

National Association of Student  
Financial Aid Administrators Presents...

# **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



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# 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



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# 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



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# Veterans Education Benefits

- Veterans Education Programs VA Doesn't Administer
  - Reserve Officer Training Corps Scholarship
  - Reserve Officer Training Corps Program



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# 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"



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# 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



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# 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



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# 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



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# 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”



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# 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.

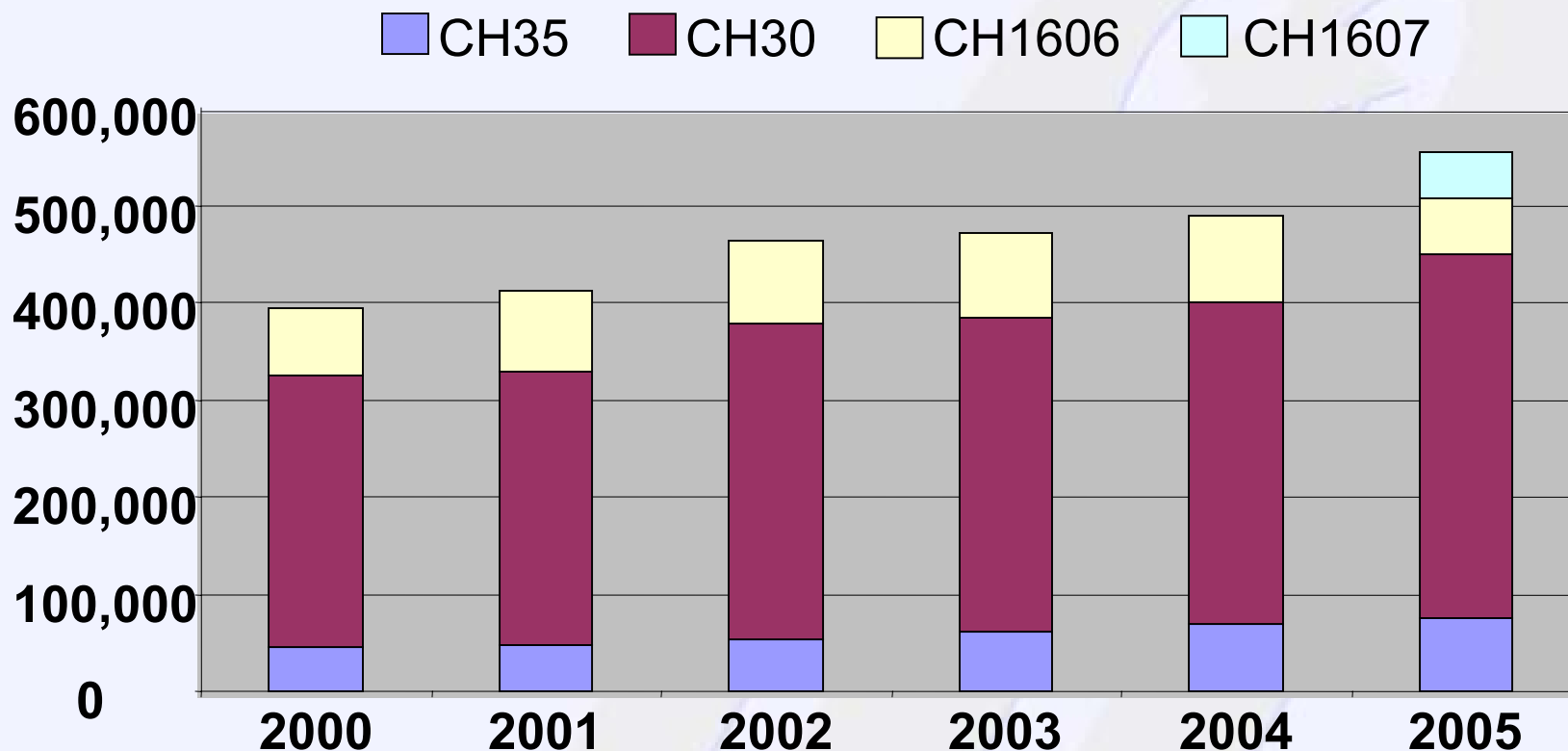


# Restored Entitlement Program for Survivors

- 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



# 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



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# 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.



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# Web Sites

- Education Service Home Page  
The Address is: <http://www.GIBill.va.gov>
  - Has information on basic monthly rates for ch. 30, 1606 and 1607.
- Veterans Benefits Administration Home Page at <http://www.vba.va.gov>
  - 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”



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# 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



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# 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 ( $\$9,500 \text{ COA} - 1800 \text{ EFC}$ )
  - 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
- Retroactive payments for the 2001-2002, 2002-2003, 2003-2004, and 2004-2005 award years will not have to be considered by a school for purposes of overawards and overpayments



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# Contact Information

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