



Virginia Military Survivors & Dependents Education Program (VMSDEP)

JLARC directed staff to review the Virginia Military Survivors & Dependents Education Program (VMSDEP)

- Chairs of the House Appropriations and Senate Finance and Appropriations committees sent request letter to JLARC Chair
- Letter requested JLARC staff
 - Review long-term sustainability of program
 - Evaluate eligibility criteria & program parameters
 - Evaluate impact on Virginia's higher education institutions and students paying tuition

*Commission vote on July 1, 2024.

Research activities

- Interviewed key stakeholders in Virginia
 - Selected VMSDEP program recipients
 - Department of Veterans Services (DVS)
 - State Council of Higher Education for Virginia (SCHEV)
 - Public four-year higher education institutions
 - Virginia Community College System
 - Virginia Association of Student Financial Aid Administrators
- Made survey available to veterans and program stakeholders – asked about sustainability
- Collected information from more than 20 other states with similar programs for veterans

Research activities (continued)

- Obtained and analyzed relevant DVS & SCHEV data files
- Obtained and analyzed VMSDEP enrollment and fiscal impact information from higher education institutions
- Compared DVS, SCHEV, and higher education institution data to identify differences or inconsistencies

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Virginia has substantial active-duty military and veteran presence

- Bases and facilities throughout Virginia, especially
 - Northern Virginia (Ft. Belvoir, Quantico)
 - Hampton Roads (Oceana, Norfolk Naval Station, Langley-Eustis)
- Virginia is home to about 700,000 veterans, among the most per capita
- Virginia seeks to provide services to help veterans
 - Targeted employment, education, and health benefits
 - Assistance with federal benefits claims processing
 - Medical centers

DVS has developed a “compact” with veterans

- DVS commissioner’s duties and authorities include to “establish and implement a compact with Virginia’s veterans, which shall have a goal of making Virginia America’s most veteran-friendly state”(§ 2.2-2004)
- Established in “conjunction with the Board of Veterans Services and supported by the Joint Leadership Council of Veterans Service Organizations”
- Specific compact terms are not in statute, but are articulated in an administrative document, seek to
 - Unify state’s efforts in veterans services
 - Serve as a port of entry to resources and connection to earned benefits
 - Advocate for quality of life, accessibility of services for transitioning service members and their families

VMSDEP provides tuition & mandatory fee waiver, stipend for some recipients

- Tuition & mandatory fee waiver for qualified recipients when attending any public Virginia higher education institution
- Recipients who meet specific criteria also eligible for stipend each semester, which can be used for other higher education expenses*
- Program can be used for up to 8 academic semesters of undergraduate or graduate education
- Institutions do not know whether a student is eligible for VMSDEP when making admission decisions

Additional stipend of up to \$2,200 to VMSDEP participants qualifying because of veteran's combat-related death or disability (rather than more broadly service-related). Stipend amounts have recently been \$1,900 based on specific appropriation.

Code of Virginia defines VMSDEP eligibility criteria

- Child (age 16–29) or spouse of a veteran who
 - Due to service in military combat* was KIA, MIA, POW, or rated by the U.S. Dept. of Veterans Affairs as at least 90% permanently disabled
 - Due to service in any capacity became rated as at least 90% permanently disabled

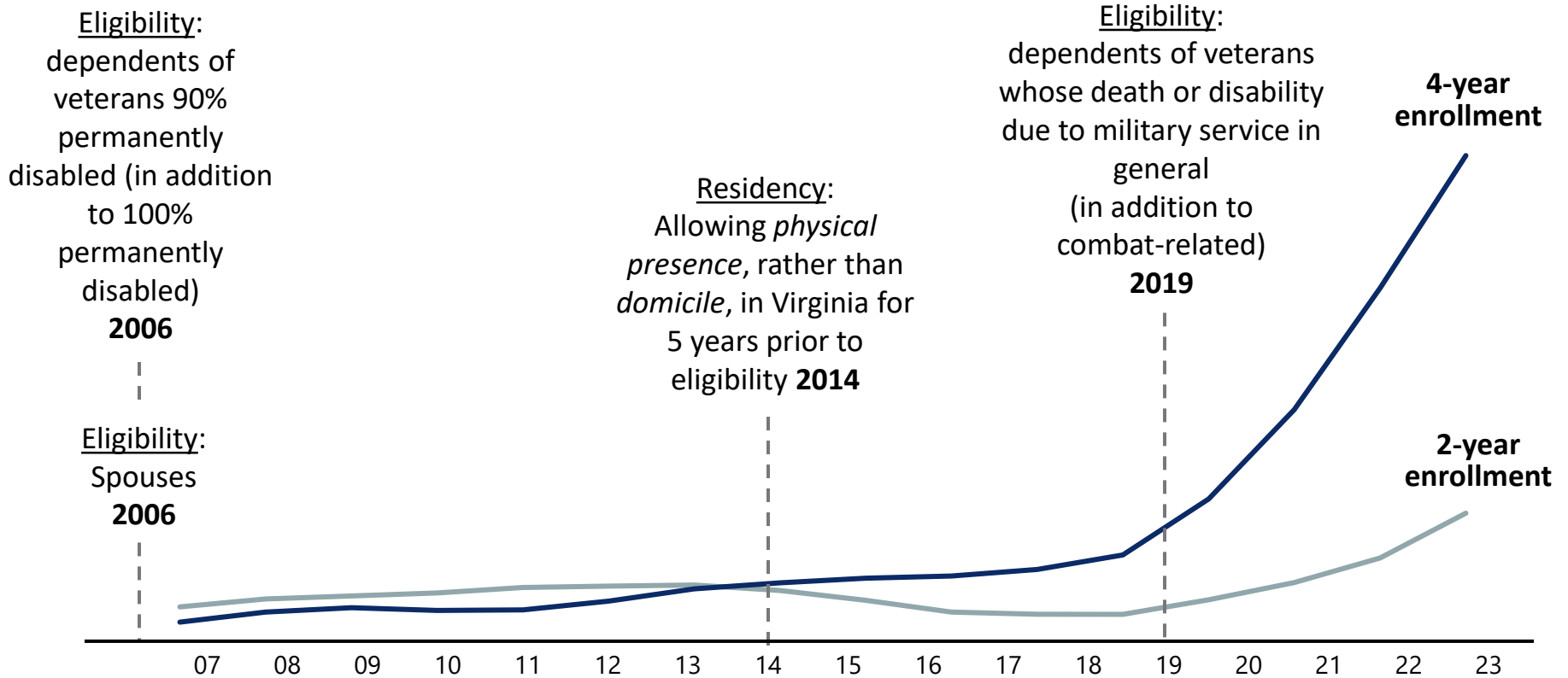
- Certain residency requirements apply
 - Veteran: Domiciled in Virginia at the time of entering active service or called to duty OR have been domiciled or had “physical presence” at least 5 years immediately prior to death or beneficiary’s application for college admission
 - Beneficiary: If veteran is deceased and did not otherwise meet residency requirements, spouse must have had 5 years of domicile/physical presence prior to application, and in the case of a child, surviving parent must have had 5 years domicile/physical presence prior to application

*”Military combat” is defined as having direct involvement in: a military operation against terrorism, a peacekeeping mission, a terrorist act, or any armed conflict. “Military combat” does not refer exclusively to personally engaging in actual physical combat with an enemy.

VMSDEP and its precursor programs have existed for decades, very little general funding until recently

- Benefit existed for children of service members killed or missing during periods of conflict (Virginia War Orphan Education Program)
- For most of program's history, general funds provided to institution were very minimal
 - Minimal general fund amount in base budget from many years ago
 - Institutions received no additional general funds to replace revenue

Major VMSDEP program changes and VMSDEP participation trends



Sources: State Council of Higher Education for Virginia and Code of Virginia.

Modifications to VMSDEP were passed during 2024 legislative session but repealed this summer

- Additional requirements to receive benefit were enacted in 2024 but subsequently repealed
- Requirements included
 - Using other available federal and state benefits first
 - Making satisfactory academic progress
 - Completing and submitting the FAFSA and using results as basis for need calculation
 - More demanding demonstration of residency
 - Restricting use to undergraduate education

General Assembly appropriated substantial funding to offset forgone revenue impact of VMSDEP

- 2024 General Assembly appropriated new general funds for FY25 and FY26:
 - \$20M annually in “base budget”
 - Additional \$45M annually for FY25 and FY26
- SCHEV began allocating new general funds to institutions in August 2024

