Bill could add up to \$22,165 per year for a total of \$88,660 in financial assistance toward a four-year degree. The average monthly living allowance in California will be \$1,449, plus an extra \$1,000 annually for books and supplies. Active duty service members, those discharged in California, and their dependents are considered residents for tuition purposes.

Under the Montgomery GI Bill, veterans and active duty personnel receive a living allowance of \$1,100 per month while attending college for a total of \$9,900 for the academic year. Accounting for current tuition and living costs in California, this funding covers less than half the cost of attending CSU and only a quarter of the cost of attending UC. Considering these factors, community colleges are the most cost-effective means of attaining a two-year degree.

With the 21st Century GI Bill, education benefits will more than double. Commission staff believes these benefits are large enough to encourage a significant increase of enrollments by veterans and active duty personnel.

| Annual benefits | | |
|------------------|--------------------|----------------------|
| | Montgomery GI Bill | 21st Century GI Bill |
| Tuition | None | \$8,124 |
| Living allowance | \$9,900 | \$13,041 |
| Books | None | \$1,000 |
| Buy-in | \$1,200 | — |
| Total | \$9,900 | \$22,165 |

Buy-in is a mandatory fee of \$100 per month for the first 12 months of service.

Veterans' Enrollments

Since 2004, a yearly average of 21,000 veterans and active duty personnel enrolled at public colleges and universities in California. Each year roughly 16,000 enroll at the community colleges, 4,000 at CSU, and 800 at UC.

The community colleges have the largest enrollments of veterans and active duty personnel receiving education benefits, so it is likely that the increase in enrollments will be at the community colleges.

In order to project the surge in enrollment resulting from an increase in GI Bill benefits, Commission staff conducted an analysis comparing the number of students who used the Montgomery GI Bill education benefit with the amount of the benefit from 1998 to 2008. This analysis indicated that a doubling of benefits relative to educational costs would generate an additional 34,000 in enrollments in California.

This enrollment increase is likely to build over several years as information spreads and veterans and active duty personnel in California begin to use the new benefits and make plans to enroll in college.

Veterans and active duty personnel have overwhelmingly attended community colleges for reasons of affordability, location, and course offerings. With the new GI bill, they will no longer be limited by affordability or suffer from drop-out rates due to mounting debt or the need to work to pay their expenses. This may open UC to increased enrollments from students who meet UC's admission requirements. Opportunities for veterans and active duty personnel at private colleges rest with the institutions agreeing to provide additional financial aid.

California may also see an increase in degree attainment where the new living allowance gives veterans the choice to attend full time. Veterans and active duty personnel may no longer have to work to subsidize their income. This may also lead to a decrease in time-to-degree.

Independent institutions with programs targeted at working adults may also see increased enrollments. Veterans and active duty personnel with families or jobs might attend college in the evenings or on weekends to obtain a degree or certificate. They can obtain a professional degree or certificate in a shorter time period, allowing them to enter the job market with less time commitments than a traditional four-year degree. Private institutions can be costly but offer courses and schedules that public institutions may not. With the new funding, cost may no longer be a limitation.

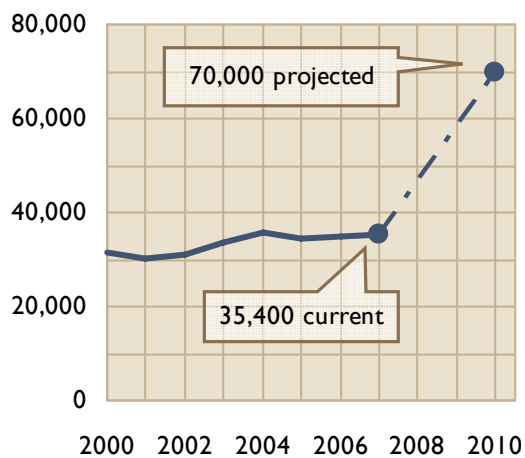
Top campuses with students receiving GI benefits

