



February 11, 2020

Honorable Senator Rob Wagner  
Chair, Committee on Education  
Oregon State Capital, 900 Court St NE  
Salem, Oregon 97301

Dear Chairman Wagner and Members of the Committee:

We write in support of bill SB 1544. This bill would protect veterans' hard-earned GI Bill benefits by forcing colleges to close the "[90/10 loophole](#)."<sup>1</sup>

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.”<sup>2</sup> 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.”<sup>3</sup> In December 2018, 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.<sup>4</sup>

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

<sup>2</sup> [https://www.iowaattorneygeneral.gov/media/cms/Schools\\_4\\_profit\\_924BF51B5599F.pdf](https://www.iowaattorneygeneral.gov/media/cms/Schools_4_profit_924BF51B5599F.pdf)

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

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

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

*I graduated in July of 2012 and have yet to find a job using my degree. I also looked into getting my master's degree from another school and I was pretty much told that they didn't accept anything from [my for-profit college]. I now have a useless degree and student loans over \$50,000. <sup>5</sup>*

- Jaime, Beavercreek 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.<sup>6</sup> 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.<sup>7</sup>

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

Sincerely,



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Association of the United States Navy



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Blue Star Families

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

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

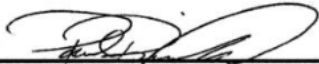
<sup>7</sup> [https://www.washingtonpost.com/news/grade-point/wp/2016/09/20/devry-voluntarily-dials-back-revenue-from-federal-student-aid/?utm\\_term=.dd7b1e6e2c3c](https://www.washingtonpost.com/news/grade-point/wp/2016/09/20/devry-voluntarily-dials-back-revenue-from-federal-student-aid/?utm_term=.dd7b1e6e2c3c)



Commissioned Officers Assn. of the US Public  
Health Service, Inc



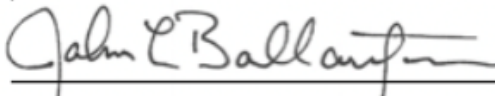
High Ground Veterans Advocacy



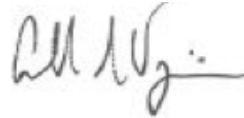
Iraq & Afghanistan Veterans  
of America



Jewish War Veterans of the USA



Military Child Education Coalition



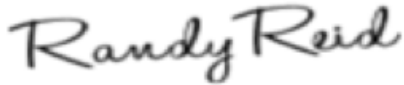
National Military Family Association



Student Veterans of America



Swords to Plowshares



U.S. Coast Guard Chief Petty Officers  
Association & Enlisted Association



Veterans Education Success



Veterans for Common Sense