

Veterans Education Newsletter

FOR SCHOOL CERTIFYING OFFICIALS

St. Louis RPO (www.varostlouis.com)

Department of Veterans Affairs

February 2002

New Legislation Changes VA Education Programs

On December 27, 2001 the president signed into law PL 107-103, Veterans Education and Benefits Expansion Act of 2001. The Act contains the following education provisions:



Increased rates for Montgomery GI Bill (chapter 30) benefits:

Increases rates for approved full-time studies from \$672 to \$800 for periods of active duty that are three years or more effective January 1, 2002; \$900 effective October 1, 2002; and \$985 effective October 1, 2003. When MGIB eligibility is based on an obligated period of active duty of two years, the amount of MGIB education benefits increases from the current full-time monthly rate of \$546 to \$650 effective January 1, 2002; \$732 effective October 1, 2002; and \$800 effective October 1, 2003. See page 4 for current rate chart.

Increased rates for Survivors' and Dependents' Educational Assistance (chapter 35):

Increases payment rates from \$608 to \$670 for full-time; from \$456 to \$503 for three-quarter-time, and from \$304 to \$335 for half-time studies. Special Restorative Training that is pursued full-time increases from \$608 per month to \$670 per month. The effective date of the rate increase is January 1, 2002.

Restoration of Entitlement:

Restores educational assistance entitlement under the MGIB-Active Duty, the Veterans'

Educational Assistance program (VEAP), the Survivors' and Dependents' Educational Assistance program (DEA), and the chapter 31 program for any servicemembers, reservists, or DEA recipients called to active duty during Operation Enduring Freedom and at any time in the future. The effective date is September 11, 2001.

Accelerated Payments for education leading to employment in high technology:

Makes eligible those persons charged tuition and fees such that, when divided by the number of months in the enrollment period, the monthly amount exceeds an amount equal to 200 percent of the monthly rate otherwise payable. The total amount of payment will be the lesser of: 60 percent of program costs, or the total amount of

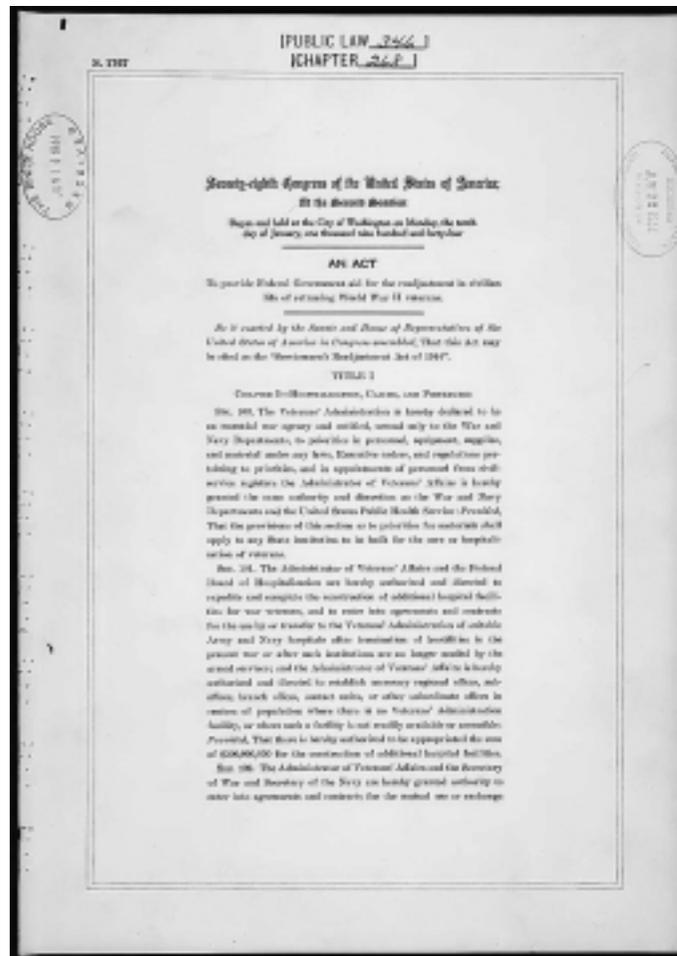
education assistance to which the person has entitlement at the time of payment. This lump sum would be deducted from the veteran's remaining MGIB-Active Duty entitlement. This is effective October 1, 2002.