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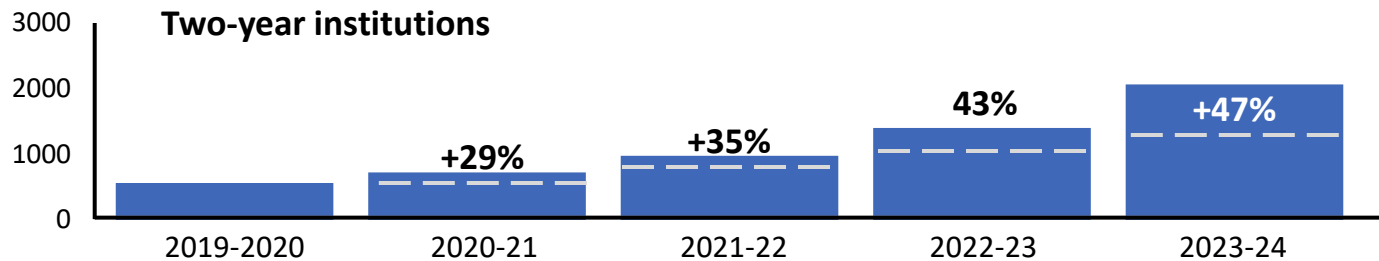
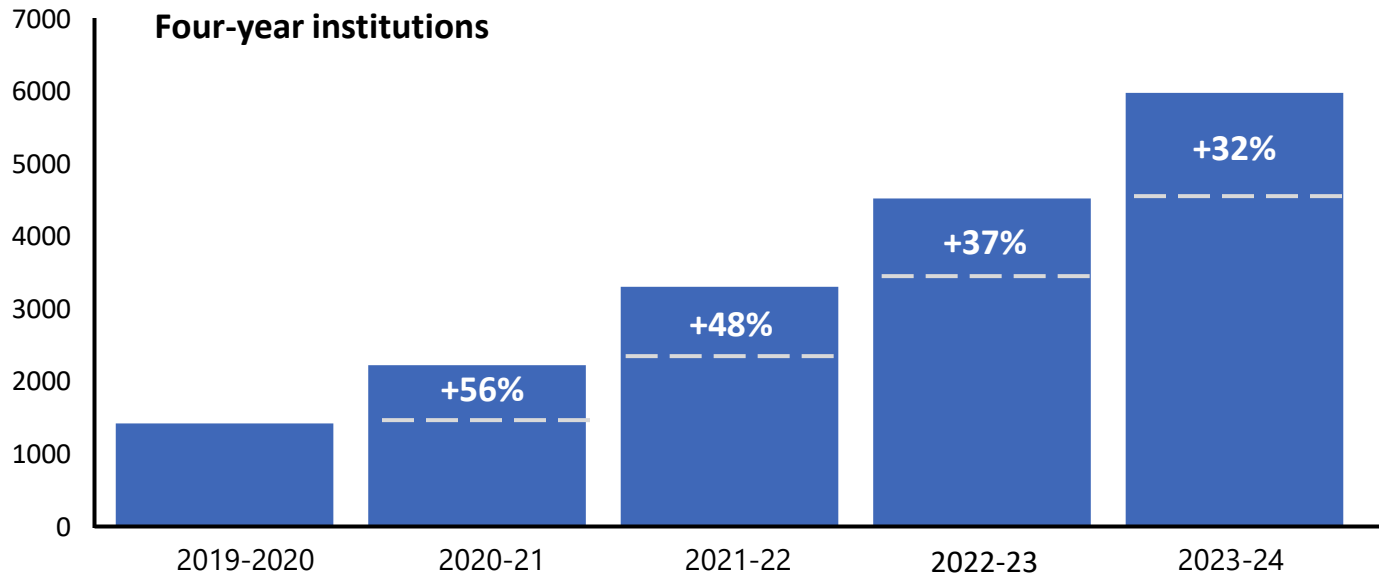
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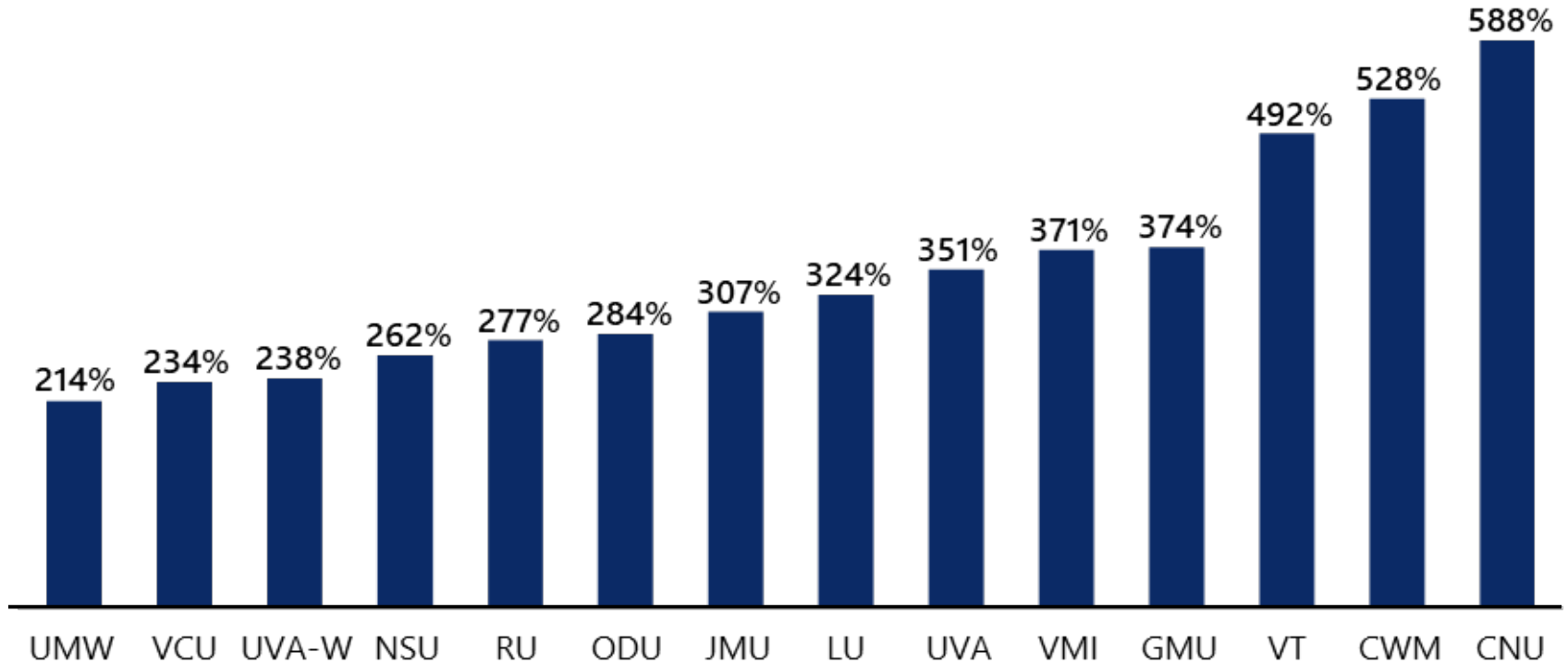
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VMSDEP enrollment has grown substantially since 2019



Source: JLARC collection of VMSDEP enrollment from each institution, August 2024 (VSU did not submit data).

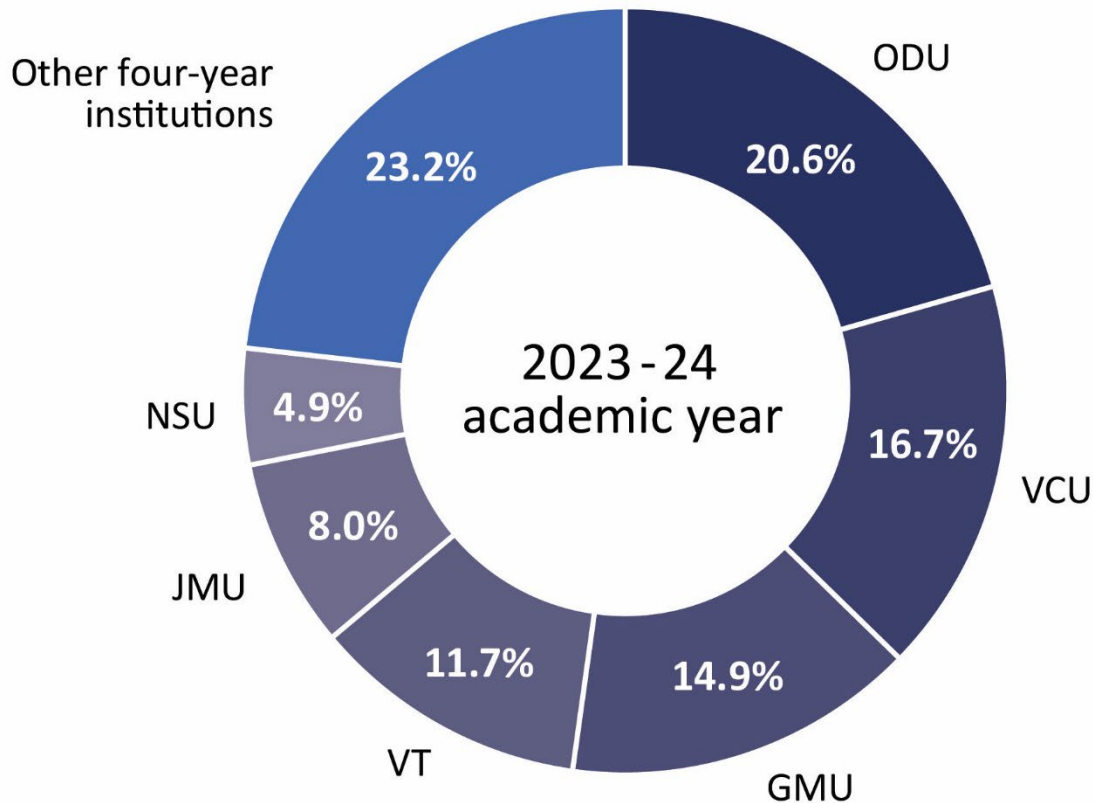
VMSDEP enrollment increased at all four-year institutions, to varying degrees (2019–20 to 2023–24)



VCCS = 266% increase

Source: JLARC collection of VMSDEP enrollment from each institution, August 2024.

About half of total VMSDEP enrollment at four-year institutions is at ODU, VCU, and GMU (2023-24)



Source: JLARC collection of VMSDEP enrollment from each institution, August 2024.

Despite rapid growth, VMSDEP is relatively small percentage of total enrollment at most institutions

Institution	VMSDEP participation (2023–24, unduplicated)	Total enrollment (Fall 2023)	VMSDEP as % of total enrollment
ODU	1,233	22,541	5.5%
CNU	220	4,503	4.9%
NSU	293	6,045	4.8%
UMW	176	3,808	4.6%
VMI	66	1,560	4.2%
VCU	999	28,594	3.5%
RU	234	7,531	3.1%
LU	140	4,544	3.1%
W&M	251	9,762	2.6%
GMU	892	40,184	2.2%
JMU	480	22,758	2.1%
VT	699	38,294	1.8%
UVAW	27	1,922	1.4%
UVA	275	25,944	1.1%
VCCS	2,062	153,629	1.3%

Stakeholder concerns about inaccurate enrollment data are unfounded

- As attention on VMSDEP has increased, multiple data points have been reported and discussed
- JLARC compared data obtained from SCHEV, DVS, and each institution—minimal differences in enrollment data across sources

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VMSDEP participants: Basic demographics

	VMSDEP participants	Non-VMSDEP students
Median age	20	20
% female	59	56
% Black	35	17
% white	36	48
% Asian	3	12

Source: SCHEV student-level data for 2022–23 academic year.

