



**DATE:** July 3, 2009

**TO:** WTCS College Presidents, Student Services Administrators, Veterans School Certifying Officials, Financial Aid Officers and Chief Finance Officers

**RE:** Impact of changes to Wisconsin GI Bill on WTCS colleges

The State Budget signed into law on June 30 includes several important changes to the tuition and fee remissions granted to veterans and their qualifying spouses and children, with the goal reducing the remission costs to colleges. The impact of these changes on WTCS colleges will be discussed during a Wisline hosted by the System Office **on July 6 from 2-4 PM** using the information provided below. Colleges can access the Wisline at 608-265-1000 or toll free at 1-800-462-1257. The access code for the call is 0277 followed by the pound sign (#).

Because these changes will have extensive impact on your college processes and procedures, we encourage wide participation including student services, financial aid, veterans certifying officials, bursars, and business/finance offices. Information technology staff also may be helpful to include. Please, however, coordinate participation within your college from one location if possible. Contact Nancy Merrill (608-267-9514; [nancy.merrill@wtcsystem.edu](mailto:nancy.merrill@wtcsystem.edu)) with questions about the Wisline or the relationship between the Wisconsin GI Bill and the Post-9/11 GI Bill.

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***What is the Post-9/11 Veterans Educational Assistance Act of 2008, aka Post-9/11 GI Bill?***

The federal Post-9/11 GI Bill passed in 2008, and takes effect on August 1, 2009 for educational training pursued on or after that date. The Post-9/11 GI Bill provides veterans with a housing stipend, a book stipend, certification test reimbursement, and tutorial benefits. Veterans pursuing an education at half-time or less or only taking online courses are not eligible for the housing stipend.

The Post-9/11 GI Bill provides different percentages of benefits based on the length of qualifying service after September 10, 2001. A veteran with 36 months of qualifying service is eligible for full benefits while a veteran with less than 36 months of eligible service qualifies for 40 to 90 percent of benefits based on months of active duty service (which excludes time spent in basic military or skills training at some levels.)

The program pays a student's tuition and fees directly to the institution of higher learning they attend up to a maximum rate established for each state. In Wisconsin, this rate is \$663.00 per credit for tuition and \$30,979.00 per term for fees beyond tuition.

***What changes to the Wisconsin GI Bill were included in the 2009-2011 State Budget signed June 30?***

The goal of the changes included in the State Budget is to reduce the costs of the Wisconsin GI Bill tuition remissions by accessing federal funding available under the Post-9/11 GI Bill. The direct federal tuition and fee payments that Wisconsin public colleges and universities will receive for veterans under the Post-9/11 GI Bill will help offset the gap that has existed between remission costs incurred by colleges and the state funding available to reimburse colleges for these costs. In contrast, there is no federal funding directly available to colleges under other federal veteran education benefits.

To accomplish the goal of increased federal funding to Wisconsin public colleges and universities, the State Budget makes the following changes to the Wisconsin GI Bill provisions for tuition remission:

**1) Veterans must use Post-9/11 benefits if eligible or they lose their eligibility for tuition remission under the Wisconsin GI Bill.** The 2009-11 Biennial Budget requires veterans who are eligible for the federal Post-9/11 GI Bill to use those benefits before using their Wisconsin GI Bill benefits. This means that veterans using other federal veteran education programs will have to switch to the Post-9/11 GI Bill if eligible.

Veterans who are eligible for the Post-9/11 GI Bill and who instead choose to use their other federal veteran education benefits will not qualify for tuition remission under the Wisconsin GI bill. This includes veterans using Chapter 30 Montgomery GI Bill (MGIB), Chapter 1606, and Chapter 1607 (Reserve Educational Assistance Program – REAP.) The requirement to use Post-9/11 benefits also applies to qualifying spouses and children of veterans if the veteran is eligible for Post-9/11 benefits and transfers benefits to their spouse or children.

**2) Veterans who have 12 or fewer months of remaining eligibility under other federal veteran education programs are not required to use Post-9/11 benefits until they exhaust their eligibility under these other programs.** Because of a federal interpretation about the relationship between Post-9/11 benefits and other federal benefits, the State Budget exempts veterans with 12 or fewer months of remaining eligibility under other federal veteran education programs.

