<table>
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<th>Name of Change Proposal</th>
<th>Submitted By</th>
<th>Justification</th>
<th>Proposed Changes</th>
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<td>Residency Rule Changes in response to PL 113-146 - Veterans Access, Choice, and Accountability Act of 2014 (Administrative Regulation 2.2.2 C.1.7 Admission Information. This language will replace the old language in the section)</td>
<td>Veterans Council</td>
<td>The federal law, PL 113-146- Veterans Access, Choice, and Accountability Act of 2014 was signed into law in September 2014. Section 702 of that law requires that public institutions of higher learning MUST grant in-state tuition to certain veterans AND their dependents using transferred Post-9/11 GI Bill benefits, or else the schools will no longer be approved to certify any students under the Post-9/11 and Montgomery GI Bills. This would be effective for any term beginning on or after July 1, 2015, so its impact will first be felt for the Summer 2015 term. This provision is applicable to: (1) veterans who were discharged or released from at least 90 days of active service less than three years before their date of enrollment in the applicable course, (2) family members eligible for such assistance due to their relationship to such veterans, and (3) courses that commence on or after July 1, 2015. Previously, under Arizona law ARS 15-1802, section G, veterans with an honorable discharge could apply for residency, but the state law did not apply to their dependents. Supporting Documentation and Rationale for Change: (Provide any supporting documentation such as new legislation, legal/statutory or regulatory changes, data, or key findings that would support the need for the change.) Here is the official summary of section 702: (Sec. 702) Directs the Secretary to disapprove, for purposes of the All-Volunteer Force and the Post-9/11 Educational Assistance programs, courses of education provided by a public educational institution of higher education (IHE) that charges veterans living in the state higher tuition and fees than it charges in-state residents, regardless of the veteran's state of residence. Makes this provision applicable to: (1) veterans who were discharged or released from at least 90 days of active service less than three years before their date of enrollment in the applicable course, (2) family members eligible for such assistance due to their relationship to such veterans, and (3) courses that</td>
<td>Administrative Regulation 2.2.2 Admission Information C. Criteria for Determining Residency 7. Beginning in the fall semester of 2011, a person who is honorably discharged from the armed forces of the United States on either active duty or reserve or national guard status, or who has retired from active duty or reserve or national guard status, shall be granted immediate classification as an in-state student on honorable discharge from the armed forces and, while in continuous attendance toward the degree for which currently enrolled, does not lose in-state student classification if the person has met the following requirements: a. Registered to vote in this state. b. Demonstrated objective evidence of intent to be a resident of Arizona which, for the purposes of this section, include at least one of the following: 1. An Arizona driver license 2. Arizona motor vehicle registration 3. Employment history in Arizona 4. Transfer of major banking services to Arizona 5. Change of permanent address on all pertinent records 6. Other materials of whatever kind or source relevant to domicile or residency status 7. A person who is a member of an Indian tribe recognized by the United States Department of the Interior whose reservation land lies in the state and extends into another state and who is a resident of the reservation is entitled to</td>
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### Commence on or after July 1, 2015.

Prohibits the Secretary from disapproving a public IHE’s course on the grounds that the IHE conditions a veteran’s receipt of in-state tuition rates on such veteran: (1) demonstrating an intent, by means other than physical presence, to establish residency in the state; or (2) satisfying other requirements not related to the establishment of residency.

Here is the actual text of PL 113-146, Section 702:

**SEC. 702. APPROVAL OF COURSES OF EDUCATION PROVIDED BY PUBLIC INSTITUTIONS OF HIGHER LEARNING FOR PURPOSES OF ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM AND POST-9/11 EDUCATIONAL ASSISTANCE CONDITIONAL ON IN-STATE TUITION RATE FOR VETERANS.**

(a) In General.—Section 3679 of title 38, United States Code, is amended by adding at the end the following new subsection:

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7. PER FEDERAL LAW, BEGINNING JULY 1, 2015, IMMEDIATE CLASSIFICATION AS AN IN-STATE STUDENT SHALL BE GRANTED TO A VETERAN USING BENEFITS UNDER POST-9/11 GI BILL® AND MONTGOMERY GI BILL-ACTIVE DUTY, OR THE VETERAN’S SPOUSE OR CHILD USING TRANSFERRED POST-9/11 GI BILL BENEFITS WHO LIVES IN ARIZONA (REGARDLESS OF HIS/HER FORMAL STATE OF RESIDENCE) AND ENROLLS IN THE SCHOOL WITHIN 3 YEARS OF THE TRANSFEROR’S DISCHARGE FROM A PERIOD OF ACTIVE DUTY SERVICE OF 90 DAYS OR MORE.

8. PER FEDERAL LAW, BEGINNING JULY 1, 2015, IMMEDIATE CLASSIFICATION AS AN IN-STATE STUDENT SHALL BE GRANTED TO A SPOUSE OR CHILD USING BENEFITS UNDER THE MARINE GUNNERY SERGEANT JOHN DAVID FRY SCHOLARSHIP WHO LIVES IN ARIZONA (REGARDLESS OF HIS/HER FORMAL STATE OF RESIDENCE) AND ENROLLS IN THE SCHOOL WITHIN THREE YEARS OF THE SERVICE MEMBER’S DEATH IN THE LINE OF DUTY FOLLOWING A PERIOD OF ACTIVE DUTY SERVICE OF 90 DAYS OR MORE.