Most VMSDEP participants are undergraduates, but increasingly more are graduate students

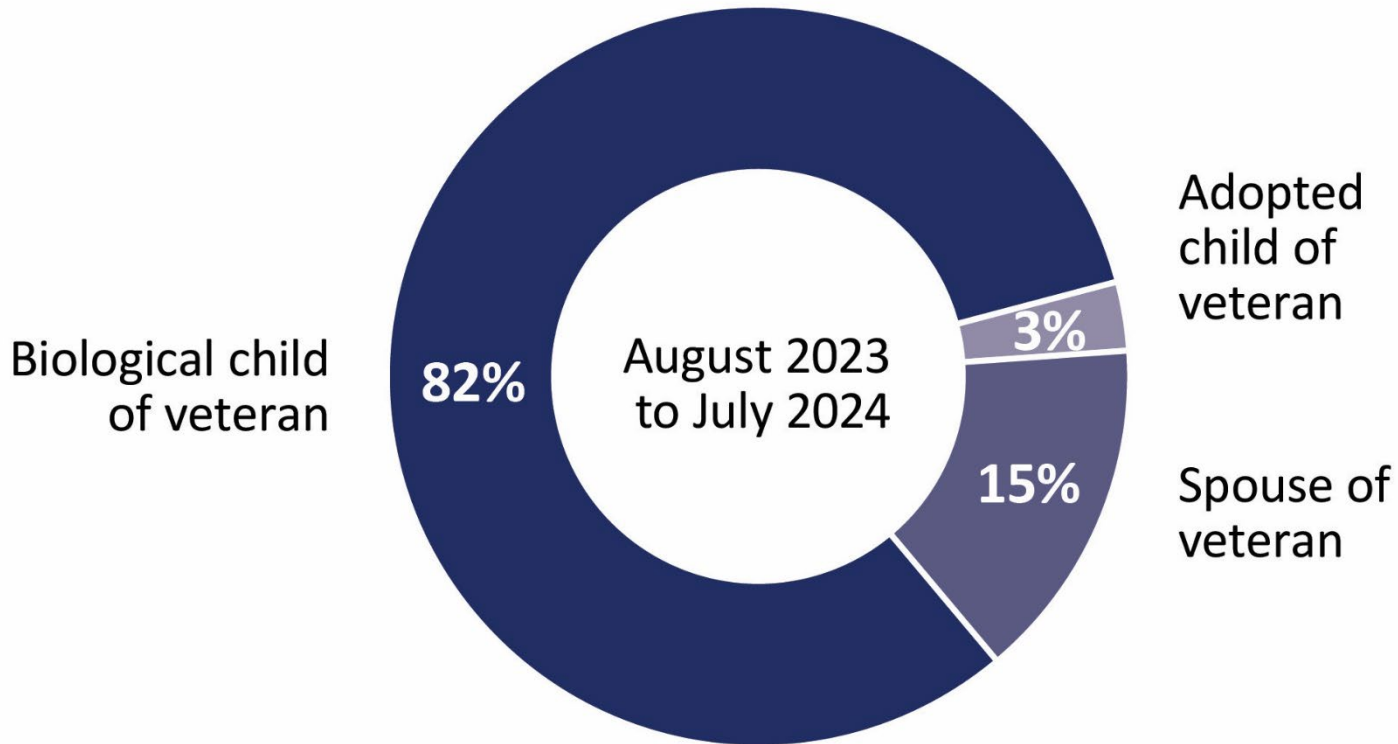
- As of 2022–23, undergraduate students accounted for about 89% of all VMSDEP participants
- Graduate students, though, have been increasing over time as a proportion of VMSDEP students
 - Number of graduate students has more than doubled over the last decade

Source: SCHEV FA-22 report

DVS data limitations preclude full insight into growth over time by eligibility category

- DVS migrated VMSDEP data to a new system last year, but dates of veteran verification were not retained
- Limits JLARC staff's ability to compare verification of veterans over time

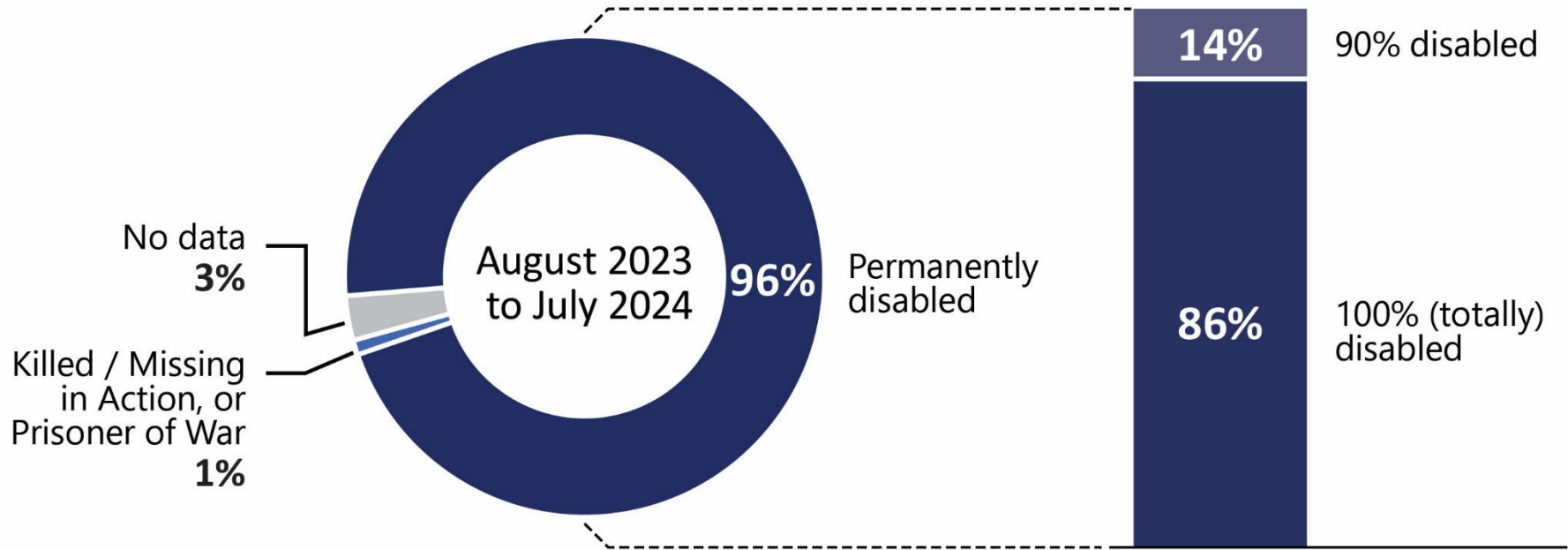
Most VMSDEP participants are biological child of a veteran



Note: Far less than 1% were recorded as stepchildren.

Source: DVS VMSDEP portal database, latest 12 months of usable data (August 2023 to July 2024)

Nearly all VMSDEP participants receive benefits because of a disability



Source: DVS VMSDEP portal database, latest 12 months of usable data (August 2023 to July 2024)

Disabled veterans in Virginia: basic demographics

	Disabled veterans*	Veterans
Age (in years)	54	58
% married	72%	67%
% w/ children in household	45%	34%

*Data available for veterans rated as 70% disability or higher.

Source: American Community Survey (ACS) 5-year estimates for Virginia, 2018–2022.

Many disabled veterans are employed / earn income; varies by disability rating

- Disabled veterans with children (less than 100% disability) are employed at similar rates to all veterans (about 70%)¹
- Employment tends to decrease as disability rating increases among disabled veterans with children (100% disability = 47% employed; 60% to 90% disability = 69% employed)
- Median family income is about \$134,000 for veterans with 70%+ disability in Virginia, slightly higher than all veterans²

Sources: (1) Current Population Survey Veteran Supplement, U.S. 2021–2023. (2) ACS 5-year estimates for Virginia, 2018–2022

Non-combat-related eligibility, rather than combat-related, has been growing recently

- About 2/3 of the veterans verified for VMSDEP have a combat-related disability¹
- Since 2019, most of the increase in VMSDEP students appears to be veterans with a non-combat-related disability² (based on number of students not receiving a stipend)

Sources: (1) DVS VMSDEP veterans portal database. (2) SCHEV student-level data 2016–2022.

No residency data available for substantial portion of participants

- DVS data on how students met the VMSDEP domicile/presence requirement is missing for some veterans
- However, based on available data:
 - 2/3 met the residency requirement by entering military service in Virginia
 - 1/3 met the residency requirement by verified domicile or physical presence five years prior to applying

Source: DVS VMSDEP portal database, latest 12 months of usable data (August 2023 to July 2024)

Median family income*

	VMSDEP participants	Non-VMSDEP students
Public 2-year	\$58,000	\$37,000
Public 4-year	98,000	77,000
All public	91,000	61,000

*Income data available only for students who submitted a FAFSA; 48% of VMSDEP participants and 57% of non-VMSDEP students in 2022–23.

Source: JLARC analysis of SCHEV financial aid data (individual student-level).

