

July 31, 2018

MG Robert M. Worley II, USAF (Ret.)  
Director, Education Service  
Veterans Benefits Administration  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Dear Director Worley:

On behalf of the associations listed below, representing two- and four-year, public and private nonprofit colleges and universities, I write to share our concerns with the Department of Veterans Affairs (VA) proposed implementation of section 107 of the Harry W. Colmery Veterans Educational Assistance Act (P.L. 115-48), also known as the Forever G.I. Bill. We believe VA's interpretation of the law is incorrect, unnecessarily burdensome, and unworkable for institutions. Moreover, we are concerned it will lead to delays in payments and ultimately harm the very veterans we seek to serve.

Section 107 of the Forever GI Bill changes the way the Monthly Housing Allowance ("MHA") will be determined for veterans receiving Post 9/11 GI Bill benefits. This change in law is scheduled to take effect August 1 of this year, although VA has indicated that necessary changes to its IT systems will not be ready until sometime in mid-August.

Under current law, the MHA payment is based on the ZIP code of the institution where the student's enrollment is certified. Under the new law, MHA will be based on the ZIP code for the location of "the campus of the institution of higher learning where the individual physically participates in a majority of classes." In making this change, Congress sought to address equity concerns about students receiving MHA payments that were inconsistent with where they were living and taking classes. For example, if the headquarters of the institution was located in a high-cost area of the country, students enrolled at that institution received a higher BAH even though they lived and took classes in a different part of country with a significantly lower cost of living.

VA has interpreted section 107 to require institutions to report the ZIP code for every class in which a veteran has enrolled as well as the ZIP code for any internship, externship, practicum, or student teaching site in which a veteran participates. While we understand the problem Congress has identified, we believe VA's interpretation of the statute goes beyond the letter of the law and beyond what is necessary to address Congress's specific concern. There are less onerous methods to determine where a student is taking the majority of their classes.

By choosing to require class-by-class ZIP code reporting, VA is setting up a time-intensive, excessively granular, and unworkable reporting system that threatens to delay the processing and payment of these important benefits and has the potential to create other unintended consequences for veterans. We understand that VA continues to have conversations with the relevant congressional committees and believes its interpretation is consistent with congressional intent. However, given that the statute does not mandate this interpretation and given the significant concerns identified below, we respectfully ask VA to reconsider this approach and temporarily delay implementation until these concerns can be addressed.

1. Reporting every class by ZIP code

Reporting the ZIP code for every class will be time consuming and expensive for many institutions. Tracking this information is likely to require significant updates to institutional IT systems. However, institutions are unable to proceed with these changes when VA has yet to finalize its own system updates. As a result, many institutions will be forced to collect and input this information manually. It is not uncommon for institutions to serve thousands of veterans enrolled in hundreds of different classes across campuses that stretch over multiple ZIP codes. Rather than spending time counseling and advising veterans about their benefits, school certifying officers will be engaged in hand collecting location information—information that will need to be updated and resubmitted as classes and their locations inevitably change.

The requirements to identify ZIP codes for any internship, externship, practicum, or student teaching site will only compound these problems. In some cases, institutions will not know the location of the internship or practicum until well into the term, which may result in processing delays. In addition, tying MHA payments to the location of internships will create disincentives for veterans seeking experiences in low-income or rural areas. Veterans who commute to these internships, while maintaining their current housing, would receive a lower MHA even though their living expenses have not changed.

2. Advising veterans regarding MHA and the potential for overpayments

Requiring class-by-class and internship ZIP code information increases the likelihood of changes to veterans' MHA allowance after they have started a term and the likelihood of overpayments that will need to be recouped. For example, a student registered for a majority of classes in one ZIP code who changes several classes could see a drop in his MHA even if he maintains a full course load and has not moved. While class changes could also result in an increase in MHA, our concern is for the veteran who has already committed to a housing location before the start of the term based on an expected MHA and discovers mid-way through the term that he has less money for living expenses.

The dual certification process has helped ensure that veterans receive their housing allowance at the start of the term when money for living expenses is most critical. Under the current system, veterans are assured that provided they maintain their rate of pursuit, their MHA will not change over the course of the term. Under the new system, the MHA

amount may vary based on location as well as rate of pursuit. Should an internship location change mid-semester, the institution would need to update the location, resulting in a revised MHA. If the new MHA is lower, veterans will be required to return any overpayment from the beginning of the semester. It is not clear how school certifying officials will know of changes to a veteran's internship location particularly if changes occur after certification.

We greatly appreciate VA's testimony to Congress that during the initial phase of implementation, it will allow veterans to keep any overpayments. However, once this phase ends, it is critical to recognize that VA's interpretation will lead to more frequent changes to the veteran's MHA, which will result in less certainty about MHA payments and will negatively affect veterans' ability to budget for their living expenses.

### 3. Changes to VA-ONCE systems and processing

We understand that VA is working diligently to complete the extensive IT changes necessary to implement its interpretation of section 107. In its July 17 letter, VA indicated that its system changes would not be finalized by the anticipated July 16 date. They now are expected sometime in mid-August. We appreciate VA's reassurances that during the first year of this new system, it will not find institutions out of compliance provided they are making reasonable attempts to comply.

Due to these system changes, VA in April asked schools to hold and not submit certifications for students who would be affected by the change in the law. This hold on processing benefits has caused concern. Some of our institutions typically certify MHA payments several months before the start of the fall term to ensure timely payment. While VA recently lifted its hold, it also noted that any certifications where the location of the majority of the classes/training would change "**must be resubmitted after the VA-ONCE changes are implemented.**"

We are concerned that the compressed timeframe for submitting enrollments and the need to submit enrollments multiple times will create significant pressure on the VA's online enrollment system. We have heard complaints from school certifying officials about the tendency of VA-ONCE to freeze or crash during high-use periods, and we fear this problem will be exacerbated this fall. While we hope this will not happen, given the magnitude of system changes occurring in a short timeframe, we believe it would be wise to temporarily delay the implementation of this policy while VA works with institutions to address these concerns.

### Conclusion

We believe there are alternative ways to approach implementation that would address Congress's original concern, be less burdensome for institutions, and avoid the unintended consequences we have outlined above. These alternatives would allow institutions and school certifying officials to focus their resources on serving veterans, not

Page 4

on onerous reporting requirements. We look forward to working with you to address these concerns and would welcome the opportunity to discuss these matters at your earliest convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is written in a cursive, slightly stylized font.

Ted Mitchell  
President

On behalf of:

American Association of Community Colleges  
American Association of State Colleges and Universities  
American Council on Education  
Association of American Universities  
Association of Public and Land-grant Universities  
National Association of Independent Colleges and Universities

Cc: The Honorable Johnny Isakson, Chairman, Senate Committee on Veterans' Affairs  
The Honorable Jon Tester, Ranking Member, Senate Committee on Veterans' Affairs  
The Honorable Phil Roe, Chairman, House Committee on Veterans' Affairs  
The Honorable Tim Walz, Ranking Member, House Committee on Veterans' Affairs