



DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL

Office of Audits and Evaluations

VETERANS BENEFITS ADMINISTRATION

Post-9/11 GI Bill
Non-College Degree
Entitlement Calculations
Lead to Differences in
Housing Allowance
Payments



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DEPARTMENT OF VETERANS AFFAIRS
OFFICE OF INSPECTOR GENERAL
WASHINGTON, DC 20001



January 19, 2021¹

MANAGEMENT ADVISORY MEMORANDUM

TO: Paul Lawrence, Under Secretary for Benefits
Veterans Benefits Administration (020)

FROM: Larry Reinkemeyer, Assistant Inspector General for Audits and Evaluations
VA Office of Inspector General's (OIG) Office of Audits and Evaluations
(52)

SUBJECT: Post-9/11 GI Bill Non-College Degree Entitlement Calculations Lead to
Differences in Housing Allowance Payments²

The Veterans Benefits Administration (VBA) administers Post-9/11 GI Bill (Chapter 33) benefits to help veterans pay for school or job training.³ This memorandum provides data analyses that illustrate differences in how entitlements are charged for non-college degree (NCD) school students regarding the amount and duration of housing allowance they can receive. The OIG is conveying the information necessary for VBA to determine if additional actions are warranted. The OIG is taking no additional steps at this time.

Figure 1 illustrates the types of potential benefits available to Post-9/11 GI Bill students.

¹ This memorandum was sent to the Veterans Benefits Administration (VBA) on January 19, 2021, to provide the opportunity to review and comment.

² This memorandum provides information that has been gleaned from OIG data analyses and provided to VBA to determine if it should take action on differences in housing allowance payments for Post-9/11 GI Bill participants. The OIG issues management advisory memoranda when exigent circumstances or areas of concern are identified by OIG hotline allegations or in the course of its oversight work, particularly when immediate action by VA can help reduce further risk of harm to veterans or significant financial losses. Memoranda are published unless otherwise prohibited from release or to safeguard protected information.

³ The Post-9/11 GI Bill refers to the Post-9/11 Veterans Educational Assistance Act of 2008, Pub. L. No. 110-252, Title V §§ 5001-5006 (2008), as amended, codified at 38 U.S.C. § 3301, et seq.



Figure 1. Post-9/11 GI Bill benefits.

Source: VA OIG analysis.

Post-9/11 GI Bill students generally attend either an institution of higher learning or a school where they can earn an NCD.⁴ Institutions of higher learning can confer associate’s, bachelor’s, or graduate degrees upon their students. NCD schools consist of specific training programs like heating, ventilation, and air conditioning repair; truck driving; and programs for emergency medical technicians, barbers, and beauticians.

Post-9/11 GI Bill students may be eligible to receive a housing allowance during the time that they are attending school.⁵ While students are generally eligible for 36 months of education benefits, VBA is required by 38 U.S.C. § 3313 to calculate the number of months to charge against the Post-9/11 GI Bill entitlement differently for each type of school, which can affect the amount and duration of housing allowance that students receive.⁶

VBA bases entitlement for Post-9/11 GI Bill students attending institutions of higher learning on the number of days of school and whether they attend full-time or part-time. For example, if a full-time student attends school for 12 months (360 days), then they use 12 months of entitlement. VBA generally limits students to 36 full-time-equivalent months (1,080 days), or three years, of education benefits that include housing allowance.

For Post-9/11 GI Bill students enrolled in NCD schools, VBA calculates the charge against the education entitlement based on the cost of tuition and fees for the course or training program. VBA divides these costs by the maximum annual amount payable to an NCD school and then multiplies the result by 360 days.⁷ For academic year 2020, the maximum annual amount payable to an NCD school was about \$25,000. Students enrolled in a Post-9/11 GI Bill program on more than a half-time basis are entitled to a monthly housing allowance for each month that they attend school. As seen in example 1, the calculation to determine the amount of the

⁴ VA School Certifying Official Handbook, *Glossary and Abbreviations*, January 31, 2020. Degree-granting schools are institutions of higher learning, which may be a college, university, technical, or business school offering instruction at the postsecondary level that leads to an associate’s degree or higher.