9. PER ARIZONA STATE LAW, A PERSON WHO IS HONORABLY DISCHARGED FROM THE ARMED FORCES OF THE UNITED STATES ON EITHER ACTIVE DUTY OR RESERVE OR NATIONAL GUARD STATUS, OR WHO HAS RETIRED FROM ACTIVE DUTY OR RESERVE OR NATIONAL GUARD STATUS, SHALL BE GRANTED IMMEDIATE CLASSIFICATION AS AN IN-STATE STUDENT ON HONORABLE DISCHARGE FROM THE ARMED FORCES AND, WHILE IN CONTINUOUS ATTENDANCE TOWARD THE DEGREE FOR WHICH CURRENTLY ENROLLED, DOES NOT LOSE IN-STATE STUDENT CLASSIFICATION IF THE PERSON HAS MET THE FOLLOWING REQUIREMENTS:

A. REGISTERED TO VOTE IN THIS STATE.

B. DEMONSTRATED OBJECTIVE EVIDENCE OF INTENT TO BE A RESIDENT OF ARIZONA WHICH, FOR THE PURPOSES OF THIS SECTION, INCLUDE AT LEAST ONE OF THE FOLLOWING:
same public institution of higher learning while remaining continuously enrolled (other than during regularly scheduled breaks between courses, semesters or terms) at that institution of higher learning, any course so pursued by the covered individual at that institution of higher learning while so continuously enrolled shall also be subject to disapproval under paragraph (1).

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(4) It shall not be grounds to disapprove a course of education under paragraph (1) if a public institution of higher learning requires a covered individual pursuing a course of education at the institution to demonstrate an intent, by means other than satisfying a physical presence requirement, to establish residency in the State in which the institution is located, or to satisfy other requirements not relating to the establishment of residency, in order to be charged tuition and fees for that course at a rate that is equal to or less than the rate the institution charges for tuition and fees for that course for residents of the State.
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(5) The Secretary may waive such requirements of paragraph (1) as the Secretary considers appropriate.
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(6) Disapproval under paragraph (1) shall apply only with respect to educational assistance under chapters 30 and 33 of this title.''.
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(b) Effective Date.--Subsection (c) of section 3679 of title 38, United States Code (as added by subsection (a) of this section), shall apply with respect to educational assistance provided for pursuit of a program of education during a quarter, semester, or term, as applicable, that begins after July 1, 2015.

This language was later amended slightly in PL 113-175, section 409:

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(1) Notwithstanding any other provision of this chapter and subject to paragraphs (3) through (6), the Secretary shall disapprove a course of education provided by a public institution of higher learning if the institution charges tuition and fees for that course for covered individuals who are pursuing the course with educational assistance under chapter 30 or 33 of this title while living in the State in which the institution is located at a rate that is higher than the rate the institution charges for tuition and fees for that course for residents of the State in which the institution is located, regardless of the covered individual's State of residence.''
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Here is the text of the FAQ's provided by VA:

1. AN ARIZONA DRIVER LICENSE
2. ARIZONA MOTOR VEHICLE REGISTRATION
3. EMPLOYMENT HISTORY IN ARIZONA
4. TRANSFER OF MAJOR BANKING SERVICES TO ARIZONA
5. CHANGE OF PERMANENT ADDRESS ON ALL PERTINENT RECORDS
6. OTHER MATERIALS OF WHATEVER KIND OR SOURCE RELEVANT TO DOMICILE OR RESIDENCY STATUS
7. A PERSON WHO IS A MEMBER OF AN INDIAN TRIBE RECOGNIZED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR WHOSE RESERVATION LAND LIES IN THE STATE AND EXTENDS INTO ANOTHER STATE AND WHO IS A RESIDENT OF THE RESERVATION IS ENTITLED TO CLASSIFICATION AS AN IN-STATE STUDENT.
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<tr>
<th>Section 702 of the Veterans Access, Choice and Accountability Act of 2014 (“Choice Act”), requires VA to disapprove programs of education for payment of benefits under the Post-9/11 GI Bill and Montgomery GI Bill-Active Duty at public institutions of higher learning if the schools charge qualifying Veterans and dependents tuition and fees in excess of the rate for resident students for terms beginning after July 1, 2015. These new requirements will ensure that our Nation’s recently discharged Veterans, and their eligible family members, will not have to bear the cost of out-of-state charges while using their well-deserved education benefits.</th>
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<td>DO PUBLIC SCHOOLS HAVE TO OFFER IN-STATE RATES TO ALL VETERANS AND DEPENDENTS TO MEET THE REQUIREMENTS OF SECTION 702? No. To remain approved for VA’s GI Bill programs, schools must charge in-state tuition and fee amounts to “covered individuals.” A “covered individual” is defined in the Choice Act as:</td>
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<td>• A Veteran who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within three years of discharge from a period of active duty service of 90 days or more.</td>
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<tr>
<td>• A spouse or child using transferred benefits who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within 3 years of the transferor’s discharge from a period of active duty service of 90 days or more.</td>
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<td>• A spouse or child using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within three years of the Service member’s death in the line of duty following a period of active duty service of 90 days or more.</td>
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<td>Note: Individuals who initially meet the requirements above will maintain “covered individual” status as long as they remain continuously enrolled at the institution of higher learning, even if they are outside the 3-year window or enroll in multiple programs.</td>
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<td>WHAT HAPPENS IF A STATE DOES NOT OFFER IN-STATE TUITION AND FEES TO ALL “COVERED INDIVIDUALS”? The law requires VA to disapprove programs of education for everyone</td>
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| training under the Post-9/11 GI Bill and the Montgomery GI Bill – Active Duty (MGIB-AD) if in-state tuition and fees are not offered to all “covered individuals.” |
| WHAT STEPS MUST BE TAKEN TO ENSURE THAT VETERANS AND THEIR FAMILY MEMBERS CAN RECEIVE VA GI BILL BENEFITS AT PUBLIC SCHOOLS IN MY STATE? |
| States must ensure all public institutions of higher learning offering VA-approved programs charge in-state tuition and fees to “covered individuals” as described, to include same-sex spouses and children (biological, adopted, pre-adoptive, and stepchildren of same-sex spouses) after July 1, 2015. To ensure compliance, States should consider offering in-state tuition and fees to all individuals eligible for benefits under the Post-9/11 and MGIB-AD programs. |
| WHEN DO STATES HAVE TO MEET THESE REQUIREMENTS? |
| Public institutions must offer in-state tuition and fees to all “covered individuals” for Veterans and family members to be eligible to receive GI Bill benefits for training beginning after July 1, 2015. VA will not issue payments for any students eligible for the Post-9/11 GI Bill or the MGIB-AD until the school becomes fully compliant. VA is in the process of developing waiver criteria for States that are actively pursuing changes to comply with these provisions. More information regarding the waiver criteria will be included in a regulation published in the Federal Register. |
| IF MY SCHOOL BECOMES COMPLIANT AFTER JULY 1, 2015, WHEN WILL VA BEGIN ISSUING PAYMENTS? |
| VA will not issue payments under the Post-9/11 GI Bill and MGIB-AD for all students in terms beginning after July 1, 2015, if the requirements of Section 702 are not met, unless a waiver is granted. If the in-state tuition and fee policies are brought into compliance with the requirements after July 1, 2015, and no waiver was previously granted, VA will begin making payments for terms, quarters, or semesters that begin on or after the date that the compliant policies take effect. |
| WHERE CAN I GO TO GET MORE INFORMATION? |
| Questions regarding the provisions of Section 702 may be submitted to Section702.Vbavaco@va.gov. VA will provide updates on its website at www.benefits.va.gov/gibill. |

Finally, here is the text of a letter from the VA, which provides a plain-English summary of the law’s provisions:
Colleagues and Fellow Veterans,

This is a note providing you an update on Veterans Access, Choice, and Accountability Act of 2014 (“Choice Act”) as it pertains to the in-state tuition provision – Section 702.

The in-state tuition provision requires VA to disapprove programs of education under the Post-9/11 and Montgomery GI Bill programs at public institutions of higher learning if the schools charge qualifying Veterans, spouses, and dependents tuition and fees in excess of the rate for resident students for terms that begin after July 1, 2015. As such, any schools that do not meet the requirements will be disapproved for Post-9/11 GI Bill and Montgomery GI Bill benefits.

Students Eligible for In-State Tuition under Section 702 are:

A Veteran who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within three years of discharge from a period of active duty service of 90 days or more.

A spouse or child using transferred benefits who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within 3 years of the transferor’s discharge from a period of active duty service of 90 days or more.

A spouse or child using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in the state in which the institution of higher learning is located (regardless of his/her formal state of residence) and enrolls in the school within three years of the Service member’s death in the line of duty following a period of active duty service of 90 days or more.

The following is a link providing additional information; http://www.benefits.va.gov/gibill/school_resources.asp

The law affecting in-state tuition charges is effective for terms starting after July 1, 2015. Our initial review of all states and territories indicate that none are fully compliant with the law – some are more compliant than others. We are making every effort to ensure all states understand the requirements to comply. We have reached out to all states.
Governors, our State Approving Agencies and a wide variety of others to ensure they know the ramifications of not complying with the Choice Act.

Public institutions must offer in-state tuition and fees to all eligible individuals identified above by July 1, 2015, to be eligible to receive payments for training on or after that date. It is anticipated that VA will not issue payments for any students eligible for VA benefit payments until the school complies. Much can/could happen between now and July 1, 2015 but we like to provide what we know for the moment.

V/R

Curtis L. Coy  
Deputy Under Secretary for Economic Opportunity  
Veterans Benefits Administration  
U.S. Department of Veterans Affairs