

# **Overview of the Virginia Military Survivors & Dependents Education Program (VMSDEP)**

# Outline

- Overview of the Program
- History of the Program
- Program Administration and Support
- Data and Reporting
- Changes Included in Chapter 2, 2024 Special Session I
- Proposed Changes in SB 6009, 2024 Special Session I

# Overview of Program Prior to July 1<sup>st</sup>

## Program benefit:

- Tuition and fee waivers at public institutions in Virginia for up to four years/eight semesters. Waiver is applicable to any degree program.
- An additional stipend of up to \$2,200 to support other education expenses for certain beneficiaries.

**Eligibility:** Spouse or a child\* between the ages of 16-29 of a veteran who served in the Armed Forces, Reserves, or National Guard who:

- While serving in active duty during military operations, on a peacekeeping mission, or in an armed conflict was killed or became a prisoner of war; or
- Is at least 90 percent disabled due to such service and has been discharged or released under conditions other than dishonorable.

Note: \*Stepchildren are eligible if the veteran is deceased due to military operations and the child was claimed on their tax return or the Defense Enrollment Eligibility Reporting System while serving on active duty.

# Overview of Program Prior to July 1<sup>st</sup> (continued)

**Residency/domicile:** Required to have domicile:

- At the time of entering active service or called to duty; or
- At least five years immediately prior to, or had a physical presence at least five years immediately prior to, the date on which the admission application was submitted.
- Additional domicile/residency is provided for survivors and dependents of a veteran who is deceased.

**Beneficiaries of stipend program:** Eligible spouses and children of a veteran who was killed or prisoner of war or who is at least 90 percent disabled as a direct result of military service operations.

# Summary of VMSDEP Program Changes Through 2022

Time Frame	Residency	Recipient	Service Eligibility	Benefits	Funding Source
Prior to 1998	Parent was a resident of VA when they entered service (1930); expanded to dependents of those who were residents for at least 10 years prior to application	Children ages 16-25	Killed or totally and permanently disabled due to war service	Tuition and fee waiver	Appropriation-based
1998-2014	VA resident requirement changed from 10 years to five (1998) then expanded to include physical presence for five years (2014)	Added spouse (2006); Age of children expanded to 16-29 (2006) and above 29 with extenuating circumstances (2007)	Totally and permanently disabled changed to "at least 90%" (2006)	Stipend added to support room, board, and other education related expenses (2007)	Changed from appropriation-based funding to waiver from institution (2007); stipend is supported by gen. fund
2019-2022	Allowed DVS to consider waiving residency or physical presence if member dies before requirements are met (2022)	Expanded to include stepchildren of deceased military veterans if claimed on tax return (2022)	Changed from war service to all service-related injuries, except for stipend program (2019)*	Stipends remain limited to individuals that qualify under military-operations (up to \$2,200 in budget)	

\*Fiscal impact statement by the Department of Planning & Budget in 2019 estimated an additional 500 students and a cost of \$5.4 million.

# Who Administers the Program?

## Department of Veterans Services (DVS):

- Markets the program to eligible individuals;
- Certifies initial eligibility through an application process; and
- Monitors ongoing eligibility and use of benefits, including four-year limitation (eight semesters).

## State Council of Higher Education for Virginia (SCHEV):

- Reimburses institutions for stipends;
- Collects and reports data from institutions; and
- Issues guidance related to state financial assistance programs and domicile/residency to institutions.

# How is the Program Supported?

- Tuition and fee waivers:
  - Provided by the institutions (foregone revenue).
- Stipends:
  - \$9.7 million GF in FY 2025 and FY 2026.
  - Allocated to SCHEV to reimburse institutions.

# SCHEV Data – Reported Enrollment & Tuition Waived

Year	# Unique Students	Increase in Students	% Growth Students	Total Tuition Waived	% Growth in Tuition Waived
2012-13	1,226			\$5,948,104	
2013-14	1,348	122	10%	7,208,817	21%
2014-15	1,356	8	1%	8,535,852	18%
2015-16	1,304	-52	-4%	8,939,798	5%
2016-17	1,204	-100	-8%	9,100,743	2%
2017-18	1,251	47	4%	10,156,440	12%
2018-19	1,387	136	11%	11,988,601	18%
2019-20	2,061	674	49%	19,394,778	62%
2020-21	3,063	1,002	49%	31,284,793	61%
2021-22	4,449	1,386	45%	46,304,375	48%
2022-23	6,125	1,676	38%	65,330,893	41%

- From 2018-19 to 2022-23, the number of students grew by 342%. Total tuition waived grew by 445%.

Note: Initial projection data provided by SCHEV for 2022-23 during the 2024 session assumed a 50% growth rate over the prior year. The assumption was based on recent growth rates.

Source: State Council of Higher Education for Virginia. [research.SCHEV.edu](https://research.SCHEV.edu). Financial Aid/[FA22 Report](#).



