

# United States Senate

WASHINGTON, DC 20510

May 5, 2016

The Honorable Robert A. McDonald  
U.S. Department of Veterans Affairs  
810 Vermont Avenue  
Washington, DC 20420

Dear Secretary McDonald:

We write to request information regarding the Department of Veterans Affairs' (VA) efforts to reduce the amount of Post-9/11 GI Bill overpayments and actions to recoup this benefit when overpayments occur.

After honorable military service to our country, our nation's veterans have earned the right to attain a high-quality, affordable education here at home with the help of the Post-9/11 GI Bill benefit. As you know, veterans and their dependents may receive up to 36 months of Post-9/11 GI Bill education benefits, including tuition and fees, a monthly housing allowance, and an annual books and supplies stipend.

However, a 2015 Government Accountability Office (GAO) review conducted at the request of the Senate Committee on Homeland Security and Governmental Affairs revealed \$416 million in Post-9/11 GI Bill overpayments in fiscal year 2014, affecting one in four beneficiaries and about 6,000 schools.<sup>1</sup> Such overpayments can occur as a result of payment errors or, more frequently, changes in veterans' enrollment status, such as dropping a course or withdrawing from a program after the start of the school term. Veterans are generally responsible for repaying all types of overpayments resulting from enrollment changes during the school term, including those for the tuition and fee payments, which VA sends directly to schools on behalf of students.

Recently, GAO highlighted Post-9/11 GI Bill Overpayments as an area for attention in its 2016 annual overlap and duplication report, an important tool for helping Congress and executive branch agencies address our nation's fiscal challenges.<sup>2</sup>

While enrollment changes are a common occurrence, GAO identified ways VA can reduce and, in some cases, avoid overpayments altogether. For example, VA could provide more information to veterans about the consequences of enrollment changes so that veterans are aware that they may incur overpayments and can take necessary steps to avoid debt. Similarly, implementing a cost-effective way for veterans to verify their enrollment each month would reduce housing overpayments, which can result in sizeable debts that veterans must repay to the federal government. Additional training for school officials would also prevent systematic errors in reporting enrollment information to further reduce overpayments.

---

<sup>1</sup> Government Accountability Office, *Post-9/11 GI Bill: Additional Actions Needed to Help Reduce Overpayments and Increase Collections*, GAO-16-42 (Oct. 2015).

<sup>2</sup> Government Accountability Office, *2016 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-16-375SP (April 2016).

The prevalence of overpayments also raises broader questions about the unnecessary complexity that veterans encounter when receiving education benefits. The GAO report revealed that VA's sole reliance on paper mail to notify veterans of overpayments can result in missed deadlines and withheld benefit payments. In addition, a 2011 GAO report highlighted the efficiencies that could be gained if VA focused its collection efforts on a few thousand schools rather than hundreds of thousands of students.<sup>3</sup>

It is crucial that VA improve its efforts to reduce and collect Post-9/11 GI Bill overpayments to safeguard taxpayer funds and alleviate the repayment burden that falls disproportionately on veterans. VA must ensure that the delivery of Post-9/11 GI Bill benefits will enable veterans to achieve a high quality, affordable education without incurring unnecessary debts.

Enclosed with this letter is a set of questions for your response. We ask that you please respond by June 2, 2016. [REDACTED]


[REDACTED] Thank you very much for your attention to this matter.

With best personal regards, we are

Sincerely yours,



Tom Carper  
Ranking Member  
Committee on Homeland Security  
and Governmental Affairs



Richard Blumenthal  
Ranking Member  
Committee on Veterans' Affairs

Enclosure

cc: The Honorable Ron Johnson, Chairman  
The Honorable Johnny Isakson, Chairman

<sup>3</sup>The Department of Education generally works directly with schools to return overpayments of federal student loans, rather than students. See Government Accountability Office, *Veterans' Education Benefits: Enhanced Guidance and Collaboration Could Improve Administration of the Post-9/11 GI Bill Program*, GAO-11-356R (May 2011).



**Questions for Secretary McDonald  
Regarding VA's Post-9/11 GI Bill Program**

In its response to the eight recommendations GAO included in its 2015 report on Post 9/11 GI Bill overpayments, VA identified steps it planned to take to implement them and target implementation dates.

Recommendations Targeted for Implementation by January 2016

1. In response to a recommendation in the 2015 GAO review, the VA indicated that by January 2016 it would modify award letters issued to students, including attaching Frequently Asked Questions to provide more detailed information on education benefits and the consequences of enrollment changes. VA also committed to including this information in its *Choosing the Right School* guide and the Accessing Higher Education track of the Transition Assistance Program. Please describe the current status of these efforts and provide samples of the revised award letters.
2. By January 2016, VA stated that it would send a letter to all schools to remind them of the benefits of using its dual certification process, which allows schools to wait to certify the actual tuition and fee amounts until the school's deadline for adding and dropping classes has passed. VA also indicated that it would include this information in its next quarterly webinar with schools, in the School Certifying Official Handbook, and on the Post-9/11 GI Bill website. Please describe the status of these efforts and provide samples of the letters sent.
3. VA stated that by January 2016 it would coordinate with its Debt Management Center to improve notifications to veterans and schools about overpayment debts, including both the cause of the debt and how to repay it. Please describe the status of these efforts.

Recommendations Targeted for Implementation by June 2016

4. To improve monitoring of overpayments, VA stated that it would coordinate with the Debt Management Center to develop recurring reports to track overpayments and identify areas for improvement by June 2016. VA indicated this information would be used to educate veterans and schools on how to reduce overpayments. Please describe the status of these efforts.
5. GAO found that VA's formula for calculating overpayments did not account for schools' internal refund policies, and as a result, VA is overpaying for tuition in some cases. VA stated that it would amend its procedures to account for school refund policies and conduct global outreach efforts with participating schools and veterans. Please describe the status of these efforts.

Recommendations Targeted for Implementation by October 2016

6. VA agreed that 1) monthly verifications of enrollment would be valuable and would reduce student debts, and 2) veterans and schools should be notified about overpayments by additional methods, such as email and eBenefits. For both of these recommendations, VA indicated that it would “develop a plan to add such functionality to its information technology systems contingent upon resource availability.” Please describe the status of these efforts, including whether VA has devoted resources for implementation.
7. VA stated that it would propose revisions to its regulation for prorating tuition overpayments based on the actual date of enrollment changes. Please describe the status of these efforts, including a timeline for when VA expects this change to be implemented.

VA’s Process for Collecting Post-9/11 GI Bill Overpayments

8. In 2011, GAO recommended that VA collaborate with the Department of Education to leverage its experience in administering federal student aid. To implement the recommendation, officials from VA and the Department of Education met on several occasions to discuss the processes used by each agency to deliver and recoup educational assistance funds. VA determined that existing statutory and technical differences prevent it from adopting some of Education’s practices, such as collecting tuition and fee payments directly from schools.
  - a. What statutory and technical differences prevent VA from collecting tuition and fee overpayments directly from schools?
  - b. What administrative costs are associated with collecting overpayments from veterans? Has VA reviewed the potential savings that would be associated with collecting tuition and fee payments directly from schools? Please explain.
  - c. Please describe any ongoing coordination efforts VA has with the Department of Education and other federal agencies to better manage overpayment of Post-9/11 GI Bill funds.