**3) Veterans and qualifying spouses and children who use Post-9/11 benefits qualify for a supplemental stipend payment.** Some veterans may qualify for a higher dollar value of federal benefits under other federal veteran education programs than the benefits they receive under the Post-9/11 GI Bill. Since the State is requiring veterans to switch to the Post-9/11 GI Bill, the State Budget establishes a new requirement that veterans receive payment for the amount of additional benefits they would have received under other federal veteran education programs. To implement this requirement, WTCS colleges and University of Wisconsin System (UWS) institutions are responsible for determining the amount of the difference and paying veteran students that amount, which is being referred to as the supplemental stipend or the hold harmless payment.

**4) Remaining tuition and fees will be remitted under the current Wisconsin GI Bill for veterans who qualify for less than 100% of their tuition and fees under Post-9/11.** Veterans with less than three years of Post-9/11 qualifying service qualify for less than 100% of Post-9/11 GI Bill benefits, ranging from 40 to 90%. These veterans will continue to qualify for remission of remaining tuition and fees amounts under the Wisconsin GI Bill. For example, a veteran qualifies for 40% of Post-9/11 GI Bill benefits. The college in which the veteran is enrolled will receive federal funding to cover the 40% of tuition and fees. The college will remit the remaining 60% of tuition and fees under the Wisconsin GI Bill as it has over the last five years. In addition, veterans who do not qualify for the Post-9/11 GI Bill may continue to qualify for existing Wisconsin GI Bill remissions.

**5) The Higher Education Aids Board (HEAB) will reimburse WTCS and UWS institutions for remissions provided under the Wisconsin GI Bill and for the supplemental stipend payments made by colleges to qualifying veterans and eligible spouses and children.** HEAB will reimburse WTCS and UWS institutions as it has over the last several years for tuition and fees remissions under the Wisconsin GI Bill. We anticipate that these reimbursements will occur in June for the previous academic year. Starting in June 2010, the reimbursements will include supplemental stipend amounts paid by WTCS and UWS institutions. If the appropriation available to HEAB to make these payments is insufficient, the reimbursements to WTCS and UWS will be prorated, as has been the case each year since the Wisconsin GI Bill was enacted.

**6) Colleges are responsible for supplemental stipend costs that exceed the amount of reimbursements available from the HEAB.** The State Budget includes funding intended to reimburse WTCS and UWS institutions for the cost of tuition remissions under the Wisconsin GI Bill. However, if this funding is insufficient to fully pay for the cost of supplemental stipends and any other remissions under the Wisconsin GI Bill, WTCS and UWS institutions are responsible for making the payments to students.

**7) Veterans qualify for a maximum of 128 credits under the Wisconsin GI Bill.** The budget clarifies that veterans qualify for a total of 128 credits under the Wisconsin GI Bill at any public WTCS or UWS institution, including credits remitted under the Wisconsin GI Bill and those for which colleges received federal funding under the Post-9/11 GI Bill. We anticipate that HEAB will monitor the number of credits earned by students based on information reported by WTCS and UWS institutions. The WTCS, UWS, Wisconsin Department of Veterans Affairs, and HEAB are working to define the implementation of the 128-credit maximum, including addressing questions such as how the new limit relates to students who have already completed credits and how HEAB will track credits that students may complete across institutions and public educational systems.

### *What effective dates are important to WTCS colleges?*

Several effective dates are important to know because they will affect college activities:

**July 6, 2009:** Colleges can begin certifying veteran eligibility under the Post-9/11 GI Bill.

**August 1, 2009:** Veterans first qualify for federal benefits under the Post-9/11 GI Bill for education and training costs incurred after August 1, 2009.

**August 15, 2009:** WTCS and UWS institutions may begin offering supplemental stipends to qualifying students receiving benefits under the Post-9/11 GI Bill.

**January 2010:** Veterans seeking Wisconsin GI Bill remissions must switch to Post-9/11 GI Bill if eligible to maintain their eligibility for tuition remission under the Wisconsin GI Bill.

**June 2010:** Anticipated reimbursement by HEAB of Wisconsin GI Bill remission and supplemental stipend costs incurred by WTCS and UWS institutions.