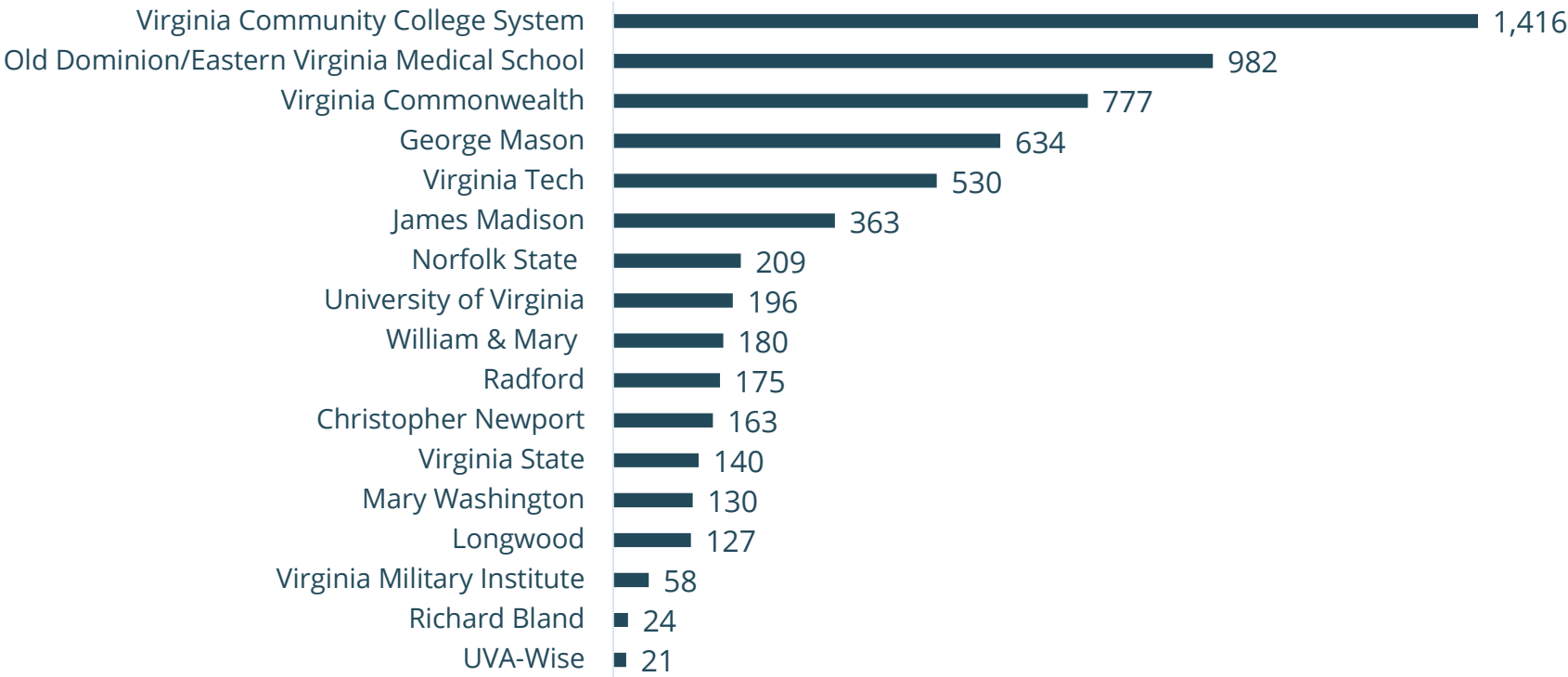
# SCHEV Data – Reported Waiver Amounts in 2022-2023

Institution Type	Residency	Undergrad/Grad	# of Students	Avg. Tuition Waived	Total Tuition Waived	% of Total Tuition Waived
Public 2-Year	In-State	Undergraduate	1,387	\$3,015	\$4,182,472	6.4
Public 4-Year	In-State	Undergraduate	3,880	12,668	49,153,620	75.2
<b>Subtotal In-State Undergraduate</b>			<b>5,267</b>	<b>10,126</b>	<b>\$53,336,092</b>	<b>81.6</b>
Public 2-Year	Out-of-State	Undergraduate	54	3,937	212,573	0.3
Public 4-Year	Out-of-State	Undergraduate	90	21,360	1,922,404	2.9
<b>Subtotal Out-of-State Undergraduate</b>			<b>144</b>	<b>14,826</b>	<b>\$2,134,977</b>	<b>3.2</b>
Public 4-Year	Out-of-State	Graduate	60	15,686	941,165	1.4
Public 4-Year	In-State	Graduate	658	13,554	8,918,659	13.7
<b>Subtotal Graduate (Includes First Professionals)</b>			<b>718</b>	<b>13,732</b>	<b>\$9,859,824</b>	<b>15.1</b>
<b>Total</b>			<b>6,129</b>	<b>\$10,659</b>	<b>\$65,330,893</b>	<b>100.0</b>

Source: State Council of Higher Education for Virginia. [research.SCHEV.edu](https://research.SCHEV.edu). Financial Aid/[FA22 Report](#).

