



**IRAQ *and* AFGHANISTAN
VETERANS *of* AMERICA**

**U.S. HOUSE COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
"VA EDUCATION BENEFITS ROUNDTABLE"
TESTIMONY, TOM TARANTINO, IAVA POLICY ASSOCIATE**

Madam Chairwoman, Ranking Member, and members of the subcommittee, on behalf of Iraq and Afghanistan Veterans of America (IAVA), thank you for the opportunity to present our proposed legislative recommendations to improve the Post 9/11 GI Bill and other VA education benefits. IAVA firmly believes that the Post 9/11 GI Bill will give servicemembers, veterans and their families the opportunity to achieve a first class future. As you well know, our work on the GI Bill did not end on August 1st. We now have the duty to preserve this historic investment for future generations of veterans and their families by finishing the work we started last year.

Streamlining and Simplifying the Post 9/11 GI Bill

IAVA concurs with the recommendations of The Military Coalition (TMC) and many of our fellow veterans groups that the following four essential upgrades to the Post 9/11 GI Bill must be put into effect without delay:

- Fully cover tuition and fees at any public undergraduate school, while setting a national baseline for the Yellow Ribbon program for private and graduate schools.
- Authorize Post 9/11 GI Bill benefits for Title 32 Active Guard Reserve (AGRs).
- Grant Post-9/11 GI Bill benefits to veterans who enroll in vocational programs, apprenticeships and On The Job training (OJT).
- Provide a living allowance for full-time distance learners based on the zip code in which the veteran lives.

These proposed upgrades will reduce VA processing times by pruning unnecessary bureaucratic steps and will allow many veterans access to this generous benefit, which they have rightfully earned.

A) Tuition/Fees Benefit Must Be Upgraded

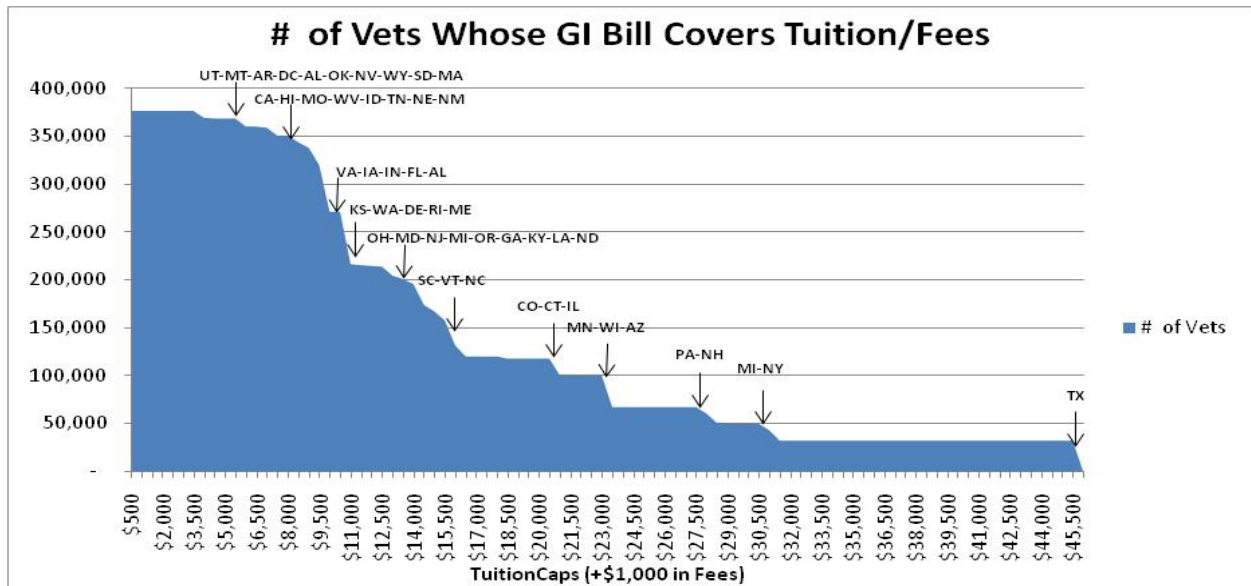
The VA's interpretation of tuition/fees benefits has created undue confusion and magnified inequities within the Post 9/11 GI Bill. The current method of determining tuition/fees benefits is confusing, unpredictable and inequitable.

