The Post-9/11 GI Bill’s Yellow Ribbon program is a generous benefit that can be worth thousands of dollars in college costs — but changes to this year’s scholarships should remind veterans that the benefit is not guaranteed. That is especially true in the first years of the program, as administrators learn the level of demand and adjust available resources.

The new GI Bill covers tuition up to the highest in-state tuition charged for undergraduate education at the most expensive public college or university in each state. Under Yellow Ribbon, schools that charge above the state caps — private schools, graduate programs or undergraduate programs with out-of-state students — can agree to pay some of the difference, and the Veterans Affairs Department will match that aid. Schools can limit the number of spots or make scholarships available to all eligible students. They do not have to guarantee Yellow Ribbon funds for more than one year.

Last year, 1,181 schools participated. Most of those schools have signed up again, and new schools have joined, pushing the total to 1,224. Even better, most of them maintained or increased the number and amount of their scholarships they offered in 2009-2010.

But not all: Georgia Tech, for example, feeling the pinch of two years of budget reductions, slashed its maximum scholarships from $14,556 for undergraduate students and $32,870 for graduate students to $1,000 for both. Ten students were using Yellow Ribbon scholarships in spring 2010, according to the university. Students who continue their education there could have to pay out of pocket to cover the difference.

Such a significant reduction was rare, but students should be aware that cuts are possible, as much as schools hope to avoid them. Administrators at several colleges stressed that they set their numbers cautiously, with an eye toward sustainability.

“We have to make sure we can make a commitment to the students,” said Duane Larick, dean of the Graduate School at North Carolina State University. “We don’t want to bring [in] a student and have the funding go away.”

**Trial run**

In its first year, colleges had to decide how many scholarships they would offer, and for how much, before the new GI Bill went into effect — and before they had much idea what the demand would be. It was uncharted territory for everyone, even VA.

“We had no experience administering anything similar,” said Keith Wilson, director of VA’s education service. “It’s just a unique, new program.”

Now some schools are making changes based on their experience. The University of Notre Dame undergraduate program at first offered 10 scholarships of $15,000 last year; when 21 students were eligible, the school decided to help them all, if VA was willing to match the funds. VA was.

It wasn’t a common request, but “we want to be as flexible as we can, especially in year one,” Wilson said. “The schools were learning their way, we were learning our way.”

This year, Notre Dame is offering 50 undergraduate scholarships of up to $15,000.
Columbia University’s School of General Studies also increased its slots this year in response to demand. Curtis Rodgers, the dean of enrollment management, expects more than 150 students will be eligible for Yellow Ribbon funds this year, up from 75 last year. The school prepared by doubling the number of its scholarships, from 150 to 300, and increased the amount to keep pace with tuition.

Some schools have not changed their Yellow Ribbon budgets, but have adjusted how the money is distributed.

The University of Virginia School of Law decided to offer all eligible students $6,000, instead of giving five students up to $15,000. Distributing five spots first-come, first-serve, as required, was an administrative nightmare, said Jennifer Hulvey, the director of financial aid.

“It became a very competitive thing: ‘How early can I get my paperwork in? I’m going to be starting in two years — can I submit my paperwork today?’” Hulvey said. “It was frustrating for them and difficult to plan, and it was frustrating for me.”

Two of the first five recipients have graduated; the remaining three have been given academic scholarships to make up the cut in their Yellow Ribbon funds, Hulvey said.

The University of Kentucky, which offered 50 undergraduate scholarships in 2009-2010, moved 10 of those spots to the graduate school for 2010-2011. Only 17 undergrads used the Yellow Ribbon last year, while graduate students had to be turned away.

“We shifted our slots to better meet the demand,” said Tony Dotson, director of the school’s Veterans Resource Center. “It’s not really a benefit unless it’s usable.”

This year, all 10 graduate scholarships are taken, and four students are on standby.

Expect more changes as colleges continue to find their way in the brave new world of the Post-9/11 GI Bill.

N.C. State, which offered 25 graduate spots last year, is testing demand for undergraduate aid with 10 new slots. At the University of Kentucky, Dotson is looking into offering some scholarships to medical or law school. Some schools are responding to lack of demand — not by decreasing their scholarships, but by offering unlimited spots because they know they will have few, if any, takers.

And if Congress approves pending legislation to replace state tuition caps with a single national cap, you can expect the calculations — the weighing of demand and budget and marketing value — to begin all over again.

— Cecilia Hadley