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United States Government Accountability Office
Washington, DC 20548

B-318022

April 13, 2009

The Honorable Daniel K. Akaka
Chairman
The Honorable Richard Burr
Ranking Minority Member
Committee on Veterans' Affairs
United States Senate

The Honorable Bob Filner
Chairman
The Honorable Steve Buyer
Ranking Minority Member
Committee on Veterans' Affairs
House of Representatives

Subject: *Department of Veterans Affairs: Post-9/11 GI Bill*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Veterans Affairs (VA), entitled "Post-9/11 GI Bill" (RIN: 2900-AN10). We received the rule on March 26, 2009. It was published in the *Federal Register* as a final rule on March 31, 2009, with a stated effective date of August 1, 2009. 74 Fed. Reg. 14,654.

The final rule established regulations regarding a new educational assistance program for individuals who served on active duty after September 11, 2001. The new program, known as the Post-9/11 GI Bill, was authorized by the Post-9/11 Veterans Educational Assistance Act of 2008. Pub. L. No. 110-252, title V, 122 Stat. 2323, 2357 (June 30, 2008). Under this rule, eligible individuals may receive an educational assistance allowance for established charges not to exceed the highest amount charged full-time in-state undergraduate students by the most expensive public institution in the state where the student is enrolled (or the national average of the most expensive in-state public institutions for individuals training at a foreign institution not associated with an institution located inside the United States). An eligible individual may also receive a monthly housing allowance up to a certain maximum and a book stipend of up to \$1,000 each academic year. Individuals may also qualify for a work-study allowance, tutorial assistance, reimbursement of a licensing or certification test, and a rural relocation benefit. Individuals eligible for 100 percent of the benefit may also receive additional funds under the Yellow Ribbon Program to cover established charges not otherwise covered.

Enclosed is our assessment of the VA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review of the procedural steps taken indicates that VA complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer
Managing Associate General Counsel

Enclosure

cc: William F. Russo
Director of Regulations Management
Department of Veterans Affairs

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF VETERANS AFFAIRS
ENTITLED
"POST-9/11 GI BILL"
(RIN: 2900-AN10)

(i) Cost-benefit analysis

The Department of Veterans Affairs (VA) estimated the costs of this final rule. VA determined that the impact of this rule will be primarily to the federal budget. VA estimates that the cost of the benefits provided by the program will be \$1.2 billion in fiscal year 2009, approximately \$28.1 billion through fiscal year 2013, and \$78.1 billion through fiscal year 2018. VA also estimates that cost of the program will also include discretionary costs of \$78.8 million in fiscal year 2009 and \$452.6 million over 10 years for information technology, minor construction needs, supplies, equipment, rent, and salaries.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

VA determined that this final rule will not have a significant impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

VA determined that this final rule will not result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted for inflation) in any given year.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

VA published a notice of proposed rulemaking on December 23, 2008. 73 Fed. Reg. 78,876. VA received comments from 38 organizations and 8 individuals. VA stated in the final rule that they made several changes based on the comments.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

VA determined that this final rule contains information collection requirements under the Act. VA identified existing information collections that are necessary for

the administration of the program. These existing information collections (and Office of Management and Budget Control Numbers) are Application for VA Education Benefits (2900-0154), Tutorial Assistance (2900-0171), Correspondence Affirmation (2900-0576), Conflicting Interests Certification for Proprietary Schools (2900-0657), VA Enrollment Certification (2900-0073), Request for Change of Program or Place of Training (2900-0074), Notice of Change in Student Status (2900-0156), Work-Study (2900-0209), Certificate of Lessons Completed (2900-0353), and Application for Reimbursement of Licensing or Certification Test Fees (2900-0695). Additionally, VA determined that this rule will require a new information collection regarding the Yellow Ribbon Program, which OMB has approved under the control number 2900-0718.

Statutory authorization for the rule

VA promulgated this final rule under the authority of sections 1606 and 2141 note of title 10 and sections 501, 512, 3001-3036, and 3201-3697A of title 38, United States Code.

Executive Order No. 12,866 (Regulatory Planning and Review)

VA determined that this final rule is a significant regulatory action under the Order because it is likely to have an annual effect on the economy of \$100 million or more and may raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Order.