Collaborating with the Veterans Administration to Help Students

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Session Overview

- Veterans Education Programs that VA Does and Does Not Administer
- General Payment Rules and Processing Claims for VA Programs
- Statutory and Regulatory Definitions for Title IV Purposes
- Treatment of Veterans Education Benefits for Title IV Purposes
Veterans Education Benefits

• Veterans Education Programs that VA administers
  – Montgomery GI Bill—Active Duty
  – Montgomery GI Bill—Selected Reserve
  – Dependents Educational Assistance
  – Reserve Educational Assistance Program
Veterans Education Benefits

- Veterans Education Programs that VA administers (continued)
  - Post Vietnam Era Educational Assistance Program
  - Vocational Rehabilitation and Employment
  - Restored Entitlement Program for Survivors
Veterans Education Benefits

• Veterans Education Programs VA Doesn’t Administer
  – Reserve Officer Training Corps Scholarship
  – Reserve Officer Training Corps Program
Veterans Education Benefits

- General Payment Rules for VA Programs
  - Payments generally are made to the student
  - Payments are generally made monthly
  - Payments are affected by-
    - The program
    - The student’s “training time”
Montgomery GI Bill—Active Duty (Ch. 30)

• For Individuals Who Entered Active Duty Pre-1977 or Post-mid-1985

• Three Basic Full-time Monthly Rates
  – $816
  – $1,004
  – $1,192
Montgomery GI Bill—Active Duty (Ch. 30)

- Factors that Affect the Amount of MGIB—Active Duty Payments
  - Number of Dependents
  - “Kickers”
  - “Buy Up”
  - Active Duty Status
Montgomery GI Bill—Selected Reserve (Ch. 1606)

- For Individuals Who Entered the Selected Reserve (Including the Guard) from Mid-1985 to Present
- Current basic rate is $288 per month.
- Factors that Affect the Amount of MGIB—Selected Reserve Payments
  - Continued eligibility
  - “Kickers”
Reserve Educational Assistance Program (REAP or Ch. 1607)

• For Reservists Called to Active Duty After Sept. 10, 2001

• Factors that Affect REAP Payments
  – Continued eligibility
  – Length of time spent on active duty
    • Basic full-time monthly rates are $401, $602, and $803
  – MGIB—SR “kickers”
  – Active Duty Status
Reservists Educational Assistance Program (REAP or Ch. 1607)

• Timeline for Making the First Payments
  – Goal is to Begin Payments by Oct. 1, 2005.
  – VA must build a payment system.
  – DoD and the Coast Guard must establish procedures for determining who is eligible.

• Initial Payments Will Include Many Lump-Sum Payments for Training Completed Before Oct. 1.
Post-Vietnam Era Veterans’ Educational Assistance Program (VEAP or Ch. 32)

- For Individuals Who Entered Active Duty 1977-mid-1985
- Educational Assistance Pilot Program
- Factors that Affect the Amount of Payments
  - Amount contributed
  - “Kickers”
Vocational Rehabilitation and Employment (Ch. 31)

- Served on or after September 16, 1940

  AND

- Service-connected disabilities are rated at least 20% VA (or 10% if there is a serious employment handicap)

  AND
Vocational Rehabilitation and Employment (Ch. 31)

- Vocational rehabilitation is required to overcome an employment handicap **AND**
- Less than 12 years since VA notified of the eligibility (longer if certain conditions prevented training).
Vocational Rehabilitation and Employment (Ch. 31)

- A veteran eligible for this benefit has his/her tuition and fees paid by VA to the educational institution.
- VA also pays for necessary books and supplies.
- Veteran receives a monthly subsistence allowance.
  - Current basic full-time rate is $474.27 per month.
Dependents’ Educational Assistance (Ch. 35)

• For Children, Spouses and Surviving Spouses of Individuals—
  – Who died while on active duty; or
  – Whose death was caused by a service-connected disability; or
  – Who died while permanently and totally disabled as a result of a service-connected disability; or
  – Who have a permanent and total service-connected disability.
Dependents’ Educational Assistance (Ch. 35)

- Current basic full-time rate is $803 per month.
- Choice of beginning date of eligibility affects payments.
Restored Entitlement Program for Survivors

- Restores to the survivors of some military personnel the Social Security benefits lost in 1981
- Survivors include children in college between age 18-22.
- Monthly payments range from $800 to $1,700
Education Beneficiaries Trained

- CH35
- CH30
- CH1606
- CH1607

Processing Claims for Veterans Educational Benefits

- Vocational Rehabilitation claims are processed at each of VA’s 58 regional offices.
- REPS claims are processed in St. Louis, MO.
- Other claims for educational benefits are processed at four regional processing offices.
  - Buffalo, NY; Atlanta, GA; St. Louis, MO and Muskogee, OK
Processing Claims for Veterans Educational Benefits

- Original Vocational Rehabilitation and Dependents’ Educational Assistance Claims Take the Longest Time.
- Re-enrollments Take the Shortest Time.
Claims Processing—VR&E

• Veteran applies for VR&E (completes 28-1900).
• VR&E Division in the regional office determines eligibility.
• VR&E counselor determines entitlement.
• Veteran and counselor explore vocational goal based upon comprehensive assessment of skills, aptitudes and interests.
• VR&E counselor and veteran develop rehabilitation plan.
• VR&E provides case management services until veteran is rehabilitated.
Claims Processing--REPS

- Claims may be submitted at any VA office, but will be processed in St. Louis.
- If eligibility has never been established, it takes 4 to 6 months for the claim to be processed.
- After eligibility is established it takes 30-45 days to process a supplemental claim.
Claims Processing—Other Programs

• Claimant files a 22-1990 or 22-5490.
• Educational institution certifies claimant’s enrollment.
• VA, DoD or Coast Guard determines eligibility.
• Payment is authorized.
Web Sites

• Education Service Home Page  
  – Has information on basic monthly rates for ch. 30, 1606 and 1607.