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VMSDEP recipient perspective has focused on low “cost” to institutions

- Recipients and families have stated in task force meetings and to JLARC staff that
 - Marginal cost to institution of each VMSDEP recipient is minimal (e.g., there is no additional cost to add a student to a class in which there is an open seat)
 - Some Virginia institutions are losing enrollment, so there are available seats in classrooms
 - There may be some cost impact, but it is difficult to quantify and small

Institutions focus on the VMSDEP waiver as “forgone revenue” that otherwise would be collected

- Revenue is forgone, but impact varies based on each institution’s circumstances
- Forgone revenue impact is more certain at more selective institutions, because a paying student would likely have attended otherwise
- Institutions with more resources have less difficulty compensating for forgone revenue

Escalating VMSDEP costs raised concerns about impact on tuition charged to other students

- Institutions addressed forgone revenue in different ways, but VMSDEP impact on tuition unclear
- Institutions used various means to compensate for forgone revenue
 - Tuition & fees from other students (7 institutions)
 - Reduced or controlled operational spending (6)
 - General funds (5)
 - Institutional revenue (5)
- Quantifying impact of VMSDEP on tuition is extremely difficult

VMSDEP waivers represented varying proportions of tuition revenue prior to general fund infusion

Institution	VMSDEP waiver (2022-23)	Total tuition revenue (FY23)	VMSDEP waiver as % of total tuition revenue
UMW	\$1.6M	\$18.7M	8.5%
ODU	9.1	127.3	7.2
NSU	1.9	29.4	6.4
CNU	2.3	40.9	5.6
LU	1.5	25.8	5.6
RU	2.0	40.4	5.0
VMI	1.0	22.3	4.9
VCU	11.7	328.1	3.6
GMU	8.0	360.3	2.2
JMU	4.3	235.8	1.8
W&M	3.7	216.3	1.7
VT	7.8	647.0	1.2
UVA	4.3	691.0	0.6
VCCS	4.3	543.0	0.8

Note: Total tuition revenue for VCCS shown as all non-general fund revenue

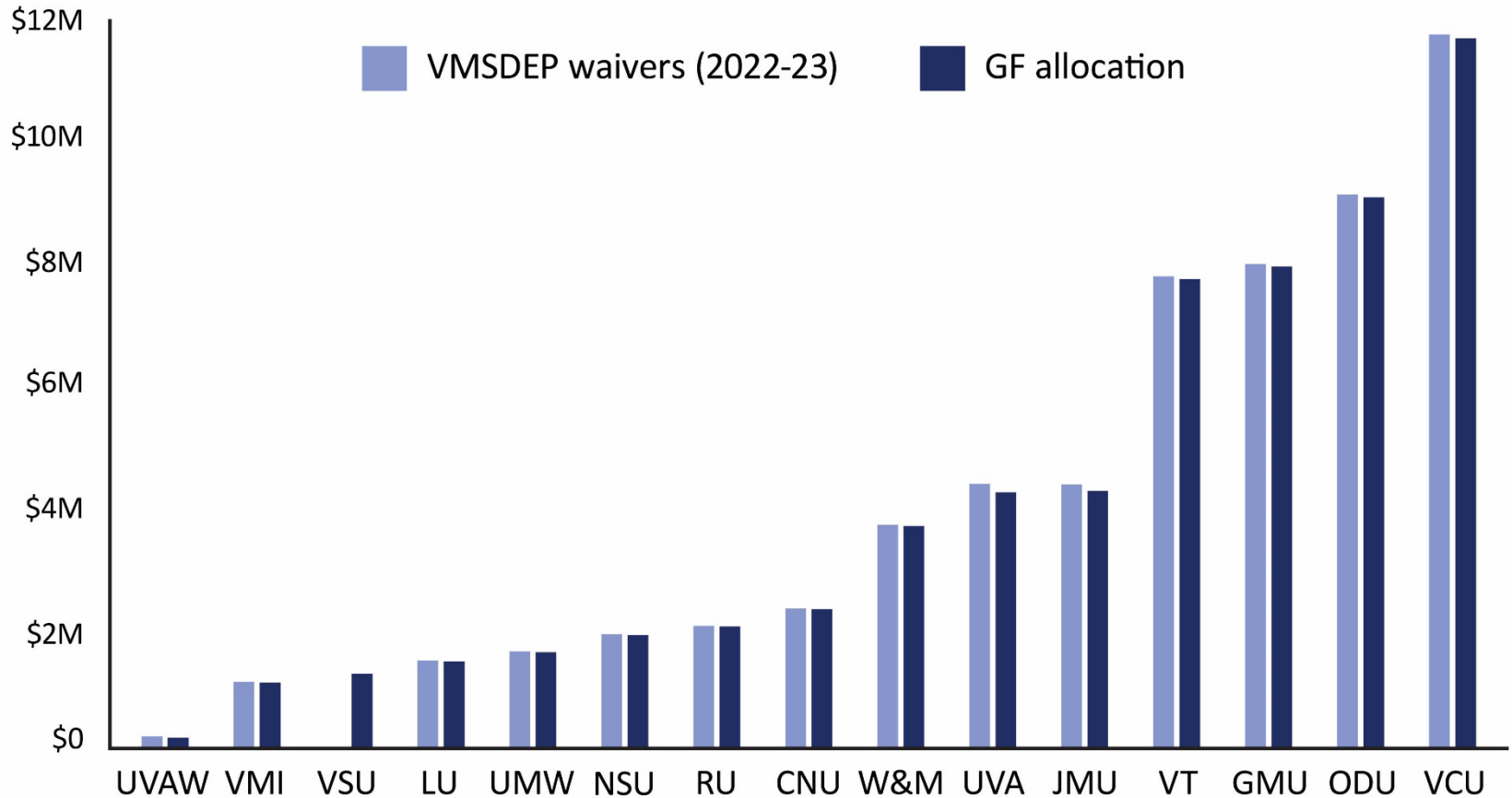
*Excludes VSU, which did not submit information to JLARC, and UVA-W due to total tuition revenue calculations.

Forgone revenue amounts from 2022–23 used to estimate general funding for FY25, FY26

- In August 2024, SCHEV began to allocate general funds for FY25 across institutions based on the reported forgone revenue at each institution*
 - e.g., CNU’s reported forgone revenue was 3.5% of total; SCHEV allocated CNU 3.5% of total available general funds
- Allocation approach is reasonable and consistent with how other centrally appropriated higher education funds are allocated across institutions

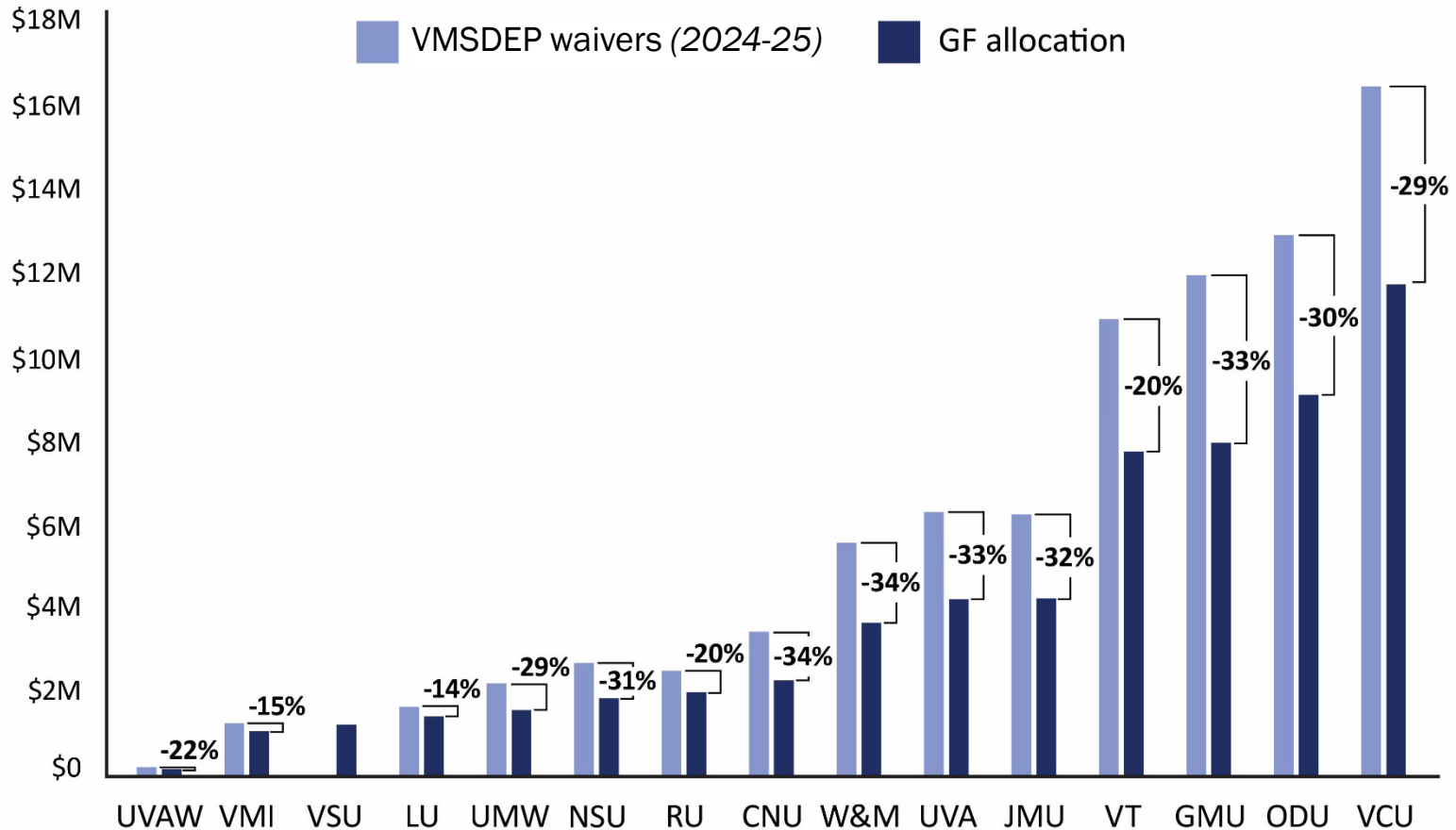
*\$20M in “base” general funding and other \$45M being allocated at different times; different approvals and procedures required for the \$45M.

General Fund allocations would have funded nearly all waivers during the 2022–23 academic year



VCCS = \$4.3M waivers; \$4.2M GF allocation.

Increased 2023-24 participation pushed forgone revenue higher than FY25, FY26 general fund allocation



VCCS = VMSDEP waiver 54% (\$2.25M) more than GF allocation.