Confusing – Any of the 44 veterans attending University of Sioux Falls (USF), in South Dakota, who read on the VA's GI Bill website that the Post 9/11 GI Bill pays up to \$4,748/term in fees will likely be in for a big sticker shock when they receive a large bill from their school for tuition not paid by the new GI Bill. A student taking 15 units at USF will only receive \$1,501/semester (not \$4,748) and will be left with a bill of nearly \$10,000 for that semester. They will soon realize, as many other veterans are now discovering, that while schools, like USF, regularly use the words tuition and fees interchangeably the VA makes a radical distinction between the two words. This has profound effect on veterans' benefits. This arbitrary split between tuition and fees is without any precedent in law, VA, or Department of Higher Education regulations. This distinction causes unnecessary confusion and financial strain for veterans who shouldn't have to be lawyer to decode their education benefits.

Unpredictable – The 93 veterans attending the University of Tampa must have been severely disappointed to learn that Florida tuition rates under the Post 9/11 GI Bill fell to \$295/credit this year from \$682/credit posted on the VA website last year. They essentially lost \$12,000 in tuition benefits this year alone, simply because Florida changed the tuition rates at one of their public schools. Tuition caps have changed 587% since last year's final posting on the VA's website. This makes it impossible for a veteran to predict from year to year what the Post 9/11 GI Bill will pay. Massachusetts's rates jumped from \$71/credit to over \$300/credit after the August 1st deadline, which was supposedly the finalized tuition and fees rate for the year. This required VA claims processors to reevaluate all the Massachusetts claims they had already processed. This resulted in wasted VA resources, in terms of cost and personnel time, which we know are already limited. And what will the VA do now that the University of California has raised their tuition rates midyear? Will CA rates increase in-kind to cover the new charges? Or will veterans attending public school be forced to pay out of pocket?

Inequitable – Benefits for tuition and fees differ widely between states and bear no relation with the actual cost of education in each state. More than half of veterans (58%) are entitled to tuition benefits worth less than \$15,000/year, while a small minority of veterans (8%) can get up to \$45,000/year. For example, a veteran attending the online University of Phoenix (UoP) in Northwest Arkansas will get about \$6,500/year toward their tuition and fees out of the \$11,100/year UoP charges. Compare this to a veteran attending University of Phoenix in

Wichita (KS) who will get \$12,150 covering their entire education at UoP. Compare that to a veteran attending Rice University in Texas, which costs \$30,000/yr, who will have their entire education paid for without a dime of help from the yellow ribbon program. More shockingly, a veteran attending school overseas, like at the Moscow Power Engineering Institute, will receive more toward their tuition and fees than a student in school in any of the states represented on this subcommittee, except for New Jersey. This inequity is unfair and unsustainable.



This chart highlights how much the Post 9/11 GI Bill will cover toward tuition and fees in each state and the total number of veterans who are eligible for those benefits. We have highlighted those states that receive modest tuition and fees payments and the few states that will receive dramatically more by plotting them on the graph.

Solution: Fully cover tuition and fees at all public undergraduate schools, while setting a national baseline for the Yellow Ribbon program for private and graduate schools.

The essential promise of the Post 9/11 GI Bill is that it will cover the full cost of tuition and fees at any public undergraduate college in the nation. We propose to simply fulfill that promise by abolishing the state-by-state tuition and fees caps system and simply promise to cover all charges for public undergraduate programs. If a veteran wants to attend a private or graduate program they will be entitled to a generous and equitable sum that will serve as the baseline for the yellow ribbon program for all students across the country.

This solution greatly reduces confusion by giving veterans a simple promise to pay up to a certain amount regardless of whether it is called tuition or fees. By establishing a single baseline, veterans will be able make sound decisions about whether they can afford to attend a particular college. Additionally, all private and graduate schools will be forced to compete for student veterans because the baseline for the yellow ribbon program will apply equally to all private and graduate programs. Lastly, this will speed up VA processing of GI Bill claims considerably.

In order to avoid any future confusion in the implementation of a solution like this, we believe several issues should be addressed directly in statute.

- 1) Setting the national baseline for the yellow ribbon program.
- 2) Dispersing benefits to part time or nontraditional students.
- 3) The entitlements of students attending multiple schools (public and private).

These are all the types of questions that were not answered or addressed in the Post 9/11 GI Bill and contributed to the current state of affairs.

1) Setting the national baseline for the yellow ribbon program.