### *How will these changes affect WTCS colleges?*

An interagency group has been working for several months to determine how to implement the changes to the Wisconsin GI Bill that require veterans to first use their Post-9/11 GI Bill benefits. Understanding the impact of the State Budget is complicated because federal interpretations of Post-9/11 GI Bill requirements continue to evolve as do interpretations of the Wisconsin GI Bill changes in the State Budget. Based on our best understanding as of July 1, the State Budget changes suggest that WTCS colleges need to:

- 1) Determine the amount of the supplemental stipend payment.** This will require verifying veteran eligibility for the Post-9/11 GI Bill and what federal education benefit veterans relinquished when they applied for the Post-9/11 GI Bill. The WTC System Office is working with UWS, HEAB, and the Wisconsin Department of Veterans Affairs to develop a computerized tool (most likely using Microsoft Excel or Access) that colleges can use to determine the amount of stipend payable to each veteran. Someone at each college will need to understand the tool and be available to enter the veteran data needed to calculate the supplemental stipend payment. We anticipate that this tool will be available in late July or early August.
- 2) Issue supplemental stipend payments to qualifying veterans.** WTCS colleges will need to determine when they want to issue supplemental payments to students based on college decisions that balance the financial needs of veterans and the availability of enrollment and credit completion data used to calculate the stipend payment. Colleges will need to develop procedures on how the payments are made.

- 3) **Inform veterans who have previously received Wisconsin GI Bill remissions that they will need to submit additional information to verify their continued eligibility for the remissions.** The System Office is working with UWS, HEAB, and Wisconsin Department of Veterans Affairs to modify the application forms used to apply for Wisconsin GI Bill eligibility to help address this issue. Colleges may begin offering eligible veterans supplemental stipends beginning August 15, 2009. Beginning in January 2010, veterans must use Post-9/11 GI Bill benefits if eligible.
- 4) **Collect from veterans their Post-9/11 certificate of eligibility or denial letter.** This information will be key to determining if veterans qualify for the supplemental stipend and the Wisconsin GI Bill tuition remissions.
- 5) **Report to the System Office on remissions granted and supplemental stipend payments made to veterans.** The System Office will modify the existing reporting process used to gather information about Wisconsin GI Bill tuition remissions to collect this information. The System Office will provide additional information about changes to Wisconsin GI Bill reporting requirements as details are clarified about the Post-9/11 GI Bill and its relationship to the Wisconsin GI Bill.
- 6) **Report to federal VA on veteran student enrollment, completion and tuition and fee costs.** Federal VA representatives indicate that colleges must certify student eligibility for Post-9/11 GI Bill benefits one semester at a time. The System Office continues to work with federal VA representatives about these issues and advocate for improvements in federal reporting requirements that reduce the administrative burden on WTCS colleges. Federal VA representatives indicate that enrollment and completion reporting will be manual for at least the first 18 months of the program.
- 7) **Be prepared to receive electronic fund transfers from the federal Department of Veterans Affairs for tuition and fees costs of eligible veterans.** Preliminary indications are that the federal VA will make individual transfers for each qualifying veteran.
- 8) **Consider other areas of the college that will be affected by the Post-9/11 GI Bill.** Because this is a new federal program, a lag time seems likely between when veterans apply for Post-9/11 GI Bill benefits and when they receive their certificate of eligibility or denial. Colleges will need to consider how this lag time affects their policies and procedures on, for example, dropping students for nonpayment of fees, tracking changes in student enrollment, and the availability of short-term loans to help offset costs such as books until veterans receive the book stipend available under the Post-9/11 GI Bill. Colleges also may want to consider the need for local policies about how enrollment changes may affect supplemental stipend payments.

By itself, implementation of the federal Post-9/11 GI Bill is complicated because federal interpretations continue to evolve about how the program will work and because it differs from other federal veteran education programs in how veterans qualify for benefits and in the benefits for which they qualify. The effort to require eligible Wisconsin veterans to use their Post-9/11 benefits (with the goal of bringing federal funds to the WTCS and UWS) creates additional complexities for WTCS colleges, the System Office, HEAB and veteran students.

The System Office is continuing to develop procedures and guidelines intended to assist colleges and ensure consistency where needed in implementation while providing as much local flexibility as possible to address this complex program. The responsiveness of WTCS colleges in addressing the issues around these changes is greatly appreciated. Your feedback and questions about these changes will help define how the changes are implemented. In addition, we anticipate that the System Office will provide additional materials and training about these changes over the next several months.