⁵ Students’ entitlement months can be increased or reduced if there is a transfer of entitlement months from a family member. Per 38 C.F.R. § 21.4020, if students participate in more than one VA educational program, their entitlement can be increased an additional 12 months up to a total of 48 months of benefits.

⁶ 38 U.S.C. § 3313.

⁷ 38 U.S.C. § 3313(g)(5); and VA School Certifying Official Handbook, *Entitlement Charges*, January 31, 2020.

education entitlement a student uses can extend or reduce the months of housing allowance received.

Example 1

A student attends an NCD school that costs \$2,200 for a full-time training program that lasts six months. VBA divides the sum of the tuition and fees by \$25,000 and then multiplies it by 360 to get the entitlement days used.⁸ The student would use only about one month of entitlement but would receive six months of housing allowance.




As a result of the different calculations, attending lower-cost NCD schools slowly draws down a student's housing entitlement months, while attending more expensive NCD schools quickly draws down the housing entitlement months. Depending on the cost of the course or training program, VBA could allocate students attending NCD schools from less than one month to almost six years of housing allowance.⁹ In comparison, full-time students attending institutions of higher learning generally receive up to three years of housing allowance benefits.

Students attending a lower-cost NCD school can significantly extend the duration of their housing allowance. As shown in figure 2, students attending a higher-cost NCD school could exhaust their program entitlement and therefore their housing allowance in three months, compared to a student attending an institution of higher learning who could use their housing allowance over three years. Meanwhile, a student attending a lower-cost NCD could attend school for five years and still be receiving housing allowance benefit payments.¹⁰

⁸ The OIG team used the following calculation: $(\$2,200 \text{ tuition} / \$25,000) \times 360 = 31.68 \text{ days}$.

⁹ These differences are further illustrated in examples 2 and 3.

¹⁰ In figure 2, for student 1, the OIG team used the following calculations: $(100\% \text{ rate of pursuit} \times 360 \text{ days attended}) / 360 = 12 \text{ months of entitlement used}$; and $12 \text{ months} \times 3 \text{ years attendance} = 36 \text{ months of entitlement used}$. For students 2 and 3, the team used a rounded average of a \$21,000 tuition cap for academic years 2014–2018. For student 2, the team used these calculations: $(\$5,000 \text{ tuition} / \$21,000 \text{ cap}) \times 360 = 85 \text{ days of entitlement used}$; and $85 \text{ days} \times 5 \text{ years attendance} = 428 \text{ days or } 14 \text{ months of entitlement used}$. For student 3, the team calculated that $(\$21,000 \text{ tuition} / \$21,000 \text{ cap}) \times 360 = 360 \text{ days of entitlement used}$; and $360 \text{ days} \times 3 \text{ months attendance} = 1,080 \text{ days or } 36 \text{ months of entitlement used}$.

Student information (all students begin with 36 months of education entitlement)	Tuition and enrollment per year	Education entitlement used	Education entitlement remaining	Housing payments received*	Housing payments remaining
Institute of Higher Learning Student Entitlement = (Rate of Pursuit x Days Attended)/360					
 Student 1	Attended an institute of higher learning	\$21,000 for 3 years of full-time enrollment	✓ 36 months used over 36 months of attendance	✓ 0 months	\$90,000 for 3 years \$0 additional payments available
Non-College Degree Students Entitlement = (Tuition Payments/Post-9/11 GI Bill Tuition Cap) x 360					
 Student 2	Attended a low-cost non-college degree school	\$5,000 for 5 years of full-time enrollment	↑ 14 months used over 60 months of attendance	↑ 22 months	\$150,000 for 5 years \$55,000 in available housing allowance
 Student 3	Attended a high-cost non-college degree school	\$21,000 for 3 one-month courses over 3 years	↓ 36 months used over 3 months of attendance	↓ 0 months	\$7,500 for 3 months over 3 years \$0 additional payments available