| | Campus | Students |
|--------------------|-----------------|----------|
| Community Colleges | Palomar | 539 |
| | Southwestern | 516 |
| | Grossmont | 467 |
| | San Diego City | 433 |
| | American River | 394 |
| | Riverside | 387 |
| | Mt. San Jacinto | 340 |
| | Fresno City | 332 |
| | Mira Costa | 328 |
| | Mt. San Antonio | 315 |
| CSU | San Diego | 531 |
| | Sacramento | 390 |
| | Fresno | 291 |
| | Northridge | 254 |
| | Fullerton | 249 |
| UC | Davis | 147 |
| | Los Angeles | 139 |
| | Berkeley | 115 |

Includes veterans, dependents, active duty personnel, National Guard, and reservists. Data from CCC Troops to College, 2008.

Enrollment increase

The state's veteran and active duty enrollments at public and private institutions are expected to reach 70,000 in the next few years.



2000–2007 figures from U.S. Veterans Association. Enrollment projection by Commission staff, based on an analysis of costs, enrollments and benefits. See page 4 for details.

Preparing for the Future

For California to best serve its veterans, active duty personnel and civilians, colleges should prepare with programs such as veterans' services, financial assistance, college counseling, and disabled student services. Community colleges will likely have the largest increase in enrollments if current trends continue; each campus will need resources to accommodate incoming students.

The Governor's "Troops to College Initiative" provides educational opportunities and assistance to active duty service members and veterans at California's three public higher education systems. As part of this effort, UC, CSU, and the community colleges have developed programs for veteran outreach, academic and financial aid advising. One example of a successful initiative is the "Boots to Books" program at Citrus Community College in Glendora, which helps students transition to college life. The program is taught by a veterans' affairs counselor who is a combat veteran. The course is open to veterans and their families and addresses issues such as combat stress, post traumatic stress disorder and other issues affecting veterans returning to civilian life.

The Veterans' Affairs office at UC Berkeley has also designed a course titled "Veterans in Higher Education," designed to orient veterans to student life. This class gives veterans the opportunity to work with other veterans to gain insight and strategies for working with issues that are often different from the traditional student experience.

California State University recently joined the University of Maryland in a program to increase completion of general education and degree programs by military personnel at both universities. The University of Maryland University College enrolls more veterans than any other postsecondary education institution in the country. Under the agreement, CSU campuses will accept credits earned at the University of Maryland, and the University of Maryland vice versa, to be applied toward a bachelor's degree.

San José State University has provided additional staff in its Office of the Registrar to work with the Department of Veterans' Affairs. UC Santa Cruz has developed an innovative peer-mentor program run by veterans to help other veterans in making the transition to college life. Foothill Community College in Los Altos Hills has created "Project Veteran," a one-stop information resource for veteran student services.

While many campuses have already addressed the need for additional veteran services, other campuses across the state should begin programs tailored to the needs of veterans in an effort to support and provide services to this growing population.

The Commission's projection of enrollment resulting from the New GI Bill

Staff analyzed 1998–2006 enrollment data from the U.S. Veterans Association to find the relationship between enrollment by veterans and the level of benefits under the Montgomery GI Bill. Because most veterans using these benefits enroll at community colleges, staff based the analysis on a comparison of benefits with costs at community colleges.

Staff did a regression analysis comparing overall enrollments with the percentage of annual costs at community colleges covered by the benefits. This showed that for every 1% increase in the proportion of costs covered by GI benefits, enrollments by veterans increased by 1,200. For example, as benefits increased from the late-1990s level of about 100% of costs to the 2004–06 level of 140% of costs, enrollments would increase by 48,000. Based on its share of the U.S. population, California's share of this increase in enrollment is likely to be 10–15% of the national figure.

This relationship gives a basis for estimating the increase in California enrollments that might result from the 21st Century GI Bill. Under the bill, benefits will increase from their current level of 140% of costs at community colleges to about 300% of costs at community colleges. This increase in benefits indicates an overall increase in enrollments in all California colleges and universities of about 34,000 over the next few years.