



**Testimony on**  
**Draft bills titled**  
**“GI Bill Tuition Fairness Act of 2013”**  
**and**  
**“Veterans Education Equity Act of 2013”**

**Legislative hearing on**

**S.257 and S.262**

**Presented by**

**Dr. Muriel A. Howard**

**to the**

**Senate Committee on Veterans’ Affairs**

**The Honorable Bernard Sanders, Chairman**

**The Honorable Richard Burr, Ranking Member**

**May 15, 2013**

Thank you Chairman Sanders, Ranking Member Burr, and other distinguished Senators for affording me this opportunity to submit testimony on the role of AASCU institutions in providing affordable access to higher education for our veterans; I commend the Committee for exploring this topic. My name is Dr. Muriel Howard and I have the honor of serving as the president of the American Association of State Colleges and Universities (AASCU). Now in its 51<sup>st</sup> year, AASCU is a national leadership association consisting of over 400 presidents, chancellors and system heads of public four-year colleges and universities. The group is diverse in its membership, ranging from small, liberal arts institutions enrolling a few hundred students to research-intensive universities that enroll tens of thousands of students.

AASCU will be providing written testimony on two bills before the committee: S.257, the proposed “GI Bill Tuition Fairness Act of 2013,” and S.262, the proposed “Veterans Education Equity Act of 2013.” Both bills would essentially provide in-state tuition rates for our veterans, something AASCU as an organization strongly supports. However, we have significant concerns about the mechanism used in S.257 that would shift the cost burden for Post 9/11 GI Bill Benefits from the federal government to the states. Since many institutions of higher education do not have independent tuition-setting authority, 40 state legislatures would need to change state laws in order to comply with the bill. Many states have enacted minimum residency requirements that students must meet to be eligible for in-state tuition rates. For example, in the District of Columbia, to receive the in-state tuition rate, a veteran must reside in the District for a full year to become eligible. We have concerns regarding the practicality of having multiple states change their laws regarding in-state tuition for veterans in a short period of time. Thus, we conclude that S.262 includes language that is a preferred method for providing in-state tuition. The procedure in S.262 would avoid confusing our veterans and not put additional stress on overburdened state budgets still recovering from a recession.

### **S.262–The Veterans Education Equity Act**

In short, The Veterans Education Equity Act addresses the unintentional harm to veterans enrolled as out-of-state students at public institutions of higher education resulting from the passage of the Veterans Educational Assistance Improvements Act, Public Law 111-377. After passage of the 9/11 Veterans Educational Assistance Act of 2008, the Department of Veterans Affairs (VA) began the unenviable task of implementing the legislation in a very short period of time. The VA established a tuition and fee payment schedule for each state in order to do so. In creating this structure, the VA separately determined the highest amount in tuition and in required fees charged to a student attending a public institution, rather than combining tuition and required fees into one amount as is the standard practice in higher education billing procedures. This structure resulted in veterans attending public institutions having all or nearly all of their tuition and fee charges paid via their Post-9/11 GI Bill benefits regardless of whether they were considered an in-state or out-of-state student.

The major focus of Public Law 111-377 was to revamp the tuition and fee structure first established by the VA. The legislation established two criteria: those veterans attending public institutions would receive benefits equal to in-state tuition and fee charges, while veterans

attending private institutions would receive the lesser of \$18,000 or their actual charges for tuition and fees. Congress, when drafting this legislation, thus created an inequity considerably reducing benefits for those veterans attending public institutions located outside of their home state. The benefit for in-state tuition and fee charges is worth, on average, about \$8,655 per year and does not pay the full tuition and fee costs at public institutions located outside a veteran's home state. Out-of-state tuition and fees at public four-year institutions averaged \$21,706 in 2012-13 (College Board Trends in Pricing, 2012, p. 3). On the contrary, if one of our veterans chooses to attend an out-of-state private institution, he or she will automatically qualify for up to \$18,000 per year. Simply put, a veteran who chooses to attend a public institution is entitled to, on average, less than half of the benefit of a veteran who chooses to attend a private institution. S.262 would remedy this inequity.

AASCU supports S.262 as the preferred method to provide in-state tuition for our veterans. We believe that this bill would not shift additional cost burdens on institutions and states along with providing what amounts to in-state tuition by leveling off the payment disparity between public and private colleges. Finally, this bill would avoid creating additional confusion for our veterans. Forty states would not need to update state laws in order to be eligible to receive benefits from the federal government.

