02/04/2020

The Honorable Rob Wagner
Oregon State Senate
900 Court St. NE, S-215, Salem, Oregon 97301

Senator Wagner:

On behalf of The American Legion Department of Oregon I write in support of Senate Bill 1544 relating to regulation of post-secondary institutions of education. 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.

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 SB 1544, and we look forward to seeing it pass into law.

Sincerely,

Respectfully,

Steve Adams
Commander