Institutions do not appear to be inflating VMSDEP impact by applying full-time waiver amount to part-time students

- Some stakeholders expressed concern that institutions were overstating forgone revenue by counting full-time and part-time VMSDEP enrollment in the same way
- However, waiver amounts reported by institutions for part-time students were substantially less than waiver amounts reported for full-time students
 - (e.g., VCU reported average waiver amount for part-time students was less than half the average waiver amount for full-time students)

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Fiscal impact statement of 2019 VMSDEP expansions oversimplified future impact

- Fiscal impact statement of legislation to expand VMSDEP (2019) used overly simplistic approach to estimate a potential impact of \$5.4 million
 - Only counted how many recent unqualified applicants would have qualified under expanded eligibility criteria
 - Did not account for increase in qualified applicants in future years because of expansion of eligibility criteria
- Not reasonable to have expected a fully accurate estimate, but extremely low estimate likely gave false sense of eventual fiscal impact

Institutions have usable estimates of fall VMSDEP enrollment by November

- SCHEV usually reports VMSDEP participation data in late October or November, but data is for the preceding academic year rather than the current fall semester
 - Time lag has created sizeable difference between enrollment and appropriations (as demonstrated by using 2022–23 participation data to estimate general funds needed)
- Institutions have current year data, which is a better information source for determining appropriation needs

DVS and SCHEV can coordinate to provide a fuller picture of current & pending VMSDEP enrollment

- DVS determines VMSDEP eligibility on an ongoing basis as participants apply
- DVS is the best source of pending VMSDEP enrollees (those determined eligible but not yet enrolled)
- SCHEV has existing data collection process with institutions and could ask institutions for best available fall VMSDEP enrollment data of each current academic year

Recommendation

The General Assembly may wish to consider directing DVS and SCHEV to coordinate on reporting

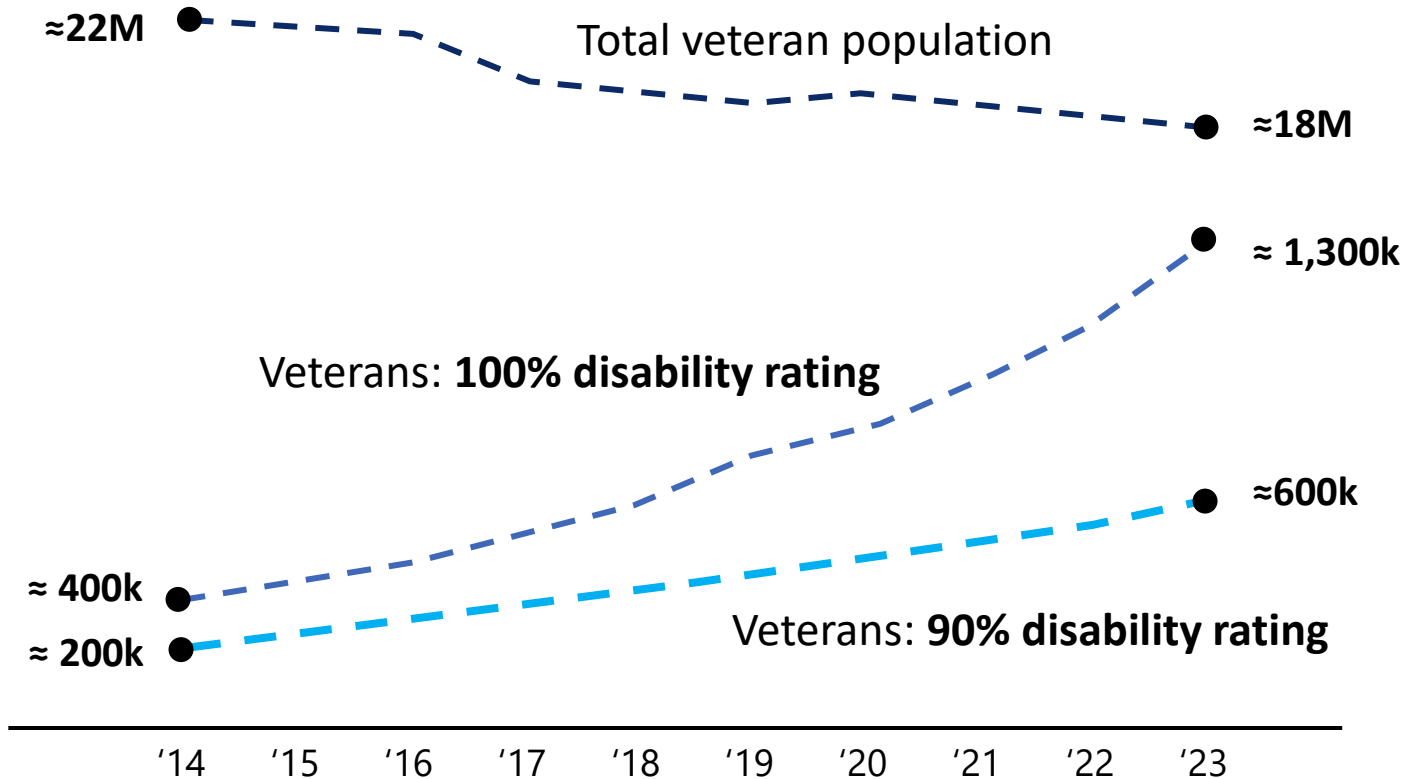
(i) the number of beneficiaries determined eligible for VMSDEP but not yet enrolled at an institution; and

(ii) the best available estimate of VMSDEP fall semester enrollment at each institution as of November to the House Appropriations and Senate Finance and Appropriations committees by December 15 each year.

Accurate projections of future VMSDEP growth are challenging

- Using recent program participation levels and growth to project future participation has been confounded by
 - Substantial, relatively recent broadening of eligibility criteria
 - Pandemic-related disruptions during 2020–2022
 - Ability to qualify for VMSDEP by moving to and residing in Virginia for 5 years broadens pool of potential participants from Virginia to nationwide
- Some data is available, but intentions are hard to predict
 - U.S. Dep't of Veterans Affairs knows number of veterans in Virginia, disability ratings; ACS has data on spouses and children
 - Not known whether eligible or potentially eligible students will use benefit or at which institution

Nationally, veteran population and disabled veteran population have been trending in opposite directions



Source: Veterans Affairs Annual Benefits reports.

No quantitative evidence that VMSDEP participation has peaked or will soon decline

- Many factors will play a role in determining future VMSDEP participation
- Would need to make very conservative and unrealistic assumptions to conclude that
 - program participation will soon decline (e.g., no more growth in number of veterans with 90% or higher disability rating, recent publicity is not leading to more applications)
 - forgone revenue amounts will soon decline (e.g., tuition and fees do not increase, lower proportion of students enrolling in graduate programs)

See appendix for more information about potential future VMSDEP trends.

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-No changes to eligibility, requirements, or benefit

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JLARC staff use criteria to decide between recommendations & options

- JLARC staff make recommendations when
 - There are clear criteria against which to determine whether a change *should* be made
 - It is clear *how* the change should be made
- JLARC staff propose policy options when
 - the action proposed is a *policy judgment* best made by the General Assembly or other elected officials
 - the evidence indicates that addressing a report finding is *not necessarily required*, but doing so could be beneficial
 - there are *multiple ways* in which a report finding could be addressed, and there is insufficient evidence of a single best way to address the finding

JLARC comparison of VMSDEP to similar programs in other states informs potential options

- Many states have some type of program that provides an education benefit for veterans, but these programs are structured in widely varying ways
- JLARC analyzed individual elements of VMSDEP and 25* similar programs in other states
 - Eligibility criteria for veteran and spouse / children
 - Structure, type, and duration of benefit

* States chosen based on proximity to Virginia, relatively high population of veterans, and program similar to VMSDEP. Number of states reviewed = 24 (Texas has 2 programs included in the analysis).

Several aspects of VMSDEP are very common in other states' veterans education benefit programs

- Nearly all programs reviewed offer an education benefit if the veteran was killed in action
(24 of 25 programs reviewed)
- Nearly all programs reviewed also offer a benefit for service-related eligibility in addition to combat-related conditions
(23 of 25)
- All states reviewed offer the benefit to children
- No state reviewed reduces the benefit based on family income

Note: More information about VMSDEP compared to other state programs is in the appendix.

Some veterans and other interested stakeholders strongly emphasized VMSDEP's importance

- “...The Commonwealth created this program as a thanks for honorable military service. That ‘thanks’ should be sustained until there is no need for service members to be placed in harm’s way.”
- “This benefit has been promised ... Changing the benefit eligibility or amount at this point would be a disservice to all Virginia veterans.”
- “Virginia receives the most federal funding for Veterans and military, funds can be found for VMSDEP and the program should never be reduced or removed.”
- “This program is a critical part of deciding to stay in Virginia. Without it...I would leave with my skills, my business and my taxes.”

“VMSDEP Survey,” JLARC; late July to late August 2024.

Policy option #1

The General Assembly could...

Appropriate sufficient general funds to cover 100% of institutions' forgone revenue; OR

Maintain current general fund level and either distribute funds to institutions (i) proportionally according to their percentage of total VMSDEP enrollment or (ii) according to institutions' relative ability to absorb the forgone revenue.

Policy option #2

The General Assembly could create a new fund (e.g., Texas model*) with combination of one-time and ongoing appropriations** and apportion funds to institutions.

*In recent years, fund in Texas has covered about 15% of program cost; institutions absorb the remaining costs.

**Fund could be created with excess general fund revenues that would be invested to provide annual contributions toward program costs. Could be combined with set or variable amount of general fund appropriations.

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-Changes to eligibility, requirements, or benefit

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Effective dates of any changes could vary based on type of change

- Many future participants have already been certified eligible for VMSDEP by DVS
 - Several thousand already certified, but not yet using benefit
- VMSDEP participants and veterans responding to a survey emphasized importance of time between changes and effective date
- Minor changes may not need significantly delayed effective date

“VMSDEP Survey,” JLARC; late July to late August 2024.

Variation in institutions' administrative processes makes changes to VMSDEP challenging

- Institutions vary substantially in
 - Size and administrative capacity
 - Timing of eligibility determination, admittance, enrollment, and payment
- Changes to VMSDEP may require lead time, IT system, or procedural changes
 - Nearly all institutions reported that changing certain aspects of VMSDEP would increase administrative complexity and potentially costs
- Higher education institutions may need to be consulted about the administrative complexity of certain changes

It is common for other states' veterans education benefit programs to have an academic requirement

- Most of the states reviewed require participants to meet an academic standard
(21 of 25 programs reviewed)
- VMSDEP's lack of academic requirement differs from many
 - Other state-level financial aid programs
 - Other federal veterans benefit programs

Note: More detailed information about how VMSDEP compares to other state programs is provided in the appendix.

Some veterans and other stakeholders believed academic standing was reasonable to consider

- “Academic performance should be included in benefits requirement, ensuring a recommended GPA be maintained”
- “... there should be an academic requirement, such as attendance and grades. There needs to be accountability on the student when programs or classes are failed or not attended.”
- “The only change that should be implemented is the GPA requirement which is already for the FASFA.”

“VMSDEP Survey,” JLARC; late July to late August 2024.

