



March 26, 2019

The Honorable Margaret Doherty, Chair
House Committee on Education
00 Court St. NE, H-282
Salem, Oregon 97301
cc: Members, House Committee on Education

Dear Chairwoman Doherty and Members of the Committee:

We write in support of bill HB 2976. This bill would protect veterans' hard-earned GI Bill benefits by forcing colleges to close the "[90/10 loophole](#)."¹

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.”² 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.”³ In December, a US Department of Veterans Affairs [internal audit](#) highlighted for-profit schools' deceptive

¹ <https://veteranseducationsuccess.org/90-10-loophole/>

² https://www.iowaattorneygeneral.gov/media/cms/Schools_4_profit_924BF51B5599F.pdf

³ <https://www.nytimes.com/2011/09/22/opinion/for-profit-colleges-vulnerable-gis.html?module=inline>

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.⁴

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

“I caught them setting me up to take out a loan when I didn't need to because my G.I. Bill & employee tuition assistance should have covered everything.

Thankfully, I paid attention to my paperwork.”⁵

- Naomi T., Wasco, OR

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.⁶ 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.⁷

We support HB 2976, and we look forward to seeing it pass into law.

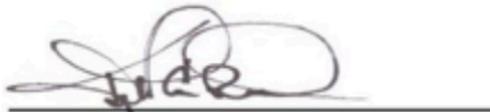
Sincerely,

⁴ <https://www.va.gov/oig/pubs/VAOIG-16-00862-179.pdf>

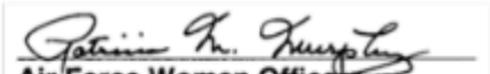
⁵ Available at Veterans Education Success, 1250 H Street NW, Suite 700, Washington DC 20005 *see also* <https://veteranseducationsuccess.org/contact>

⁶ <https://www.ed.gov/news/press-releases/new-analysis-finds-many-profits-skirt-federal-funding-limits>

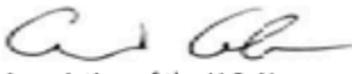
⁷ https://www.washingtonpost.com/news/grade-point/wp/2016/09/20/devry-voluntarily-dials-back-revenue-from-federal-student-aid/?utm_term=.dd7b1e6e2c3c



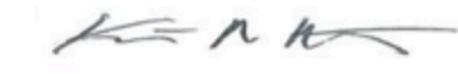
Air Force Sergeants Association



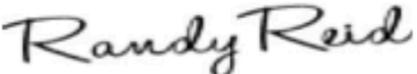
Patricia M. Murphy
Air Force Women Officers
Associated



Association of the U.S. Navy



Blue Star Families



Randy Reid
U.S. Coast Guard Chief Petty Officers
Association and Enlisted Association



High Ground Veterans Advocacy



Iraq and Afghanistan Veterans of America



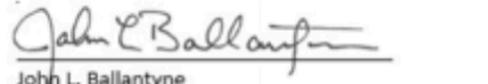
Joyce Wenzel Lazen
National Military Family Association



Kenneth Greenberg
The Retired Enlisted Association



Non Commissioned Officers Assn.
of the United States of America



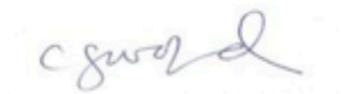
John L. Ballantyne
Senior Vice President and Chief Operating Officer
Military Child Education Coalition



Student Veterans of America



Swords to Plowshares



Veterans Education Success



Veterans for Common Sense



Richard F. Weisman
Vietnam Veterans of America