IAVA believes that the national baseline should be both generous and equitable. After comparing Department of Education data and historical GI Bill numbers, we believe that the national baseline for the yellow ribbon should be at least the median private school cost for 2008 which was \$19,173/year. This new baseline would help nearly 111,000 veterans receive an equitable tuition and fees benefit, an average increase of \$7,621/veteran. We do not believe that pegging benefits to the median cost is a suitable long-term solution. Instead, we suggest establishing a single number no less than the previous year's median cost that would be indexed yearly to the rising cost of tuition just like the MGIB.

2) Dispersing benefits to part time or nontraditional students.

The VA currently divides tuition and fees benefits based on the number of credit hours enrolled and also gives a flat rate per term. This system is fundamentally flawed because the VA has no uniform definition of what a "credit hour" or "term" consists of. Therefore, veterans attending schools with semesters receive 50% less in tuition and fees than their quarter system counterparts because they simply have fewer credit hours and terms. IAVA believes that the new tuition and fees benefit should be set based on a traditional academic year of 9 months and then prorated by month for part time and nontraditional students. For example, if the national baseline is \$20,000/academic year (9 months long) and the student is attending a

nontraditional program that only lasts one month then they would receive \$2,222 in tuition and fees (1/9th of the yearly rate).

3) The entitlements of students attending multiple schools (public and private).

The issue of dual enrolled students is partially responsible the VA benefits conundrum over tuition and fees in the first place. The VA cited dual enrollees as one of their key factors for creating a dual tuition and fee cap system. Under our proposed system dual enrolled students, all public undergrads or all private and graduate students, will be fairly easy to determine. However, what if a veteran is attending a private school and a public school concurrently. IAVA believes that public undergraduate should always be paid and any amount paid to the public school should be then subtracted from the baseline for the yellow ribbon program. For example, if the baseline is set at \$20,000/year and a veteran is attending Princeton (\$30,000/yr) and a community college concurrently (\$2,000/year) the veteran will receive \$2,000 toward the community college and \$18,000 toward Princeton.

B) Full Time National Guard Servicemembers Left Behind

National Guard members, serving on full-time active duty in the Active Guard and Reserve program (AGR), are the only cohort of currently serving members excluded from Chapter 33 eligibility. Moreover, their counterparts in the Federal Reserve forces AGR program are eligible for Chapter 33. Last year there were almost 30,000 Army National Guard and 13,500 Air National Guard servicemembers serving on Title 32 active duty orders. Guard AGRs are responsible for supporting homeland security missions and preparing Guard formations for operational deployments.

Solution: Authorize Title 32 Active Guard Reserve (AGR) service for Post- 9/11 benefits. (H.R. 3554, the National Guard Education Equality Act, Rep. Loeb sack)

C) Vocational Student Denied Post 9/11 GI Bill benefits

The WWII GI Bill sent over 8 million veterans to school, many of who did not seek college degrees but rather participated in vocational and apprenticeship training programs. Unfortunately modern veterans, nearly 16,000 of which who are pursuing vocational training, will not be able to access the new GI Bill. Veterans can pursue vocational certificate programs just not at a vocational school. Non-degree granting schools, or vocational schools, are specifically excluded from the new GI Bill and no provision was made for Apprenticeship and On The Job training (OJT) programs. Both types of programs were covered under the old GI Bill.

Veterans pursuing a vocational program should not be penalized for going to a non-traditional school. We believe that veterans attending vocational schools should be entitled to the same Post 9/11 type benefits as a veteran attending a vocational program at a community college. We also believe that veterans in apprenticeship and OJT program deserve a benefit under the Post 9/11 GI Bill.

Solution: Abolish the institution of higher education requirement under the Post 9/11 GI Bill and grant Post 9/11 benefits for vocational, OTJ and apprenticeship programs.

D) Online Students Penalized Under the New GI Bill

Veterans attempting to earn a degree through distance learning should be entitled to the same benefits as veterans attending traditional brick and mortar institutions. Currently these veterans do not qualify for a living allowance, unless they take at least one course “in residence.” One brick and mortar class qualifies the student for the full living allowance. This exception reveals that the “in residence” requirement was simply a way of determining the proper living allowance rate because they are based on the ZIP code of the school and is not a statement on the quality of distance learning.

Distance learning is a highly popular form of education for veterans. This unfair distinction must be rectified. IAVA acknowledges that a different process of determining housing allowance rates must be employed for distance learners. IAVA recommends basing the housing allowance for distance learning on the zip code of the veteran’s residence or establishing a national distance learning living allowance rate.

**Solution: Provide a living allowance for distance learners.
(H.R. 3467, Veterans Education Enhancement and Fairness Act, Rep. Carney)**