*At an annual rate of \$30,000

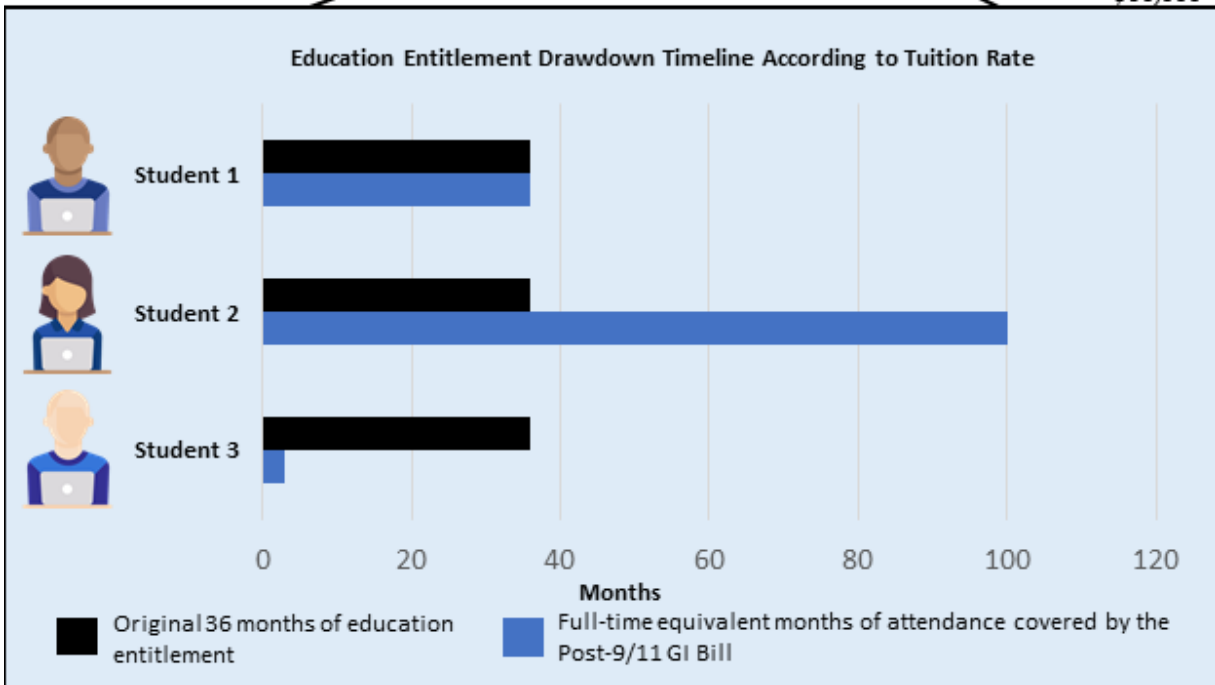


Figure 2. Education entitlement drawdown and housing allowance payments by type of educational program.

Source: VA OIG analysis.

NCD Students Experienced Significant Differences in Housing Allowances

The OIG’s Predictive Analytics and Modeling Program identified students attending NCD schools from August 1, 2014, through July 31, 2019. Then, the OIG team reviewed information on students whose enrollment in NCD schools affected their housing allowances. Generally, a student’s education program entitlement is 36 months. However, the students identified received housing payments that were either less than or greater than 36 months. These students were actively enrolled in NCD schools when they received these monthly housing allowance payments. The team did not evaluate the payments to ensure that eligibility and enrollment were accurately and correctly calculated and verified.

The OIG team identified 6,628 Post-9/11 GI Bill students attending NCD schools who received more or less than the equivalent of 36 months of housing allowance payments. Table 1 summarizes the team’s findings regarding the 1,990 students who benefitted from slow drawdowns. The students received from one to 35 extra months of housing allowance payments, ranging from about \$837 to \$81,857.

Table 1. Slow Drawdown

Number of students	Total extra housing allowance payments	Average amount of extra housing allowance received	Total extra months of housing allowance	Average number of extra months received
1,990	\$17,284,260	\$8,686	9,161	4.6

Source: VA OIG analysis of NCD student data from August 1, 2014, through July 31, 2019.

The OIG team found that 134 of the 1,990 students received more than 12 additional months of housing allowance. Example 2 illustrates a student who experienced a slow drawdown of entitlement due to low-cost tuition.