MGIB Eligibility:

Enables Vietnam-era veterans to convert their Vietnam-era GI Bill benefits to Montgomery GI Bill-Active Duty benefits if the veteran had eligibility for the Vietnam-era GI Bill benefits as of December 31, 1989, was not on active duty on October 19, 1984, and served three continuous years on active duty on or after July 1, 1985, or two years on active duty followed by four years in the Selected Reserve on or after July 1, 1985. *This provision overturns the General Counsel Opinion which held that service had to begin on July 1, 1985.*

ROTC Increase:

Increases from \$2,000 to \$3,400 per year the amount a student under the Senior Reserve Officers' Training Corps (SROTC) may receive in scholarship assistance and still retain eligibility for the



Original GI Bill
Servicemen's Readjustment Act of June 22, 1944

MGIB – Active Duty (chapter 30). This applies to chapter 30 benefits paid for months beginning after December 27, 2001.

Expansion of Work-Study Opportunities: Provides that qualifying work-study activity includes any of the following: the Veterans Outreach Services Program for work performed under the supervision of a VA employee, or, during the 5-year period beginning on the Act's date of enactment, outreach services to servicemembers and veterans furnished by State approving agency employees; preparation and processing of papers and other documents at educational institutions or regional offices or facilities of VA; provision of hospital and domiciliary care and nursing home and hospital care to veterans (under 38 USC chapter 17), including, during the same 5-year period mentioned above, care to veterans in state veterans' homes; any other activity of VA that the Secretary determines appropriate; for individuals training under chapter 1606, activities relating to the administration of that chapter at Department of Defense, Coast Guard, or National Guard facilities; during the same 5-year period mentioned above, activities relating to the administration of a national cemetery or a State veterans' cemetery. This applies to agreements entered into on or after December 27, 2001.

Chapter 35 Eligibility of Spouses and Surviving Spouses: Invalidates *Ozer* and reinstates a 10-year delimiting period in which spouses may, upon first becoming eligible, use DEA benefits. [*Under Ozer v. Principi, February 6, 2001, the U.S. Court of Appeals for Veterans Claims decided that chapter 35 spouses have no delimiting date. In addition, if a spouse becomes a surviving spouse due to the death of the veteran, the surviving spouse would receive a new 10-year delimiting date, but in no case would his or her aggregate entitlement exceed 45 months.*]

Expansion of Special Restorative Training: Expands the special restorative training benefit provided under the chapter 35 program to include certain disabled spouses or surviving spouses. This is effective December 27, 2001.

Definition of Educational Institution: Changes the definition of Educational Institution to include any private entity that offers, either directly or under an agreement with another entity, a course or courses to fulfill requirements for attainment of a license or certificate generally recognized as necessary to obtain, maintain, or advance employment in a vocation or profession in a technological occupation, as determined by VA. This applies to enrollments in courses beginning on or after December 27, 2001.

Distance Education: Permits payment for independent study programs if they lead to a certificate that reflects educational attainment offered by an institution of higher learning. This applies to enrollments in independent study courses beginning on or after December 27, 2001.

Fugitive Felons and Benefits: Prohibits veterans and eligible dependents from receiving veterans benefits while a "fugitive," which is defined as a person fleeing to avoid prosecution, or custody or confinement after conviction, for an offense, or an attempt to commit an offense, which is a felony

under the laws of the place from which the veteran flees. Among the benefits affected are those under chapters 30, 31, 32, 34 and 35 of title 38, United States Code.

Improved Outreach Services for Separating Servicemembers and Veterans: Requires that State Approving Agencies (SAAs), in addition to VA, actively promote the development of VA programs of training on the job (including programs of apprenticeship) and to conduct outreach programs and provide outreach services to eligible persons and veterans about education and training benefits available under applicable Federal and State law.

