

Updated Frequently Asked Questions On the Yellow Ribbon Program

These frequently asked questions (FAQs) augment existing information on the School Resources tab on the GI Bill website www.gibill.va.gov. For additional information, please refer to the Yellow Ribbon Program Information under the Events and Information section and pages 31 and 60 of the “School Official’s Handbook” under the Certification and Training section. This list of FAQs will serve as an on-going resource, and additional FAQs may be added as the need arises.

Question 1. What are the maximum tuition and fee amounts payable under the Post-9/11 GI Bill?

Answer: Effective August 1, 2011, there are no individual state maximum tuition and fee rates (except for students in seven states attending private institutions – see The Restoring GI Bill Fairness Act of 2011 provision below).

There is a cap of \$18,077.50 per academic year for private and foreign schools, and YR Program funds may apply to tuition and fees costs exceeding the cap for private schools (for undergraduate, graduate, & doctoral levels). All in-state, public tuition and fees (for undergraduate, graduate, & doctoral levels) can be fully paid for those at the 100% benefit level, and YR Program funds can be applied to out-of-state charges for tuition and fees at public schools.

When determining tuition and fees, schools must report the actual net cost for tuition and fees (or up to the cap for private and foreign schools) after the application of any waiver of, or reduction in, tuition and fees, and any scholarship, or other Federal, State, institutional or employer-based aid or assistance (excluding Title IV aid) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees. This applies to periods of enrollment beginning on or after August 1, 2011. The key in determining the actual net cost for tuition and fees is excluding aid that is specifically designated for the sole purpose of tuition and fees.

The Restoring GI Bill Fairness Act of 2011 Provision

The Restoring GI Bill Fairness Act of 2011 exempts certain students in the states of Arizona, Michigan, New Hampshire, New York, Pennsylvania, South Carolina, and Texas, from the cap. Students who were accepted for enrollment in private schools in these states on or prior to January 4, 2011, are “grandfathered” to allow them to use the previous tuition and fees rules so they don’t experience reductions in payments due to PL 111-377.

An eligible Veteran or designated transferee can receive funds for tuition and fees up to the thresholds established in the state where the student was going to school; the

thresholds are based on the highest public in-state, undergraduate rates for tuition and for fees. If the student is at less than full-time status, then the award amounts are prorated accordingly.

The difference or a portion thereof between the actual costs for tuition and fees and the amount of Post-9/11 GI Bill funds provided can be met through matching contributions under the Yellow Ribbon Program (YR) for eligible students.

Question 2. How is the cap applied for private and foreign schools?

Answer: The cap is applied until it is exhausted. If the entire cap is not fully used in the first semester, then the remainder should be applied to cover all or a portion of costs for the subsequent semester. Once the cap has been exhausted, then the difference between what the Post-9/11 GI Bill covers and the tuition and fees charges could be met with YR Program funds (if the school participates in YR) or with other financial aid. Please note that if the tuition and fees do not exceed the cap, then YR Program funds are not awarded. Likewise, a student attending part-time may not need YR Program funds.

Put another way, if the cap is used in the first semester, then YR Program contributions can be applied to any potential shortfall in the first semester and for the remainder of the academic year.

Question 3. Will the cap for private and foreign schools increase each year?

Answer: VA will update the GI Bill website with any adjustments to the cap.

Question 4. Are foreign schools eligible for the YR Program?

Answer: No, the YR Program is available for institutions of higher learning in the U.S. or at a branch of such IHL that is located outside the U.S.

Question 5. Are schools that do not offer a degree program eligible for the YR Program?

Answer: No, the YR Program is available for institutions of higher learning in the U.S. or at a branch of such IHL that is located outside the U.S.

Question 6. For public schools, can YR funds cover all of the out-of-state tuition and fees charges?

Answer: Yes, the YR Program could be used to cover the difference between the in-state and out-of-state tuition and fee charges, provided that the contributions stipulated on the YR agreement meet that amount. VA has no authority to cover out-of-state charges for tuition and fees without YR Program participation.

Question 7. Does a Veteran or designated transferee have to be at the 100% benefit tier to be eligible for the YR Program? (Active duty members and their spouses are not eligible for YR.)

Answer: Yes.

Question 8. How do you calculate YR Program contributions for part-time students?

Answer: The calculations for part-time students are the same as for full-time students. Any tuition and fees charged beyond the cap can be met or partially met through the YR program.

Question 9. A student attended a private school for the fall semester and used the entire cap, and then transferred to a public school for the spring semester. Would that student have all tuition and fees covered at the public school, even though the cap was already exhausted at the private school? (This assumes the student at the 100% eligibility tier and not out-of-state.)

Answer: Yes, the student would have all in-state tuition and fees covered at the public school for the spring semester.

Question 10. A student attended a public school for the fall semester, and then the student transferred to a private school for the spring semester. Would that student be entitled to the full cap at the private school for the spring semester as well as YR Program funds?

Answer: Yes, the student would be eligible to receive up to the full amount of the cap and YR Program funds (YR if charges for tuition and fees exceeded the cap for that semester).

Question 11. Does VA recommend any specific methodology regarding how schools should comply with the requirements for the YR Program (i.e. awarding, billing, etc.)?

