



National Association of College and University Business Officers
1110 Vermont Avenue, NW, Suite 800, Washington DC 20005-3544
T 202.861.2500 F 202.861.2583
www.nacubo.org

April 9, 2012

The Honorable Eric K. Shinseki
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, N.W.
Washington, D.C. 20420

Dear Secretary Shinseki:

On behalf of the organizations listed below, I am writing to you to express very serious concerns with a debt offset policy currently under consideration at the U.S. Department of Veterans Affairs. We understand that VA is considering reinstatement of a policy to offset veteran debts against Post-9/11 G.I. Bill tuition and fee payments. VA has exempted tuition and fee payments from offsets since 2009 and we strongly urge you to maintain this policy. Offsetting VA debts against tuition and fee payments will have serious unintended consequences for participating institutions and veteran (Chapter 33) students alike.

We further believe the proposed offset policy violates the faith and intent of the enrollment certification process. Upon enrolling in an institution of higher education and asking for certification, the veteran student and the institution have an implied contract under which both parties expect that VA education benefits are forthcoming to the extent of the veteran's eligibility. Institutions hold seats for those veterans because of the expressed commitment both by the student and the VA on behalf of that student. Currently, institutions allow veterans to register and begin attending class before VA payments arrive.

If the offset policy is allowed to go forward, the veteran could be left with little or no money to cover the cost of attendance. If that veteran decides to withdraw because of problems related to a tuition and fee offset, he or she has incurred additional debt to the school, or depending on timing, to both VA and the school. If the veteran completes the term, but does not have the funds to pay the outstanding tuition balance, his or her debt simply shifts from VA to the institution. Since few institutions will allow a student with an outstanding balance to register for the next term (some public institutions are prohibited from doing so under state law), the veteran's ability to continue his or her education is then in jeopardy.

This problem is exacerbated by VA's restrictive privacy policies and failure to communicate with institutions and the veterans themselves. In the beginning of the Chapter 33 program, when offsets against tuition payments were allowed, confusion reigned. Schools received no warning that a veteran owed a debt to VA nor any notice indicating why a tuition payment was less than

expected. When VA announced plans to resume this offset policy in December 2011, campuses were told they would "not receive a letter advising of the debt collection." This will result in a flurry of inquiries between the veteran, the school's student accounts office and certifying official, and probably several offices at the VA. More importantly, lack of warning about a pre-existing veteran debt keeps campus certifying officials, financial aid advisors, bursars, and registrars from adequately alerting and advising students about the unexpected shortfall in his or her account.

For these reasons, we urge you to maintain the tuition and fee offset exemption. In addition, we ask you to consider establishing a system whereby college and university officials can access benefit eligibility, claim status, payment amount, overpayment amount, and other benefit information that can potentially impact students' abilities to register and pursue their academic programs.

We fully recognize the fiduciary responsibility VA must uphold in collecting any non-tax debts owed to the federal government by recipients of VA benefits. However, the proposed policy exposes veterans to even greater debt liabilities and unduly stresses the partnership between the federal government and colleges and universities in their mutual goal to provide educational opportunities to our nation's veterans.

Sincerely,



John Walda
President and Chief
Executive Officer

On behalf of:

American Association of Community Colleges
American Council on Education
American Association of Collegiate Registrars and Admissions Officers
American Association of State Colleges and Universities
American Indian Higher Education Consortium
Association of American Universities
Association of Jesuit Colleges and Universities
Association of Public and Land Grant Universities
Council for Opportunity in Education
Hispanic Association of Colleges and Universities
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of Student Financial Aid Administrators