Notes: The total number of students is four higher than the overall total for the program in 2022-23. SCHEV reports that these students were captured as out-of-state in fall and were later changed to in-state in the summer semester. While this creates a duplicate count, the total waiver amount is the same. The public 4-year category includes Eastern Virginia Medical School, as it is in the process of merging with Old Dominion University.

# SCHEV Data – Reported Number of Students Enrolled in 2022-2023



Source: State Council of Higher Education for Virginia. [research.SCHEV.edu](https://research.SCHEV.edu). Financial Aid/[FA22 Report](#).

# Summary of Waiver Concerns Raised by Institutions and SCHEV

- **Institutional concerns in six-year plans.** Growth in VMSDEP tuition and fee waivers was a consistent theme in institution six-year plans. These plans were reviewed by the Secretary of Education, Secretary of Finance, Department of Planning and Budget, SCHEV, and staff directors of HAC and SFAC and reported to the Governor and General Assembly.
- **SCHEV included options to change the program in its annual budget recommendations to the Governor and General Assembly in January 2024.** SCHEV estimated waiver amounts could increase to \$180.0 - \$190.0 million annually by FY 2026 based on recent annual percentage growth. Recommendations included options to provide support to institutions and manage the growth in waivers, including:
  - Funding half of the marginal increase of total tuition and fee waiver amounts (estimated at \$33.3 million in FY 2025 and \$60.5 million in FY 2026).
  - Policy modifications that could include one or more of the following: prioritizing undergraduate students, in-state students, requiring FAFSA, and applying other forms of aid first.

Source: SCHEV.edu/reports [2024-26 Operating and Financial Aid Budget Recommendations](#).

# VMSDEP – Summary of 2024 Session & Special Session Proposals

- **SB 347 (Reeves), 2024 Session**: As introduced, proposed changes to the Program, including: limiting use to undergraduate programs; requiring in-state residency and completion of a FAFSA; and leveraging other sources of federal and state aid to apply to the waiver. It also proposed expanding the program from stepchildren of deceased military survivors to include stepchildren of veterans who are at least 90 percent disabled.
  - A substitute was passed in the Senate Education and Health Committee to change the bill to a study, and the Senate Finance and Appropriations Committee adjusted the study language, primarily to require that the Secretary of Finance lead the study.
  - The bill passed the Senate (40-Y; 0-N) and the House Appropriations Committee continued the bill to 2025 by a voice vote.
- **The Senate budget** proposed a policy approach consistent with SCHEV recommendations and similar to SB 347, as introduced (excluding the expansion to include stepchildren). The Senate excluded students eligible as of 2023-2024 who maintain enrollment (with exceptions) from proposed changes.
- **The House budget** proposed \$20.0 million GF annually to SCHEV to reimburse institutions for waivers and included similar changes to eligibility requirements consistent with SCHEV recommendations. It differed by applying changes to all tuition waiver programs and included a financial need component. Changes applied to current waivers and all future waivers.
- **Chapter 2, 2024 Special Session I budget** language and funding was based primarily on the language included in the House budget with the addition of a hold harmless, described on the next slide.

# Chapter 2, 2024 Special Session I Changes

Provision	Prior to July 1 <sup>st</sup>	Chapter 2, 2024 Special Session I Changes
Programs Affected	VMSDEP	All waivers and stipend programs in Chapter 6 of § 23.1, Code of Virginia
Degree Types	All degrees	Undergraduate only
Term of Waiver	Four years	Four years (no change)
Domicile	Residency or physical presence for five years	In-state student residency requirements
Eligible Ages of Dependents/Children	Maximum age 29 with certain exceptions	Maximum age 29 with certain exceptions (no change)
Complete a Financial Aid Application	No	Yes
Meet Satisfactory Academic Progress	No	Yes
Apply Available State and Federal Aid to Support Waiver	No	Yes, but amount and type will depend on guidance.
Financial Payment Required After Applying Federal and State Aid (Need-based)	No	Requires a proportion of Pell and expected family contribution or equivalent based on the FAFSA to be applied to tuition and fees. The proportion is based on a percentage of tuition and fees of the total cost of attendance. Designates SCHEV to determine the proportion.
Hold Harmless	N/A	For all currently enrolled students in the Program in 2023-2024 or those who formally committed by May 15, 2024

# SB 6009, 2024 Special Session I

- Provides an additional \$45.0 million from the anticipated FY 2024 surplus to support tuition and fee waivers. With the amounts included in Chapter 2, 2024 Special Session I, this provides a total of \$65.0 million in FY 2025.
- Proposes a delayed effective date of July 1, 2025.
- Requires a JLARC study (completed by September 1, 2024) to review the long-term sustainability of the Program, including:
  - analysis of participant data;
  - assessment of waiver costs reported by institutions;
  - identification of practices to support education and other benefits for veterans and their families compared to other states; and
  - methods to estimate enrollment and costs.