Example 2

A student attended administrative professional training from January through June 2016, with a total term cost of \$50. During the student’s five months of attendance, VBA provided five months of housing allowance.¹¹ However, VBA charged the student only about eight and a half days of education entitlement.

Table 2 summarizes the OIG team’s findings for the 4,638 students who received fewer than 36 months of housing allowance benefits due to fast drawdowns. Students received from 0.5 to 34 fewer months of housing allowance, ranging from about \$5 to \$111,980.

¹¹ The OIG team used the following calculation: $(\$50 \text{ tuition} / \$21,084.89) \times 360 = \text{approximately } 8.5 \text{ days}$. The calculation is based on tuition and fees. The maximum allowable amount for a cademic year 2015 was \$21,084.89.

Table 2. Fast Drawdown

Number of students	Total missed housing allowance payments	Average amount of missed housing allowance	Total missed housing allowance months	Average number of fewer months received
4,638	\$58,186,187	\$12,546	30,448	6.6

Source: VA OIG analysis of NCD student data from August 1, 2014, through July 31, 2019.

The OIG team found 3,875 students received at least 12 fewer months of housing allowance. Example 3 shows how VBA reduced a student’s entitlement at a faster rate as a result of an accelerated course with a high-cost tuition.

Example 3

A student attended a taxidermy school for a two-week custom course from May through June 2016, with a total course cost of \$19,000. During the 12 days of attendance, the student received less than one month of housing allowance. However, VBA charged the student approximately 324 days (11 months) of education entitlement, which quickly drew down the entitlement months.

This work has been completed as part of the OIG’s active engagement in predictive analytics to detect and investigate waste, fraud, and abuse. The OIG performed this work in accordance with the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation* for competency, independence, professional judgment, timeliness, records management, reporting, and fraud.

The OIG is not initiating an audit. It is providing these results to VBA to illustrate the differences in how entitlements are charged for NCD school students regarding the amount and duration of housing allowance they can receive. VBA should consider using this data analysis to determine if it is appropriate to request a legislative change to how entitlements and housing allowance payments are calculated for Post-9/11 GI Bill benefits.

Appendix A contains detailed methodology explaining how the data were filtered and analyzed to identify program participants attending NCD schools who had either a slow or fast drawdown of entitlement.

Requested Action

The OIG requests that VBA inform the OIG what actions, if any, VBA takes for Post-9/11 GI Bill NCD participant benefit equality and the outcome of these actions.

VBA Response

Included in appendix B is VBA’s response that it “takes no issue” with the information provided and concurs without comment on OIG's management advisory memorandum. According to the

acting under secretary for benefits, “VBA will evaluate whether to submit a legislative proposal to change the statutory formula for charging entitlement for the pursuit of programs at educational institutions other than institutions of higher learning based on OIG’s data analysis.”

Appendix A: Methodology

The OIG team filtered and analyzed Post-9/11 GI Bill data from VBA’s enterprise data warehouse to identify program participants who had either a slow or fast drawdown of entitlement while attending NCD schools from August 1, 2014, through July 31, 2019. The team did not evaluate the payments to ensure the eligibility and enrollment of students were accurately and correctly calculated and verified.

Due to the complexities involved in entitlement calculations for on-the-job-training, flight school, and correspondence courses, the team excluded participants in these NCD programs from the population of Post-9/11 GI Bill participants reviewed.

Table A.1 lists the steps in the OIG team’s analysis to determine if participants had a slow drawdown of entitlement, meaning they received more benefits than expected.