Answer: No. The onus is on the school to comply with the terms of the YR Program agreement (per regulation), and VA doesn't prescribe how a school meets the conditions. That way schools can develop their own methods that work best for the school. The school's Education Liaison Representative is a good source of information and can describe how other schools comply with the requirements.

Question 12. Can schools eliminate students attending part-time from the first-come-first-served selection process for the YR Program?

Answer: No.

Question 13. Can a school limit its YR Program participation to apply only to students seeking their first undergraduate degree, for example, but not students seeking a second undergraduate degree?

Answer: No, as that is not permissible per the regulations (CFR Section 21.9700(d)) which do not permit distinctions based on the student's status (e.g. undergraduate, graduate, doctoral) or sub-element of the school (e.g. college or professional school), etc. Making a distinction of first versus second undergraduate degree would violate the "first-come-first-served" requirement, also within that section.

Example: a student may have already earned a BA while in the service, is injured in service, and upon release finds that he or she may have to alter his/her education in attempts to gain different employment given the injury, etc.

Question 14. Can a school treat a traditional versus a non-traditional program of study differently in its YR Program?

Answer: No, the school cannot differentiate between traditional versus a non-traditional program of study, such as the day and evening programs with the same course material. Therefore, the school cannot exclude the Undergraduate Adult Learning program, for example, while only including the traditional first degree undergraduate program where the difference is day versus night school.

Question 15. For purposes of the YR Program, can the school define the academic year as fall and spring only? Or is the participating school obligated to match the tuition gap for any YR eligible student who elects to attend for a summer term?

Answer: VA defines an academic year as August 1 through July 31. However, a school participating in the YR Program may designate how it will distribute its YR Program funding over the entire academic year.

Question 16. If a student is receiving Post-9/11 GI Bill (& YR) benefits for a summer class which starts in July, 2013, and ends in August, 2013, does that amount get deducted from the new cap for the 2013-14 year?

Answer: No, the first day of the enrollment for a semester, quarter, or term establishes the academic year for that class. A semester, quarter, or term which begins prior to August 1, 2013, will be paid under the tuition and fees rules for the academic year 2012-2013. Consequently, the amount will not be deducted from the 2013-2014 benefit cap.

Question 17. How does VA define the terms "direct grant" and "scholarship" relative to the school's contribution for the YR Program?

Answer: VA does not have specific definitions for the terms "direct grant" and "scholarship." Language under number 4 of the YR Program agreement provides

information on school contributions. YR Program contributions cannot be loans, Title IV aid, or funds received by a third party that are not under the unrestricted control of the school. The term "unrestricted funds" refers to funding that is available to the IHL without any conditions on its use (i.e., designated for use by a specific individual or a specific group of individuals). However, funds received from a third party that are restricted for use in the YR Program may be counted towards the IHL's contributions to a YR Program participant.

Question 18. Is fundraising permitted to raise money for the school's contribution under the YR Program?

Answer: Yes. Fundraising for the YR Program and applying those funds towards the school's matching contribution is allowable. Schools participating in the program must agree to limit contributions made on behalf of a participant to funds under the unrestricted control of the school; funds specifically designated for a specific individual or group of individuals would be out of the control of the school, and, therefore, are not allowable for YR Program funding.

Question 19. How should a school report tuition and fees (and YR Program contributions) to VA with respect to the cap?

Answer: The school should report actual charges for tuition and fees as well as YR Program contributions. VA determines the payments for students.

Question 20. Under what circumstances should an institution of higher learning (IHL) apply to participate in the YR Program?

Answer: A public school should apply for the YR Program if the school wants to have some or all of its out-of-state charges covered; the school should indicate in the remarks section on the Form 22-1999 that it is related to out-of-state charges. A private school should apply for the YR Program if its tuition and fees exceed the cap for the academic year and the school wishes to have the YR Program make up all or part of the difference between the cap and the net amount of tuition and fees.

Question 21. When is the deadline to submit the YR Program agreement?

Answer: The deadline for participation in the YR Program for the academic year beginning August 1, 2012 is May 15. The new YR Program agreement is an open-ended agreement, and changes to the agreement established for the 2012-13 academic year as well as a withdrawal option will be offered during future open-enrollment seasons. Schools should periodically check for announcements for the enrollment season at www.gibill.va.gov and/or at <http://www.gibill.va.gov/school-certifying-officials/>.

Question 22. Can an institution increase its matching contribution amount for the YR Program during the academic year?

Answer: No, an institution will only be permitted to change its maximum contribution amount (and other terms) for future years during open season (next open season is March 15 to May 15, 2013). When determining the maximum matching contribution amount, institutions should attempt to account for potential increases in tuition and fees during the academic year. However, please note that per #8 of the agreement, the institution agrees to provide 'up to' X amount of the matching contribution; the institution may contribute a lesser amount only if it is realistically appropriate.

Question 23. What are the responsibilities of a school participating in the YR Program?

Answer:

1. Certifying in accordance with the school's YR Program agreement;
2. Maintaining records on the following
 - tracking the number of students enrolled under the YR Program;
 - tracking the annual amount of the school's tuition and fees;
 - developing and documenting the process for the first-come-first-served enrollment of students into the YR Program.

Questions concerning participation in the YR Program should be directed to Yellow.Ribbon@va.gov .