

## What Post-9/11 Tuition and Housing Rate Changes Mean to You

Last week, the Department of Veterans Affairs (VA) announced changes to Post-9/11 GI Bill tuition payments as well as housing allowance rates. Many Post-9/11 GI Bill recipients will likely welcome the new rates, as a number of them will see positive increases in their benefit amounts. In some cases, however, rates will be reduced.

### HOUSING ALLOWANCE RATE CHANGES

Beginning January 1, 2010, the Department of Defense (DoD) adjusted the Basic Allowance for Housing (BAH) rates to reflect the most up to date housing costs across the country. Because the GI Bill housing allowance is based on the E-5 with dependents level of the DoD's rates, the VA is now updating its claim system to match.

Currently, the DoD calculates the BAH rates based on rental information, and does so annually. "Current residential vacancies, identified in local newspapers and real estate rental listings, are an important, but not our only, source of data," notes the DoD. "Vacancies are selected at random, and subjected to a multi-tiered screening process to ensure accuracy and reliability ... The sample is designed to obtain a statistical confidence level of 95% or higher."

In the end, adjusting the GI Bill housing allowance payment rates should better reflect the going rate for a veteran's housing expense – for better or for worse. Those in Huntsville Alabama, for example, will receive \$1,146 under the new rates vs. the \$1,093 that was received previously, while veterans in San Bernardino, California will now get \$1,296 rather than the slightly higher 2009 rate of \$1,329. Rates and changes can vary drastically depending on location and state of the current rental market. Veterans would be advised to calculate their housing allowance rates by entering in the zip codes of their schools and selecting the E-5 with dependents pay grade on the DoD's BAH calculator.

### TODAY'S TUITION RATES

Servicemembers in many states will notice significant increases in their maximum benefits per credit hour, but in general, increases are less than \$100. Some of the states with the largest increases include:

South Carolina: a 71 percent increase (from \$484 to \$829)

Missouri: a 38 percent increase (from \$269 to \$373)

District of Columbia: a 34 percent increase (from \$198 to \$266)

Mississippi: a 30 percent increase (from \$449 to \$584)

Some individuals, however, will see their tuition benefits rates decline this year. Minnesota and Oregon veterans will see a 40 and 1 percent decreases respectively, and a handful of

other states will have no per credit rate changes at all. All rates can be found here: [GI Bill Rates](#).

## WHAT THE RATE CHANGES MEAN TO VETERANS

Greg Rinckey, an MBA student enrolled under the Post-9/11 GI Bill believes veterans are going to meet the changes with mixed emotions. "For some, the changes will be positive and mean more money in their pockets; others will see a decrease, and most people don't like less money."

When it comes to the housing allowance rates, many expect the changes to better serve veterans. Sean-Michael Green, a former Marine who currently works as the Dean of Graduate and Adult Enrollment at Marist College in Poughkeepsie, New York, says the older payment system did not accurately reflect the actual cost of housing across the country. "They are trying to do a better job of accounting for cost of living in different zip codes," Green says. "Theoretically, it makes the system more fair -- veterans will be getting the right amount for their housing."

Veterans attending college this past spring did not see any increase in their basic housing allowance due to the outdated claims processing system. A one-time payment to make up the difference will be issued to veterans for the Jan. 1 to July 31 allowance period. Housing allowances for August (payable September 1st) will be paid at the 2010 rates.

The new payments update automatically, so veterans don't need to do anything to receive the new rates. Furthermore, those who now qualify for lower payments based on the rate changes will not have to pay back the overpayment, the VA says. Green and many others are pleased with this policy, noting that it's: "An unusually good deal coming from this system."

Individuals who have rate reductions will continue to receive the higher 2009 payment rate unless they change schools or have a six-month gap in attendance.

Knowing and understanding one's benefits leads to a servicemember who will then be able to put his or her financial ducks, so to speak, in a row. As Rinckey notes, "The changes will help veterans better plan and pay for college and housing. For some, though, there will be an adjustment period."