Table A.1. Steps to Identify Slow Drawdown Participants

Steps	Description	Participants
1	Identified the total number of unique Post-9/11 GI Bill participants receiving monthly housing allowance payments who received their first payment on or after August 1, 2014, and before August 1, 2019.	803,807
2	Identified all the courses taken by Post-9/11 GI Bill participants who began attending courses on or after August 1, 2014, through July 31, 2019.	160,184
3	Calculated the housing allowance payments received by each participant during their tenure in the Post-9/11 GI Bill program compared to the monthly housing allowance they would have been eligible for as a full-time student on or after August 1, 2014, through July 31, 2019. Aggregated partial payments to calculate full-time-equivalent months of housing to determine the rate of entitlement drawdown. Removed all duplicate records.	139,608
4	Identified participants who were eligible for the slow drawdown population. Eligible participants included students (1) where cumulative full-time-equivalent months of basic housing allowance was greater than final entitlement, (2) who only attended NCD schools, and (3) who had more than a month of final entitlement.	1,990
5	Calculated the difference between cumulative full-time-equivalent months of basic housing allowance and the students’ final entitlement. Calculated lost full-time-equivalent months of basic housing allowance and total lost basic housing allowance payments by student.	

Source: VA OIG.

Table A.2 lists the steps in the team’s analysis to determine if participants had a fast drawdown of entitlement, meaning they received fewer benefits than expected.

Table A.2. Steps to Identify Fast Drawdown Participants

Steps	Description	Participants
1	Identified the total number of unique Post-9/11 GI Bill participants receiving monthly housing allowance payments who received their first payment on or after August 1, 2014, and before August 1, 2019.	803,807
2	Identified all the courses taken by Post-9/11 GI Bill participants who began attending courses on or after August 1, 2014, through July 31, 2019.	160,184
3	Calculated the housing allowance payments received by each participant during their tenure in the Post-9/11 GI Bill program compared to the monthly housing allowance they would have been eligible for as a full-time student on or after August 1, 2014, through July 31, 2019. Aggregated partial payments to calculate full-time-equivalent months of housing to determine the rate of entitlement drawdown. Removed all duplicate records.	139,608
4	Identified participants who were eligible for the fast drawdown population. Eligible participants included students (1) not identified in the slow drawdown population who did not have cumulative basic housing allowance months greater than their entitlement months, (2) who had at least 30 days of original entitlement, and (3) who attended at least one NCD school.	135,028
5	Determined which participants ran out of entitlement by calculating drawdown. Calculated the NCD drawdown by dividing the Post-9/11 GI Bill tuition and fees by the annual academic year cap multiplied by 360. Calculated the institution of higher learning drawdown by dividing the number of credit hours being pursued by the number of credits considered to be full-time by the school, then multiplied by the number of training days or days attended. Aggregated NCD and institution of higher learning drawdown to calculate student full drawdown. Limited the population of eligible fast drawdown students to those with more cumulative drawdown than their final entitlement.	4,638
6	Calculated lost months of basic housing allowance based on the difference between cumulative full-time-equivalent months of basic housing allowance and the students' final entitlement. Estimated the lost basic housing allowance payments by multiplying the calculated lost full-time-equivalent months of entitlement by the final basic allowance housing amount that the students received. Calculated lost full-time-equivalent months of basic housing allowance and total lost basic housing allowance payments by student.	

Source: VA OIG.

Note: Steps 1–3 are the same as in table A.1.

Appendix B: Management Comments

Department of Veterans Affairs Memorandum

Date: February 16, 2021

From: Under Secretary for Benefits (20)

Subj: OIG Management Advisory Memorandum—Post-9/11 GI Bill Non-College Degree Entitlement Charge Leads to Inequity of Housing Allowance Payments

To: Assistant Inspector General for Auditing and Evaluations (52)

This is in response to the OIG Management Advisory Memorandum—Post-9/11 GI Bill Non-College Degree Entitlement Charge Leads to Inequity of Housing Allowance Payments.

VBA appreciates the opportunity to review OIG's Management Advisory Memorandum on the Post-9/11 GI Program. VBA takes no issue with the information provided and concurs without comment. VBA will evaluate whether to submit a legislative proposal to change the statutory formula for charging entitlement for the pursuit of programs at educational institutions other than institutions of higher learning based on OIG's data analysis.

The OIG removed point of contact information prior to publication.

(Original signed by)

Thomas J. Murphy

Acting

For accessibility, the original format of this appendix has been modified to comply with Section 508 of the Rehabilitation Act of 1973, as amended.

OIG Contact and Staff Acknowledgments

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