Improvement of Veterans Outreach Programs: Requires VA, whenever a veteran or dependent first applies for any benefit (including a request for burial or related benefits or an application for life insurance proceeds), to provide information concerning all benefits and health care services under programs administered by VA, within three months of the veteran or dependent making an initial contact with VA.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002 ALLOWS TRANSFERABILITY OF ENTITLEMENT

The Act signed December 28, 2001 contains the following education provisions:

Transfer of Entitlement: The transfer of entitlement to basic educational assistance under the Montgomery GI Bill-Active Duty (MGIB) is permitted to one or more of a servicemember's dependents

Who Can Transfer Entitlement: Individuals allowed to transfer entitlement are those who, **after approval by the service secretary** concerned: (1) have completed six years of service in the Armed Forces and (2) either have a critical military skill designated by the Secretary for transferability purposes; or are in a military specialty designated by the Secretary concerned for transferability purposes as requiring critical military skills; and (3) enter into an agreement to serve at least four more years as members of the Armed Forces.



Eligible Dependents: Transfers may be made to the individual's spouse, to one or more of the individual's children or to a combination of the above.

Months of Transfer: The total number of months of entitlement transferred by an individual may not exceed 18 months.

Designation of Transferee: Those transferring entitlement have to designate the dependent or dependents receiving the transfer; have to designate the number of months of such entitlement to be transferred to each dependent; and have to

specify the period for which the transfer will be effective for each dependent designated.

Time for Transfer and Revocation or Modification: An approved individual may transfer such entitlement at any time after the approval of the individual's request to transfer such entitlement and before the individual's delimiting date without regard to whether the individual is a member of the Armed Forces when the transfer is executed. The transferring person may modify or revoke any unused portion at any time.

When the Transferred Entitlement Can be Used: For a spouse, transferred entitlement may not be used until the transferring person completes six years of service in the Armed Forces; or, in the case of a child, the completion of ten years of service by the transferring person and, either the completion by the child of the requirements of a secondary school diploma (or equivalency certificate); or the attainment by the child of 18 years of age.

Administrative and Overpayment Issues Concerning Transferability: The handling of these types of issues have yet to be determined.

Implementation: By June 30, 2002, the Secretary of Defense has to make a report to Congress describing how the various service secretaries will implement the transferability provisions of this law.

New Pilot Education Program

18-Month Enlistment Program: The same Bill also establishes a pilot program to be carried out by the Secretary The Army. Under this program, the Army can accept original 18-month active duty enlistments, followed by 3 years of service in the Selected Reserve and then service in the Individual Ready Reserve. Up to 10,000 persons can be accepted in this program. The Pilot Program begins on October 1, 2003, and ends on December 31, 2007. Individuals who enroll in this pilot program will not have eligibility to the Montgomery GI Bill – Active Duty (chapter 30) or the Montgomery GI Bill – Selected Reserve (chapter 1606).

NEW DIRECTOR OF EDUCATION SERVICES ANNOUNCED

Judy Caden was appointed Director of the Education Service, Veterans Benefits Administration on January 27, 2002. As Director, she is responsible for the administration of the Montgomery G. I. Bill and other VA education and training programs for servicemembers, veterans and dependents.

From 1998 until this appointment, Mrs. Caden served as the Deputy Director of the Loan Guaranty Service. As Deputy Director, she was a key participant in special projects involving areas of debt collection, standardization of the mortgage process, and implementation of numerous Congressional and OMB initiatives and, most recently, the restructuring of the

Loan Guaranty field offices. The restructuring effort resulted in a significant reduction in the cost of administering the Loan Guaranty Program, as well as improved service to veterans and the housing industry.

From 1990 to 1998, she held the position of Assistant Director for Loan Policy, where she was responsible for the policies and procedures related to the origination and underwriting of VA home loans. Initiation and implementation of legislation and regulations also fell within her purview.

