

POLICY MEMO

To: The Department of Veterans Affairs

From: Raul Garza

RE: Veteran Education Benefits and The Basic Allowance for Housing Stipend

The Department of Veterans Affairs (VA) is a federal body that facilitates care for entitled Veterans and holds the responsibility of arranging care for Veterans entitled to Education benefits. One aspect of this care is the Basic Allowance for Housing (BAH) stipend, which provides eligible veterans or their dependents with a monthly allowance to assist with housing expenses while enrolled in approved educational or training programs. This stipend is directly connected to the veteran community and their dependents. However, there are two significant policy constraints to consider. Firstly, the stipend is prorated based on the number of days the eligible veteran or dependent is in school, resulting in partial payments for months with fewer school days. Secondly, if an eligible veteran or dependent chooses to exclusively take online classes, the stipend is automatically adjusted to a static "remote" rate of approximately \$950.

The objective and purpose of this program are to provide fundamental assistance with housing expenses. The VA determines the rate by using the same rates as the military's BAH program, which is established by the Department of Defense (DoD). These rates are updated annually and vary based on the housing costs in a particular area. The stipend is calculated using the zip code of the educational institution. These policies, along with the aforementioned constraints, have an impact on financial stability and directly relate to housing security within the context of overall financial well-being. When veterans rely on this income to cover their housing costs, the prorate and remote policies can have unintended economic and social consequences that affect veterans' housing situation. The Department of Veteran Affairs has a specific focus on addressing the needs of approximately 38,000 veterans currently experiencing homelessness and aims to facilitate their transition into permanent housing.

While it is true that not all veterans are eligible for education benefits, it is important to acknowledge that this particular demographic should not have to struggle to obtain housing assistance given the existing constraints. The rationale that needs to be considered is that during the period of education and while covering housing costs, the expenses related to housing do not typically fluctuate on a month-to-month basis. However, veterans' educational housing assistance can experience fluctuations or significant reductions, falling below the actual housing cost. Adjusting the policy around this will significantly assist in the effectiveness of the overall policy at this time.