### **S.257–The GI Bill Tuition Fairness Act**

S.257 would require the Secretary of Veterans Affairs to deny GI Bill benefits to veterans who are not charged in-state tuition rates. Moreover, this bill would not allow any veteran or their dependents enrolled at a public institution to receive GI Bill benefits if that institution does not offer in-state tuition to all veterans. As stated previously, AASCU strongly supports offering in-state tuition rates to veterans. However, we are concerned that this bill could create more problems than it actually solves.

S.257, as currently written, would require institutions to convince state legislatures to alter their tuition laws on a state-by-state basis. Currently only 10 states provide in-state tuition to veterans regardless of their state of legal residence. We do not think it is realistic to expect 40 states to substantially amend their state tuition laws prior to August 1, 2014.

It is important to remember that the majority of public colleges and universities in the United States do not set their individual tuition or control the state policies governing tuition. Postsecondary tuition policy in the remaining 40 states is set by state legislatures, a statewide coordinating board, or other state entities with authority to set tuition for institutions. In addition, many states have established clear criteria for who is eligible to receive in-state tuition benefits. Currently, only 10 States offer in-state tuition to qualified veterans immediately after they move into the state. Thus, state legislatures would ultimately be required to change the residency treatment of veterans. This is a potentially difficult obstacle in many states.

Given the complexity of tuition-setting policies across 40 states, it is quite likely that institutions will not be legally permitted to charge in-state rates regardless of their desire to serve

veterans. Veterans seeking to enroll in public institutions in those states would need to find other, more than likely costlier, programs in order to utilize their GI Bill benefits. Veterans would be forced to either move to a state that offered in-state tuition, go to a more expensive private nonprofit institution, attend a for-profit college or abandon their plans to attend college.

This will create a scenario of confusion since many veterans arrive on campus with the full expectation of receiving their GI Bill benefit. Public institutions would be forced to inform veterans that they would not be eligible to use those benefits in states where in-state tuition has not been specifically approved for veterans. Further, no new additional veterans, whether designated in-state or out-of-state residents, would be permitted to use their GI Bill benefits in the state. Thus, AASCU envisions further confusion which could potentially discourage veterans from pursuing any postsecondary education as well as creating a negative atmosphere toward veteran-friendly public institutions that are legally bound by the laws of the states in which they are located.

Veterans usually decide to remain in local communities after the end of a tour of duty in a specific location where they may not be considered state residents for a variety of reasons including their minor children being already established in local K-12 schools (particularly those minor children with special needs), their spouses' employment, their family's integration into the local community, their caregiving responsibilities for other family members, and so forth. If they are located in a state that is unable or has yet to alter residency treatment for veterans, significant disruption to the family unit could occur. A veteran would explore options at a campus, not be able to use their GI Bill benefits there, and be forced to move to a state offering in-state tuition in order to receive their benefits. Passage of this measure would create a hodge-podge of eligible and ineligible states.

Further, we ask if the Committee has considered the treatment of a veteran who is forced to move to another state as a result of family obligations such as caring for an ill or aging parent? If a veteran is attending classes at an institution within a state that has automatic in-state tuition eligibility for veterans, but moves to one that does not in order to satisfy family obligations such as caregiving, the veteran, through no fault of his or her own, will no longer be eligible to use GI Bill benefits in order to complete coursework.

It may also be instructive for the Committee to understand the nature of in-state versus out-of-state tuition and fee rates. One way of looking at an established out-of-state rate is to consider it as the full cost to the institution of educating a student. Since public institutions receive support from the state in order to provide its residents with an education—a priority of the state—the in-state tuition and fee rate reflects the cost to the institution after factoring in the state subsidy. Thus, an in-state rate is supported by state taxpayers. Out-of-state surcharges, therefore, are an attempt for the state to recoup the costs of educating those students whose education has not been supported by state taxpayers. Passage of this bill would shift paying for veterans' education—established under the original post-World War II GI Bill and all its

successive iterations as a federal government obligation--to the states, but only for veterans attending public institutions.

This inequitable treatment would punish public institutions—and *only* public institutions for the legal inability to set their own tuition and fees. It would not affect private non- and for-profit institutions that charged, on average respectively, \$29,056 and \$15,172 for tuition and fees in 2012-13 (College Board Trends in Pricing, 2012, p. 10). Thus, it would end up costing veterans—and public institutions, that educate the majority of Americans—rather than helping them. Therefore, AASCU does not support the punitive aspects of S.257.