Mrs. Caden recently served as the Acting Executive Assistant to the Deputy Under Secretary for Benefits. In this capacity she played a key role in all the issues currently facing the Veterans Benefits Administration (VBA).

She is a graduate of the University of Maryland and has continued her education in the areas of real estate law and mortgage banking.

ANNUAL SCHOOL REPORTING FEES FOR 2001 MAILED IN FEBRUARY

The Code of Federal Regulations provides for payment of a **school reporting fee** to those institutions having active students during the 2001 calendar year. The reporting fee is \$7, however, if an advanced payment has been issued, the reporting fee is \$11. The fee is to help defray the cost of processing VA certifications and reports at the school.

Approximately 30 days after receiving the payment you should receive a listing of the students for whom the payment is made. The listing will give you the abbreviated names of the students on "active status" during the calendar year, their VA file number and the type of benefit they are receiving. At the bottom of the list is a summary of the total students for each category, regular and advance pay, which provides the basis for the payment amount

This list may not include all of your active students. Two possible reasons for this may be that the student's award for VA benefits was processed after December 31, or that the student was enrolled less than one half time. Your institution is entitled to a reporting fee for these students also. If you have students that your school was not paid or was underpaid, you may claim the additional amounts due by writing to your **Education Liaison Representative**. Please list the students name, claim number, the type of benefit they receive and the amount you are claiming.

HAVE QUESTIONS OR NEED HELP?

Contact your Education Liaison Representative

Click on this box for a directory

EDUCATION RATES EFFECTIVE 1-1-2002

	CH30-3 or more year obligation	Ch 30 Less than 3 year obligation	Chapter 1606 Selected Reserve	Chapter 35
Full Time 12 Credits or more	\$800.00	\$650.00	\$272.00	\$670.00
Three-Quarter 9-11 Credits	\$600.00	\$487.50	\$204.00	\$503.00
One-Half 6-8-Credits	\$400.00	\$325.00	\$135.00	\$335.00
Less than half-time 4-5 Credits	Tuition & fees not to exceed \$400.00	Tuition & fees not to exceed \$325.00	\$68.00	Tuition & fees not to exceed \$335.00
Less than half-time 1-3 Credits	Tuition & fees not to exceed \$200.00	Tuition & fees not to exceed \$162.50	\$68.00	Tuition & fees not to exceed \$167.50
App/OJT 1st 6 Mos	\$600.00	\$487.50	\$204.00	\$488.00
App/OJT 2 nd Mos	\$440.00	\$357.50	\$149.60	\$365.00
App/OJT Remainder	\$280.20	\$227.50	\$95.20	\$242.00 \$122.00

CHAPTER 34/30 COMBINED RATE

	No Dependents	One Dependent	Two Dependents	Each Additional
Full Time	\$988.00	\$1024.00	\$1055.00	\$16.00
¾ Time	\$741.50	\$768.00	\$791.50	\$12.00
½ Time	\$494.00	\$512.00	\$527.50	\$8.50
Less than ½-time	Tuition & Fees, not to exceed \$494.00			
¼ Time	Tuition & Fees, not to exceed \$247.00			
App/OJT 1st 6 Mos	\$702.75	\$715.13	\$726.00	\$5.25
App/OJT 2 nd 6 Mos	\$496.98	\$505.73	\$513.43	\$3.85
App/OJT 3rd Mos	\$303.80	\$309.93	\$314.65	\$2.45
App/OJT Remainder	\$291.90	\$297.68	\$302.93	\$2.45

CHAPTER 31- VOCATIONAL REHABILITATION RATES

	No Dependents	One Dependent	Two Dependents	Each Additional
Full Time	\$448.24	\$556.00	\$655.20	\$47.76
¾ Time	\$336.80	\$417.61	\$489.86	\$36.73
½ Time	\$225.36	\$279.22	\$328.21	\$24.50
Less than ½-time	None			
App/OJT	\$391.91	\$473.94	\$546.20	\$35.53