The Honorable Eric K. Shinseki
Secretary of Veterans Affairs
810 Vermont Avenue NW
Washington, DC 20005

March 12, 2009

Dear Mr. Secretary:

IAVA is committed to helping the VA support veterans and looks forward to being a strong partner in the future. Based on a growing stream of questions and concerns from our members, IAVA has serious reservations about the VA's preliminary tuition and fee caps. The VA's interpretation of the law, coupled with poor communication to veterans, is both unfair and confusing.

Ideally, the Post 9/11 GI Bill would not be capped, and would instead cover all tuition and fees, at any school in the country. Unfortunately, current law caps veterans' education benefits, and VA interpretation of the law has worsened the problem by creating confusion and magnifying inequities within the GI Bill. In the short term, IAVA recommends revising the VA policy to create a more equitable, straightforward, and generous benefit before the August 1st, 2009 deadline.

IAVA has identified three key issues we wish to bring to your attention:

Issue 1: *The VA's entire tuition/fee payment structure is founded upon a faulty model.*

> The Post 9/11 GI Bill requires the VA to set tuition/fee caps based on the *single* most expensive public school program in each state. But the VA has decided to set each cap by combining the most expensive tuition from one program and the most expensive fees from another – even if no veteran could feasibly enroll in both of these programs simultaneously. As a result, each state cap has no relation to the actual cost of attending public school in that state.
>
> This mechanism gives certain states very high state caps, and other states much lower benefits, creating strong incentives for students to attend schools in states with higher caps. For example, why would a student attend school in Washington, D.C., when they would receive six times more in tuition and fees to attend a Maryland college?

The payment structure also creates an incentive for states to create expensive niche education programs that drive up each state's cap, and for private schools to locate in states with high caps so they can charge a large amount of tuition/fees. Similar forms of abuse were reported in the 1956 Bradley Commission Report after the WWII GI Bill.

IAVA Recommendation: Ensure state caps reflect the actual cost of enrollment in public school. The VA should base each state cap on the actual cost of the most expensive program in each state, considering tuition and fees together.

Issue 2: *The VA has released confusing information about tuition and fees payments*

The complicated and unclear tuition/fees chart currently posted on the VA website and is distributed to the media is causing great confusion among veterans, leaving them unsure of the benefits to which they are entitled. As a result, IAVA has been bombarded with phone calls and emails from veterans seeking clarification. The simplest solution is to have a single rate for each state, unaffected by a veteran's course load. This simple and generous fix would not require new legislation nor a change to the VA's IT system.

If the VA is unwilling to adopt a single rate for each state, the VA must, at minimum, improve the way in which they communicate the current benefit to veterans. For the purposes of deciding the state cap, the VA calculates tuition and fees separately. The VA has not made clear whether a veteran's tuition benefit can only be applied to tuition, or whether the fees benefit only be used to satisfy fees. The answer affects a significant number of students attending graduate programs and private schools. Many schools simply list their charges as "tuition and fees," treating the two as one amount. If the VA does not allow the fees benefit to be used towards tuition (and vice versa), veterans will likely overestimate how much their benefits would cover. The VA should instead combine the tuition and fees benefit into a single benefit and develop a comprehensive strategy to educate veterans about their benefits by using a full range of internet resources, public events, high profile spokespeople and leveraging the membership outreach of the VSOs.

IAVA Recommendation: Combine tuition and fees benefits into a single understandable number.

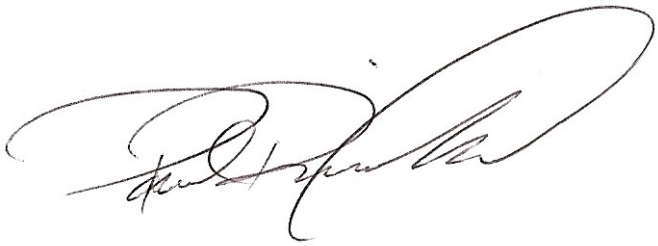
Issue 3: VA has created a glaring inequity that favors schools with shorter terms

By pegging state caps on a per-term basis and allowing each school to dictate the definition of a "term," the VA has created a glaring inequity that favors schools with shorter terms. For example, veterans attending college on a quarter system will receive 50% higher benefits then a veteran attending school on a semester system. We acknowledge that for this problem to be resolved, the VA's IT system would need to be modified, regulations would need to be changed and the August 1st deadline would be threatened. We recommend that the VA and Congress begin addressing this issue so that it could be resolved for the 2010-11 school year.

IAVA Recommendation: Define "terms" as a fixed period of time.

During your confirmation hearing last month, you repeatedly emphasized your commitment to a timely and fair implementation of the GI Bill. We appreciate your dedication, and we look forward to working with you to get these issues addressed quickly and efficiently, so that the August 1, 2009 deadline is met. Patrick Campbell, IAVA's Chief Legislative Counsel, has been a tireless advocate for the new GI Bill, and would be happy to work with your staff to get these recommendations implemented. Thank you for your service and your leadership.

Sincerely,



Paul Rieckhoff
Executive Director
Iraq and Afghanistan Veterans of America