



Legislative Post Audit Performance Audit Report Highlights

Highlights

Kansas Lottery: Funding of Scholarships for Veterans

Report Highlights

July 2012 • R-12-008

Audit Concern

Legislators were interested in knowing whether the National Guard Educational Assistance Act duplicates federal assistance available through the GI Bill and other federal programs.

Other Relevant Facts

The state's National Guard Educational Assistance Program provides funding to cover the cost of tuition and fees for members of the Air and Army National Guard to attend eligible post-secondary institutions.

Between Fall 2007 and Spring 2012, the state's National Guard Educational Assistance Program covered about 75% to 100% of National Guard students' requested tuition assistance.

Post 9-11 GI Bill benefits cover up to 100% of veterans' tuition and fees, as well as cover some text book and living costs. These benefits increase as a veteran accumulates more active duty time.

Veterans become eligible for 40% GI Bill benefits after serving three months of active duty, but are not eligible for 100% benefits until they complete at least 36 months of active duty.

AUDIT QUESTION: Do National Guard Educational Assistance Act scholarships duplicate available federal assistance?

AUDIT ANSWERS and KEY FINDINGS:

- The state and federal education assistance programs cover two different National Guard populations, although there is some overlap.
 - The state's National Guard Educational Assistance Program is available to most members of the Air and Army National Guard, regardless of their previous service history.
 - The federal Post 9-11 GI Bill (GI Bill) is available to members of the Air and Army National Guard who have served at least three months of eligible active duty.
 - Most members of the Air and Army National Guard who have served at least three months on active duty since September 2001 are eligible for both the federal GI Bill and the state scholarship program.
- For veterans who are eligible for both the state and federal programs, it is rare that federal dollars could fully replace state benefits.
 - The amount of federal GI Bill benefits a National Guard member receives depends on the amount of active duty they have served.
 - Members of the National Guard would need to qualify for a significant amount of their GI Bill benefits (80% to 100%) in order for federal funds to fully duplicate state benefits. This requires 24 to 36 months of active duty.
 - Very few members of the National Guard appear to qualify for significant GI Bill benefits that would fully replace their state benefits.
- Eliminating the state's National Guard Educational Assistance Program would have little impact on members of the Army Guard, but would significantly affect members of the Air Guard.
 - Members of the Air Guard use funding from the state's National Guard Educational Assistance Program significantly more than members of Army Guard do.
 - Members of the Army Guard would have minimal additional costs if the state's educational assistance program were eliminated because they are eligible for Federal Tuition Assistance.
 - Members of the Air Guard would incur significant costs if the state's educational assistance program were eliminated because they are not eligible for Federal Tuition Assistance.

Veteran/Military/Homeland Security Comm

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- State General Fund monies make up a significant portion of the National Guard Educational Assistance Program funding.
 - Since 2003, profits from the Lottery's Veteran game have been used to fund the state's National Guard Education Assistance Program.
 - However, in recent years appropriations from the State General Funds have been increasingly used to maintain the state's program funding.
- Language in the National Guard Educational Assistance Act may be outdated.
 - Language in the Kansas National Guard Educational Assistance Act refers to the Federal Educational Assistance Program (FEAP), which appears to no longer exist.

The Federal Tuition Assistance program covers a significant portion of the cost of tuition and fees (\$4,500 per year) for members of the Army Guard to attend eligible universities. This federal program does not seem to overlap with the state scholarship program.

Army Guard members tend to use the state program as a secondary funding source to pay any remaining costs not covered by the Federal Tuition Assistance.

Members of the Air Guard are not eligible for the Federal Tuition Assistance Program. Therefore, they tend to use the state program as their primary funding source.

Since Fall 2007, 81% of the National Guard Educational Assistance Program participants have been members of the Air National Guard who used 90% of the program's funding.

SUMMARY OF RECOMMENDATIONS

Recommendation:

1. We recommended the Legislature consider introducing a bill to update language in the National Guard Educational Assistance Act.

AGENCY RESPONSE

- In general, department officials agreed with the findings.

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HOW DO I GET AN AUDIT APPROVED?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the Division must be approved by the Legislative Post Audit Committee, a 10-member committee that oversees the Division's work. Any legislator who would like to request an audit should contact the Division directly at (785) 296-3792.