Substantial number of VMSDEP recipients not in good academic standing* at certain institutions

- 11 public four-year institutions reported a total of about 280 VMSDEP students were not meeting internal standards to be in good academic standing (as of 2024)
 - Institutions each reported between “0” and 136 VMSDEP recipients not in good academic standing
- VCCS reported about 325 students were not in good academic standing

*Good academic standing is different from satisfactory academic progress. Good academic standing is more closely aligned with the standard in other federal education benefits.

Policy option #3

The General Assembly could add a requirement that students must be in good academic standing* at the institution they attend to continue to receive the VMSDEP waiver.

Potential reduction in fiscal impact

– \$ \$\$ \$\$\$

Good academic standing should be based on each institution’s already-existing, internal standards. These will vary by institution and may be different from the “Satisfactory Academic Progress” standard used by the federal government.

Common for other states' veterans education benefit programs to factor in other available aid

- Many states reduce waiver value for the state program by factoring in other available aid (*17 of 25 programs reviewed*)
 - federal education benefits for veterans
 - federal financial aid (excluding loans)
 - state or institutional aid programs

Notes: More information about other available education benefit or aid programs, and detailed information about how VMSDEP compares to other state programs, is provided in the appendix.

Texas veterans education benefit program has process in statute to address other available aid

- Requires using applicable federal benefits before using Texas program benefits
 - Specifically references “Chapter 33” benefits but also any other federal benefits designated specifically for tuition and fees
- Texas program structured so total benefit amount does not exceed tuition and fees; no refunds
- Texas obtained permission from the Veterans Administration General Counsel in 2011

Source: Texas statute (2) Sec. 54.341(e)

Policy option #4

The General Assembly could

- require DVS to ask prospective VMSDEP participants to report on eligibility for federal veterans education benefits and the value of those benefits; and, if benefits are available,
- require institutions to apply any available benefits to the student's tuition and fees prior to applying the VMSDEP waiver.

Potential reduction in fiscal impact

– \$ \$\$ \$\$\$

Notes: Chapter 33 benefits most directly applicable benefit if option implemented.

Majority of states cover undergraduate, but not graduate, education

- Less than half of other states fund graduate education (*10 of 25 programs reviewed*)
- Graduate education is a relatively small, but growing portion of all VMSDEP waiver amounts (13%)
- Semester of graduate education tends to cost more than undergraduate education
 - e.g., ODU tuition & mandatory fees:
undergraduate - \$7,836
graduate - \$11,364

Note: More detailed information about how VMSDEP compares to other state programs is provided in the appendix.

Policy option #5

The General Assembly could limit the VMSDEP tuition and fee waiver to undergraduate programs only.

Potential reduction in fiscal impact

-- \$ \$\$ \$\$\$

States take different approaches to determining benefit amount provided

- Less than half of other states provide waiver equal to tuition & fees
(11 of 25 programs reviewed)

Note: Four states provide a waiver that can be more than tuition & fees (e.g., room & board or full cost of attendance)

More detailed information about how VMSDEP compares to other state programs is provided in the appendix.

Several states prioritize budget predictability, cost containment by using appropriated amount to determine benefit value

- Florida equally divides appropriated amount across eligible recipients, which determines benefit value each recipient receives
 - \$16.7M allocated across 3,897 recipients = benefit value of \$4,285 per recipient (2023–24)
- Ohio, Maryland, and Colorado use similar approaches with varying total funding and benefit amounts

Policy option #6

The General Assembly could

- set the waiver amount at a standard, statewide rate that would be less than 100% of an institution's tuition and fees* OR
- use the funds appropriated and number of eligible participants to determine the benefit amount.

Potential reduction in fiscal impact

– \$ \$\$ \$\$\$

*Such as the weighted average tuition (WAT) across institutions, or the amount of Tuition Assistance Grant for students attending private higher education institutions.

Not common for 90% permanently disabled to be an eligibility category in other states' programs

- Not many states reviewed offer the program to families of veterans rated as 90% permanently disabled (*6 of 25 programs reviewed*)
- Most states offer program to families of veterans rated as 100% permanently disabled

Notes: Six states offer benefits only to families of deceased veterans.

More detailed information about how VMSDEP compares to other state programs is provided in the appendix.

Some veterans and other stakeholders believed disability rating could be narrowed to sustain program

- “The only change I support is going to 100% disability rating.”
- “Cause of disability matters; if over 90% because of sleep apnea then that's a no go; should be related to injury.”
- “VMSDEP should be changed to 100% disabled only.”
- “Have VMSDEP match the federal program. Availability for only 100% P&T or those KIA, MIA, POW.”

“VMSDEP Survey,” JLARC; late July to late August 2024.

Policy option #7

The General Assembly could:

Continue permanent 90% disabled as eligibility category, but cover less than full tuition and fees*; OR

Continue permanent 90% disabled as eligibility category, but require USDVA designation of “Individual Unemployability”; OR

Remove permanent 90% disabled as eligibility category, but only for those not already certified as eligible by DVS.

Potential reduction in fiscal impact

-- \$ \$\$ \$\$\$

*Such as the amount of Tuition Assistance Grant for students attending private higher education institutions.

Note: More information about the individual unemployability designation is in the appendix.

Unlike many states, VMSDEP doesn't require veterans to have a military connection to Virginia

- In about half of other states, veteran must have a service-related tie to the state, such as entered service in that state or was a state resident when KIA
(13 of 25 programs reviewed)
 - Virginia requires service-related tie OR 5 years domicile/physical presence
- Other half of states, which do not require that military service be tied to the state, mandate that veteran meet a domicile/physical presence requirement, like Virginia
 - VMSDEP 5-year timeframe is longer than 7 of these programs
 - Only 2 other states allow “physical presence” rather than requiring domicile

At least some people are moving to Virginia because of VMSDEP

- Many VMSDEP participants have qualified because of Virginia residence when veteran entered service
- Remaining participants likely qualified through meeting physical presence requirement prior to using benefit, but problems with DVS data preclude full analysis
- At least some veterans and families report moving to Virginia in part to use the VMSDEP program
 - “This program was promised, and it’s part of the reason why we moved to Virginia”
 - “You literally have people being counseled to move to Virginia to take advantage of this. As a veteran family and Virginia taxpayer this is highly upsetting.”

“VMSDEP Survey,” JLARC; late July to late August 2024.

Policy option #8

The General Assembly could:

Make it more difficult to meet residency requirement by eliminating eligibility based on physical presence; OR

Reduce likelihood that families will move into Virginia for VMSDEP by increasing physical presence requirement from 5 years to 15 years; OR

Eliminate eligibility for VMSDEP by moving into Virginia after entering service by requiring that the veteran have a service-related tie to Virginia.

Potential reduction in fiscal impact

– \$ \$\$ \$\$\$

Service-related (non-combat) eligibility: Recent expansion substantially contributing to increase in participation

- Prior to 2019, benefit available if due to service in military combat
 - KIA, MIA, POW
 - became rated as at least 90% permanently disabled
- Expansion in 2019 to make benefit available because of military service has accounted for about two-thirds of VMSDEP participation growth

Service-related eligibility is very common in other states' programs

- Vast majority of other states offer a benefit for service-related in addition to combat-related conditions
(23 of 25 programs reviewed)

Policy option #9

The General Assembly could:

Continue service-related as an eligibility category, but cover less than full tuition and fees*; OR

Remove service-related as an eligibility category, but only for those not already certified as eligible by DVS.

Potential reduction in fiscal impact

– \$ \$\$ \$\$\$

*Such as the amount of Tuition Assistance Grant for students attending private higher education institutions.

In this presentation

Background

Recent VMSDEP participation trends

VMSDEP participation by eligibility category

Financial impact on institutions of VMSDEP waiver

Estimating future VMSDEP trends

Options to address VMSDEP sustainability

-Balancing funding and maintaining program

Appendix

VMSDEP changes will need to balance sustainability and state's commitment to veterans

- Long-term VMSDEP sustainability will likely need to address
 - Funding provided
 - Program design
- 2024 demonstrates level of stakeholder concern when program changes are made to facilitate program sustainability
 - Current participants
 - Individuals already determined eligible
 - Virginia's reputation as a veteran-friendly state

Flexibility could be provided in exchange for reduced benefit cost

- VMSDEP waiver currently only usable for tuition & mandatory fees
- Inability to apply waiver to total cost of attendance (e.g., non-E&G fees, room & board) may complicate using other available benefits or borrowing
- Waiver value varies by institution but could be more predictable for state if a standard benefit value were used
 - Weighted average tuition (as used in Va529 program)
 - Other set amount

Stipend can be used for any higher education cost, but only provided to Tier II participants.

Policy option #10

The General Assembly could allow the VMSDEP waiver to be used for any higher education cost, but provide a set, statewide benefit amount to help manage costs and provide more budget certainty.

Summary

Without additional general funds or substantial participation declines, institutions will need to use a variety of strategies to make up for forgone revenue of the VMSDEP waiver.

	Participation (23–24)	Waiver \$ (23–24)	GF allocation (FY25)
Four-year	6,125	\$85.3M	\$60.8M
VCCS	2,062	\$6.5M	\$4.2M
Totals	8,187	\$91.8	\$65M

The General Assembly should direct DVS and SCHEV to coordinate on providing more recent data to inform each legislative session.

Summary (continued)

General Assembly has several options to

- i) supplement institutions' forgone revenue from the program,
- ii) promote sustainability of VMSDEP through eligibility or benefit changes, or
- iii) provide a more flexible, but standardized benefit amount.

Any major changes would need to be implemented gradually to avoid negative impacts on veterans and beneficiaries, especially those who intend to use the benefit soon.

