



The American Legion

Department of New York

112 State Street, Suite 1300 · Albany, New York 12207

March 13, 2019

The Honorable Toby Ann Stavisky, Chair
Senate Higher Education Committee
188 State Street, Legislative Office Building
Albany, NY 12247
cc: Members, Senate Higher Education Committee

Chairwoman Stavisky and Members of the Committee:

On behalf of The American Legion Department of New York I write in support of Article VII Budget Legislation (S.1506/A.2006), EFLA Part E, the For-Profit College Accountability Act. This bill would protect veterans' hard-earned GI Bill benefits by forcing colleges to close the "90/10 loophole".

Veterans and military service organizations nationwide are calling for the closure of the 90/10 loophole. By exploiting this loophole, for-profit colleges count GI Bill benefits as private funds, offsetting the 90 percent cap they otherwise face on their access to federal student aid – an accounting practice that nearly two dozen state attorneys general have said "violates the intent of the law." As Holly Petraeus has written, the 90/10 loophole gives for-profit colleges "an incentive to see service members as nothing more than dollar signs in uniform, and to use aggressive marketing to draw them in." In December, a US Department of Veterans Affairs internal audit highlighted for-profit schools' deceptive advertising campaigns used to recruit veterans, and warned that the government will waste \$2.3 billion over the next five years if changes are not made to reel in the abuse.

The impact on veterans is real: Thousands of veterans have filed complaints with the US Department of Veterans Affairs, including many from New York State.

"After graduating I proceeded to attempt to get a job and NO ONE would hire me or even give me a chance because I was from Wyotech. Even though I was 3rd in my class" - Chanz P., Fort Drum, NY

Taxpayers also suffer. According to the US Education Department, hundreds of for-profit schools are almost entirely dependent on federal revenue, and, if the 90/10 loophole were closed, they would be in violation of the federal cap. Taxpayers, in other words, are propping up otherwise failing schools.

For-profit colleges can change this practice by improving their education and appealing to employers, as DeVry demonstrated when it voluntarily closed the 90/10 loophole and reduced its overall reliance on federal student aid.

We support the For-Profit College Accountability Act, and we look forward to seeing it pass into law.

Sincerely,


James W. Casey
Department Adjutant

(Tel) 518-463-2215 (Fax) 518-427-8443 (E-Mail) info@nylegion.org (Website) www.nylegion.net

"FOR GOD AND COUNTRY"