• Veterans Benefits Administration Home  
  – Click on Vocational Rehabilitation and Employment and drill down to ch. 31 rates.
Statutory Definitions: “Untaxed Income and Benefits”

- “Untaxed Income and Benefits” (HEA section 480(b))
  - Includes veterans non-education benefits but not veterans education benefits
  - Veterans non-education benefits are collected on FAFSA Worksheet B
  - Veterans non-education benefits are used in calculating the student’s EFC
Statutory Definitions (cont’d): “Other Financial Assistance”

• “Other Financial Assistance” (HEA section 480(j))
  – Includes veterans education benefits (HEA section 480(c)) a student will receive during the award year
  – Veterans education benefits are reported in questions 46 and 47 of the 2005-2006 FAFSA
  – Veterans education benefits are not used in EFC calculation
Regulatory Definitions: “Resources” and “Estimated Financial Assistance”

• “Resources” is the term used for “Other Financial Assistance” under the campus-based regulations (34 CFR 673.5)

• The same items are referred to as “Estimated Financial Assistance” under the FFEL and Direct Loan regulations (34 CFR 682.200 and 685.102)
Regulatory Definitions (cont’d): “Estimated Financial Assistance”

- The HEA (section 428(a)(2)(c)) requires a school to exclude Montgomery GI Bill-Active Duty (Chapter 30) veterans education benefits and AmeriCorps education awards or post-service benefits from EFA when determining subsidized FFEL and Direct Loan eligibility.
- This exclusion is repeated in the definition of EFA in the FFEL and Direct Loan regulations.
Regulatory Definitions (cont’d):
“Resources”

• The HEA did not provide a similar exclusion of these benefits for the campus-based programs
• To allow students to have the full advantage of the statutory exclusion of these benefits for subsidized loans without losing campus-based eligibility, the campus-based regulations added an exclusion to the definition of “resources”
Regulatory Definitions (cont’d): “Resources”

- When determining a student’s eligibility for campus-based funds, a school may exclude as a “resource” any portion of a subsidized FFEL or Direct Loan that is equal to or less than the amount of the student’s Montgomery GI Bill-Active Duty benefits and AmeriCorps education awards or post-service benefits.
Packaging Example: Montgomery GI Bill-Active Duty Benefits

• John is a first-year, independent undergraduate student enrolled in a four-year program at Bradford University
  – He has an EFC of 1800, a Pell Grant of $2,000, and Montgomery GI Bill-Active Duty benefits of $4,200
  – His need is $7,700 ($9,500 COA – 1800 EFC)
  – His assistance from the Pell Grant and Montgomery GI Bill-Active Duty benefits equals $6,200 ($2,000 + 4,200)
  – The difference between his need and assistance is $1,500 ($7,700 – 6,200)
Packaging Example (cont’d)

• Because the Montgomery GI Bill-Active Duty benefits do not count as EFA for subsidized loans, John is eligible for a subsidized Stafford loan in an amount that exceeds $1,500
  – His COA minus his EFC and Pell Grant would leave an unmet need of $5,700 ($9,500 – 1,800 – 2,000) based on the required exclusion
  – The maximum subsidized loan amount for a first-year student is $2,625 and is less than his $5,700 unmet need for subsidized loan purposes, so he is able to receive a subsidized loan up to $2,625
Packaging Example (cont’d)

– The decision to take out a subsidized loan is the student’s to make and the school must follow the HEA and regulations

– In this example, his assistance totals $8,825 ($2,000 + 4,200 + 2,625) which exceeds his need of $7,700

– This is not considered an overaward or an overpayment under the HEA and regulations
Packaging Example (cont’d)

- John is also eligible for campus-based aid if the school chooses to exclude his subsidized loan as a resource up to the amount of his Montgomery GI Bill-Active Duty benefits
  - His need is $7,700 and his total resources minus the subsidized loan would be $6,200 ($8,825 – 2,625)
  - The school may award campus-based aid up to $1,500 ($7,700 – 6,200), for example, $1,000 in FWS funds and $500 in FSEOG funds
  - The decision to apply the campus-based “resource” exclusion is a school option, it is not required
Packaging Example (cont’d)

– Under this campus-based exclusion, his assistance would be as follows:
  2,000 Pell Grant
  4,200 Montgomery GI Bill-Active Duty
  2,625 Subsidized Stafford loan
  1,000 FWS
  500 FSEOG
$10,325 Total aid
Packaging Example (cont’d)

– His assistance of $10,325 would exceed his need of $7,700 and his COA of $9,500
– Again, this is not considered an overaward or an overpayment
Treatment of New Chapter 1607 Veterans Education Benefits

- A school must account for Chapter 1607 veterans education benefits as a “resource” and “estimated financial assistance” beginning with the 2005-2006 award year, excluding payments made for previous award years.
Contact Information

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