Summary: Policy options for funding VMSDEP without changing program

Policy option

Provide additional general funds to fully cover forgone revenue OR
Distribute appropriated GF in proportion to institutions' VMSDEP enrollment OR
Distribute appropriated GF according to institutions' ability to absorb forgone revenue (Op 1)

Create a new fund for VMSDEP using one-time and ongoing general funds
(Op 2)

Summary: Policy options for adjusting eligibility or program requirements to improve sustainability

Policy option	Potential reduction in fiscal impact
Require good academic standing (Option 3)	– \$ \$\$ \$\$\$
Apply other available federal veterans education benefits before VMSDEP (Option 4)	– \$ \$\$ \$\$\$
No longer waive tuition and fees for graduate programs (Option 5)	– \$ \$\$ \$\$\$
Set waiver amount less than tuition & fees, using various methods (Option 6)	– \$ \$\$ \$\$\$
Reduce or eliminate eligibility if 90% disabled (Option 7)	– \$ \$\$ \$\$\$
Modify residency requirements (Option 8)	– \$ \$\$ \$\$\$
Reduce or eliminate eligibility if service-related, but not combat-related (Option 9)	– \$ \$\$ \$\$\$

Policy option to provide participants more flexibility, while reducing program costs

Policy option

Potential
reduction in
fiscal impact

Allow benefit to be used for any higher education-related cost, but provide a lower benefit amount (Option 10)

– \$ \$\$ \$\$\$

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Sarah Smith, PhD, Methodologist

In this presentation

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Options to address VMSDEP sustainability

Appendix

Conservative assumptions predicting decreased VMSDEP enrollment are unrealistic in near future

Conservative assumptions	Recent trends
VMSDEP enrollment does not grow.	VMSDEP enrollment grew about 40 percent annually over the last three years.
The number of veterans with a service-connected disability rating of 90% or 100% does not change.	Nationally, this number grew by about 13 percent annually over the last three years. ⁽¹⁾
Average tuition and fees do not change.	In-state tuition and fees for undergraduates at four-year institutions have grown roughly 2.5 percent annually over the last three years. ⁽²⁾
Share of VMSDEP students in graduate school does not increase.	Number of VMSDEP graduate students has more than doubled in the last decade.

Potential conditions that may affect future VMSDEP enrollment

(-) Decline in the number of veterans with children aged 16 to 30 [Are Gulf War vets aging out?]

(-) Decline in youth of traditional college age [about X% per year decline]

(+/-) Changes in number of veterans with service-connected disabilities $\geq 90\%$ ratings

(+) Increase in number of veteran families moving to Virginia to use VMSDEP

(+) Increase in the number of veterans with disabilities due to future conflicts

Sources: JLARC analysis of historical Veterans Benefits Administration Annual Benefits Reports. For reference, there were ~1.86m in 2023, compared to ~645k in 2014. ; State Council of Higher Education for Virginia (SCHEV). [2024-25 Tuition and Fees Report](#). See chart 7, page 16.

Other factors affecting future VMSDEP enrollment

- Most VMSDEP students enrolled in the last few years are likely to continue in college for the next few years
- About 4,000 students have been determined eligible for VMSDEP but have not used any benefits as of 2023–24. (Most of these may enroll in 2024–25)
- About 1,000 veterans have been verified for VMSDEP but do not yet have any students enrolled

Other federal education benefits for veterans

- “Chapter 33” available for veterans who served after 9/11, and their spouses or children
 - can be used in Virginia and any other state
 - covers up to 100% tuition & fees for 36 months per veteran / family (equivalent to 8 academic semesters)
 - Paid to the institution, not the student
 - Requires veteran to transfer benefit to spouse or child while on active duty
- “Chapter 35” available for veterans who are 100% disabled or deceased, and their spouses or children
 - can be used in Virginia and in any state
 - Up to a maximum monthly amount to pay higher education expenses for 36 months (in some cases up to 45 months)
 - Paid to student; institution unaware whether student is receiving

Other programs may be available, such as an ROTC scholarship in return for agreeing to serve upon graduation.

U.S. Dep't of Veterans Affairs data on Virginia veterans receiving federal education benefits (2023)

- 13,871 individuals receiving Survivors' and Dependents' Educational Assistance benefits (Chapter 35)
- 30,344 receiving Post-9/11 benefits (Chapter 33), about 2,800 of which are likely spouses and children

VMSDEP-eligible families may also have access to other higher education financial aid programs

- Pell grants available to any individual below income thresholds
 - Can be used for any higher education expenses
 - Typically applied “first” in sequence of aid
- State financial aid programs, such as Virginia Guaranteed Assistance Program (VGAP)

VMSDEP eligible families may also receive additional benefits not related to education

- If disabled, may receive monthly disability payments that increase as a percentage of salary for higher federal disability ratings
- Depending on nature and extent of disability, could also be earning other employment-related income
- Disabled veterans who can't work because of a service-related disability may qualify for “Individual Unemployability”
 - Eligible for disability compensation or benefits at the same level as 100% disability rating

Other state comparisons

- JLARC staff compared VMSDEP to similar programs in 24 other states, including:
 - Alabama
 - Arizona
 - California
 - Colorado
 - Florida
 - Illinois
 - Indiana
 - Kentucky
 - Maryland
 - Michigan
 - Minnesota
 - Missouri
 - New Jersey
 - New York
 - North Carolina
 - Ohio
 - Oregon
 - Pennsylvania
 - South Carolina
 - Tennessee
 - Texas ^a
 - Washington
 - West Virginia
 - Wisconsin

NOTE: ^a Texas has two programs, which were both included in this analysis because of legislative interest. Several other states also have multiple variations of their program (e.g., California, North Carolina), but in these instances staff selected and compared the version of the program most similar to VMSDEP.

JLARC staff compared other states' programs across various eligibility and benefit criteria

- States chosen based on proximity to Virginia, having a relatively high population of veterans, and having a program similar to VMSDEP
- Compared programs across various elements related to (1) eligibility requirements and (2) value of benefits provided
- Requirements are listed separately for comparison purposes, but may be interrelated
 - For example, if a veteran entered service in Virginia, veteran and their beneficiaries are not required to meet additional residency requirements

Comparison: Eligibility of veteran

VMSDEP policy	Other states
Deceased	●: 24 (of 25) other programs:
Prisoner of war/missing in action	◐: 16 (of 25) other programs
At least 90% permanently disabled	○: 6 ^a (of 25) other programs
Includes service-related disabilities (in addition to combat-related)	●: 23 (of 25) other programs

Uncommon ○ Somewhat common ◐ Common ●

NOTE: ^a Includes programs that allow less than 100% permanent & total disability ratings.

Comparison: Residency requirements

VMSDEP policy

Other states

Veteran can qualify if entered service in Virginia, but Virginia residency specifically tied to service not required

●: 12 (of 25) other programs

Allows physical presence for veteran residency; does not have to be domiciled

○: 4 (of 25) other programs

5-year residency requirement for veteran (vs. 1 year or at time of application)

●: 5 (of 11*) other programs

Allows physical presence for beneficiary residency; does not have to be domiciled

○: 1 (of 19*) other programs

5-year residency requirement for beneficiary (vs. 1 year or at time of application)

○: 2 (of 19*) other programs

Uncommon ○ Somewhat common ● Common ●

NOTE: Requirements listed separately for comparison but are interrelated; for example, if the veteran entered service in Virginia, veteran & beneficiaries do not have to meet additional residency requirements. * Based on total number of state programs with that type of requirement.

Comparison: Eligible beneficiaries

VMSDEP policy	Other states
Children (including birth & adoptive)	●: 25 (of 25) other programs
Limits on stepchildren (currently only allowed if veteran is deceased)	○: 4 (of 25) other programs
Spouses	◐: 17 (of 25) other programs
Includes age limit for children	●: 22 (of 25) other programs
No time limit for spouse	●: 13 (of 17 ^a) other programs
No academic progress requirement	○: 4 (of 25) other programs

Uncommon ○ Somewhat common ◐ Common ●

NOTE: ^a Based on number of programs that allow spouses to qualify.

Comparison: Value of benefit

VMSDEP policy

Other states

Waiver covers tuition & fees

◐: 11 (of 25) other programs

Stipend (currently up to \$2,200; only for Tier 2)

○: 5^a (of 25) other programs

8 semesters

◐: 16^b (of 25) other programs

Any degree level, including graduate degrees

◐: 10 (of 25) other programs

No FAFSA requirement

◐: 12 (of 25) other programs

Not based on financial need

●: 25 (of 25) other programs

No requirement to offset by other forms of gift aid

○: 8 (of 25) other programs

Uncommon ○ Somewhat common ◐ Common ●

NOTE: ^a Includes any program with a stipend, regardless of the amount. ^b Includes programs of similar duration, equivalent to four academic years.

Example: Texas contracted with a higher education institution to project future program trends

- In 2015, the Texas Veterans Commission contracted with Rice University to project future use
 - demographic data from multiple sources (e.g., U.S. Dept. of Veterans Affairs, American Community Survey, Integrated Public Use Microdata Series)
 - estimated veteran population changes and historical program data to project future demand
 - Texas Veterans Commission indicates projections were relatively accurate and helpful
- May be easier program to predict participation because it has different beneficiary groups and requirements than Virginia

Note: Texas program's largest groups of recipients are (a) veterans themselves, and (b) children of veterans who served at least 180 days on active duty but are not disabled—neither of which are eligible for VMSDEP in Virginia. Veterans must have entered service in Texas to be eligible and cannot have moved to Texas after the fact to gain access to program.

JLARC survey of veterans and other interested VMSDEP stakeholders

- Initiated to provide opportunity, in addition to concurrent Senate and governor's task force, for interested parties to provide input
- JLARC obtained e-mail contact information for the 20+ Virginia veterans groups DVS regularly communicates with
 - Subset of these groups reported having e-mail contact information for their members, and agreed to distribute link to survey on JLARC's behalf
- JLARC also provided link to the "Friends of VMSDEP"
- JLARC asked DVS staff, Friends of VMSDEP, and several lead contacts for veterans groups to provide preliminary feedback on survey design and questions
- Several current beneficiaries characterized survey as "flawed" or biased because it asked about prioritizing benefits
- Several stakeholders contacted members of the General Assembly and media outlets expressing concern about the survey

Several hundred survey responses submitted amid substantial stakeholder concern

- Survey posted late July through late August
- 232 responses
- Wide range of responses
 - Veterans not using or less familiar with the program provided useful information and perspective
 - Others more familiar with the program did not answer certain questions and criticized the survey in the open-ended question at the end of the survey
- No survey results were the sole basis upon which to reach any conclusions, but open-ended comments provided useful insight about program from veterans who are not currently receiving benefits

Prior legislative changes to VMSDEP

- **1998 (HB 726)**
 - Reduced residency requirement from 10 to 5 years
 - If veteran is deceased and did not otherwise meet residency requirement, allowed surviving spouse to meet residency requirement by being a citizen of VA for 5 years prior to marrying veteran OR being a citizen of VA for 5 years prior to child's college application (previously both requirements had to be met)

- **2005 (HB 1682/SB 1288)**
 - Changed military service requirement from “any armed conflict” to “service in military operations against terrorism, a peace-keeping mission, or a terrorist act”

Prior legislative changes to VMSDEP (cont.)

- 2006 (HB 1272)
 - Age of child expanded from 25 to 29
 - Changed veteran condition from totally and permanently disabled to “at least 90%”
 - Added spouse
 - Removed "satisfactory progress" requirement and replaced with annual reporting on completion rate by DVS
 - Required program to be advertised

Prior legislative changes to VMSDEP (cont.)

- **2007 (HB 2179/SB 1044)**
 - Shifted from appropriation-based funding to institutional waiver
 - Established stipend to support room, board, and other education related expenses
 - Made SCHEV responsible for dispersing stipend funds and reporting beneficiary completion rate to DVS
 - Allowed DVS to consider children above age 29 in extenuating circumstances

- **2013 (HB 2231)**
 - Specified stipend amount up to \$2,000 or as provided in the appropriation act

Prior legislative changes to VMSDEP (cont.)

- **2014 (HB 576/SB 481)**
 - Expanded residency requirement to allow physical presence in addition to domicile
- **2019 (HB 2685/SB 1173)**
 - Expanded from combat-related to any service-related deaths/disabilities for tuition and fee waiver (stipend program unchanged)
- **2022 (SB 768)**
 - Added stepchildren of deceased veterans if claimed on tax returns during active duty
 - Allowed DVS to consider waiving residency or physical presence if veteran dies before requirements are met

Recommendation and Policy Options: Virginia Military Survivors & Dependents Education Program

RECOMMENDATION AND POLICY OPTIONS

JLARC staff typically make recommendations to address findings during reviews. Staff also sometimes propose policy options rather than recommendations. The three most common reasons staff propose policy options rather than recommendations are: (1) the action proposed is a policy judgment best made by the General Assembly or other elected officials, (2) the evidence indicates that addressing a report finding is not necessarily required, but doing so could be beneficial, or (3) there are multiple ways in which a report finding could be addressed and there is insufficient evidence of a single best way to address the finding.

Recommendations

RECOMMENDATION

The General Assembly may wish to consider directing the Department of Veterans Services and the State Council of Higher Education for Virginia to coordinate on reporting (i) the number of beneficiaries determined eligible for the Virginia Military Survivors and Dependents Education Program (VMSDEP), but not yet enrolled at an institution and (ii) the best available estimate of VMSDEP fall semester enrollment at each institution as of November to the House Appropriations and Senate Finance and Appropriations committees by December 15 each year.

Policy Options to Consider

POLICY OPTION 1

The General Assembly could appropriate sufficient general funds to cover 100 percent of institutions' forgone revenue for the Virginia Military Survivors and Dependents Education Program (VMSDEP) or continue to appropriate general funds at FY25 levels and either (i) distribute funds to institutions in proportion to their percentage of total VMSDEP enrollment or (ii) according to institutions' relative ability to absorb the forgone revenue.

POLICY OPTION 2

The General Assembly could create a new fund to help finance the Virginia Military Survivors and Dependents Education Program, using a combination of one-time and ongoing appropriations, and allocate a portion of the fund's balance and investment income each year to institutions.

POLICY OPTION 3

The General Assembly could amend the Code of Virginia to require that students be in good academic standing at the institution they attend to continue to receive the Virginia Military Survivor and Dependents Education Program tuition and fee waiver.

POLICY OPTION 4

The General Assembly could amend the Code of Virginia to require the Department of Veterans Services to ask prospective Virginia Military Survivors and Dependents Education Program (VMSDEP) participants to report on eligibility for federal veterans education benefits and the value of those benefits, and, if Post-911 GI Bill (Chapter 33) benefits are available, require institutions to apply them to the students' tuition and fees prior to applying the VMSDEP tuition and fee waiver.

POLICY OPTION 5

The General Assembly could amend the Code of Virginia to limit the Virginia Military Survivors and Dependents Education Program tuition and fee waiver to undergraduate programs only.

POLICY OPTION 6

The General Assembly could require that the value of the Virginia Military Survivors and Dependents Education Program (VMSDEP) tuition and fee waiver be the same for all VMSDEP beneficiaries by either (i) establishing a uniform tuition and fee waiver amount that all VMSDEP beneficiaries would receive regardless of the institution attended or (ii) base the value of the tuition and fee waiver each year on the total amount of funds appropriated for the program divided by the number of students likely to enroll, using the best available information at the time.

POLICY OPTION 7

The General Assembly could amend the Code of Virginia to (i) provide a tuition and fee waiver valued at less than 100 percent of an institution's tuition and fees to beneficiaries of the Virginia Military Survivors and Dependents Education Program who are eligible because the veteran has been rated as 90 percent permanently disabled; (ii) or provide a full tuition and fee waiver to beneficiaries who are eligible because the veteran has been rated as 90 percent permanently disabled *and* has received the designation of "Individual Unemployability" from the U.S. Department of Veterans Affairs; or (iii) remove 90 percent permanently disabled as an eligibility category.

POLICY OPTION 8

The General Assembly could amend the Code of Virginia to make it more difficult to meet the residency requirement for the Virginia Military Survivors and Dependents Education Program (VMSDEP) by (i) eliminating eligibility based on physical presence; or (ii) reducing the likelihood that families will move into Virginia for VMSDEP by increasing the physical presence requirement from five years to 15 years; or (iii) requiring that the veteran entered service in Virginia.

POLICY OPTION 9

The General Assembly could amend the Code of Virginia to (i) provide a tuition and fee waiver valued at less than 100 percent of an institution's tuition and fees to beneficiaries of the Virginia Military Survivors and Dependents Education Program who are eligible because the veteran's qualifying condition arose from military service, rather than being combat related, or (ii) remove conditions arising from military service, rather than being combat related, as an eligibility category.

POLICY OPTION 10

The General Assembly could amend the Code of Virginia to allow the Virginia Military Survivors and Dependents Education Program tuition and fee waiver to be used for any higher education cost considered by the institution to be a cost of higher education, such as room and board, but establish a uniform tuition and fee waiver amount that would apply to all students and institutions to help manage costs and provide more budgetary certainty.

VMSDEP policy options

Policy options for funding VMSDEP without changing program

Policy option #	
-----------------	--

- | | |
|---|---|
| 1 | The General Assembly may wish to consider directing the Department of Veterans Services and the State Council of Higher Education for Virginia to coordinate on reporting (i) the number of beneficiaries determined eligible for the Virginia Military Survivors and Dependents Education Program (VMSDEP), but not yet enrolled at an institution and (ii) the best available estimate of VMSDEP fall semester enrollment at each institution as of November to the House Appropriations and Senate Finance and Appropriations committees by December 15 each year. |
| 2 | The General Assembly could create a new fund to help finance the Virginia Military Survivors and Dependents Education Program, using a combination of one-time and ongoing appropriations, and allocate a portion of the fund's balance and investment income each year to institutions. |

Policy options for adjusting eligibility or program requirements to improve sustainability

Policy option #		Potential reduction in fiscal impact
-----------------	--	--------------------------------------

- | | | |
|---|---|----------------|
| 3 | The General Assembly could amend the Code of Virginia to require that students be in good academic standing at the institution they attend to continue to receive the Virginia Military Survivor and Dependents Education Program tuition and fee waiver. | \$ \$\$ \$\$\$ |
|---|---|----------------|

4	<p>The General Assembly could amend the Code of Virginia to require the Department of Veterans Services to ask prospective Virginia Military Survivors and Dependents Education Program (VMSDEP) participants to report on eligibility for federal veterans education benefits and the value of those benefits, and, if Post-911 GI Bill (Chapter 33) benefits are available, require institutions to apply them to the students' tuition and fees prior to applying the VMSDEP tuition and fee waiver.</p>	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$
5	<p>The General Assembly could amend the Code of Virginia to limit the Virginia Military Survivors and Dependents Education Program tuition and fee waiver to undergraduate programs only.</p>	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$
6	<p>The General Assembly could require that the value of the Virginia Military Survivors and Dependents Education Program (VMSDEP) tuition and fee waiver be the same for all VMSDEP beneficiaries by either (i) establishing a uniform tuition and fee waiver amount that all VMSDEP beneficiaries would receive regardless of the institution attended or (ii) base the value of the tuition and fee waiver each year on the total amount of funds appropriated for the program divided by the number of students likely to enroll, using the best available information at the time.</p>	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$
7	<p>The General Assembly could amend the Code of Virginia to (i) provide a tuition and fee waiver valued at less than 100 percent of an institution's tuition and fees to beneficiaries of the Virginia Military Survivors and Dependents Education Program who are eligible because the veteran has been rated as 90 percent permanently disabled; (ii) or provide a full tuition and fee waiver to beneficiaries who are eligible because the veteran has been rated as 90 percent permanently disabled and has received the designation of "Individual Unemployability" from the U.S. Department of Veterans Affairs; or (iii) remove 90 percent permanently disabled as an eligibility category.</p>	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$
8	<p>The General Assembly could amend the Code of Virginia to make it more difficult to meet the residency requirement for the Virginia Military Survivors and Dependents Education Program (VMSDEP) by (i) eliminating eligibility based on physical presence; or (ii) reducing the likelihood that families will move into Virginia for VMSDEP by increasing the physical presence requirement from five years to 15 years; or (iii) requiring that the veteran entered service in Virginia.</p>	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$

9 The General Assembly could amend the Code of Virginia to (i) provide a tuition and fee waiver valued at less than 100 percent of an institution's tuition and fees to beneficiaries of the Virginia Military Survivors and Dependents Education Program who are eligible because the veteran's qualifying condition arose from military service, rather than being combat related, or (ii) remove conditions arising from military service, rather than being combat related, as an eligibility category.. \$ \$\$ \$\$\$

Policy option to provide participants more flexibility, while reducing program costs

10 The General Assembly could amend the Code of Virginia to allow the Virginia Military Survivors and Dependents Education Program tuition and fee waiver to be used for any higher education cost considered by the institution to be a cost of higher education, such as room and board, but establish a uniform tuition and fee waiver amount that would apply to all students and institutions to help manage costs and provide more budgetary certainty.. \$ \$\$ \$\$\$
