State Policy Advocacy
January 2019 – April 2020

Supporting Protections for Veterans and Military-Connected Students in Higher Education

After Action Report
Executive Summary

In 2019 Veterans Education Success developed a state-level pathway to closing the 90/10 loophole (which incentivizes for-profit colleges to target veterans and servicemembers with aggressive and deceptive recruiting because the schools use veteran and military education benefits to offset the cap on federal funds that the schools otherwise face). Each state is responsible for approving the operating licenses for for-profit colleges. By adopting a state-level 90/10 rule and requiring that a minimum amount of revenue come from a non-taxpayer funded source, states can disallow for-profit schools from continuing to count GI Bill benefits as private revenue, thereby removing the target from the backs of veterans.
In just the last sixteen months, Veterans Education Success has worked with state legislators, higher education non-profits, and veteran/military service organizations to introduce first-in-the-nation 90/10 loophole closure bills in three states.

• The Maryland legislature passed such a bill, and the Governor is expected to sign it into law in April 2020.
• The Oregon Education Committees unanimously passed two versions of the bill; the House Committee in 2019 and the Senate Committee in 2020
• The California State Committee passed a version of the bill in 2019

In addition to spearheading legislation to close the 90/10 loophole, Veterans Education Success supported policy intended to rein in predatory practices and failing institutions in the for-profit industry in five different states: Maryland, New York, California, Oregon, and Maine.

MARYLAND

In 2019 and 2020, we worked in Maryland on a series of bills intended to rein in predatory practices and failing institutions in the for-profit industry.

Policy Wins

In 2020, we worked with local veteran service and higher education organizations to pass both the Veterans’ Education Protection Act (SB294/HB593) and the Disorderly Closure bill (SB446/HB469).

The Maryland “Veterans Education Act” is the first-in-the-nation 90/10 loophole closure. By forbidding schools from enrolling new Maryland residents if the schools are more than 90% reliant on federal funds (including veteran and military education funds, which the schools typically rely on to offset the U.S. Education Department’s cap on federal student aid), Maryland has become the first state to ensure that their military veteran constituents are not targeted by failing for-profit schools.

The Maryland “Disorderly Closure” bill ensures that all postsecondary institutions operating in Maryland have a transfer agreement in place in the
event of school closure and prevent a closed school from collecting on an institutional debt owed by a student.

**Coalition**

Veterans Education Success worked with the Maryland Attorney General's office, the Maryland Consumer Rights Coalition, the Center for Responsible Lending, and The Century Foundation in drafting and advocating for the Veterans Education Protection Act and the Disorderly Closure bill.

Through coordinated efforts with the Maryland Military Coalition and The American Legion, we worked to mobilize the veterans' voice in Maryland and provide key veteran testimony at every hearing.

**Summary**

Our legislative success in Maryland demonstrates the value of a diverse and robust coalition working together to develop policy, outline strategy for success, and execute said strategy with precision. Our success in Maryland will be the first of many!

**OREGON**

In 2019 and 2020, Veterans Education Success worked in Oregon on a state level 90/10 loophole closure bill.

**Policy Wins**

Despite extreme opposition efforts, 90/10 loophole closure bills were voted out of the first policy committee with unanimous support in both the 2019 and 2020 Oregon legislative sessions.

**HB 2976** (2019) closed the for-profit college 90/10 loophole by declaring that for-profit career and degree-granting schools receive no more than 85% of their tuition revenue from a taxpayer-funded source, including veterans' education benefits. The Oregon Higher Education Coordinating Commission (HECC) would adopt a state-level 85/15 rule for the licensing of for-profit schools to enroll students in Oregon and disallow them from continuing to count GI Bill benefits as private dollars. Additionally, the bill established civil penalties for violation of this standard.

**SB 1544** – (2020) Identical to HB 2976, but the cap on revenue from taxpayers was raised from 85% to 90%.
Coalition

Veterans Education Success worked with members of the education and veterans’ committees, top education and veteran aides to the Governor, and more than a dozen veteran and military service organizations. During the 2019 and 2020 sessions, Veterans Education Success worked on the ground in Salem to develop and manage this diverse coalition, securing bipartisan and bicameral support for HB2976 and SB1544. We met with dozens of legislators, often bringing in impacted veterans and local veteran advocates.

In 2019, we organized a Student Veteran Storm the Hill event in Salem, bringing in student veterans from colleges all across the state to meet with House and Senate members.

In 2020, we organized a bipartisan and bicameral coalition of legislators who actively supported SB 1544, including submitting official letters in support and testifying at committee hearings.

Our State Policy Manager, Ramond Curtis, testified at every hearing and brought in local impacted veterans and leadership from The American Legion to testify in favor of closing the 90/10 loophole.

Summary

Although both the 2019 and 2020 Oregon sessions ended early due to a breakdown over unrelated issues, our coalition of legislators is determined and more prepared than ever to get a 90/10 bill across the finish line in 2021.

CALIFORNIA

In 2019, Veterans Education Success worked in California on a series of bills intended to rein in predatory practices and protect students against school closures and poor outcomes at for-profit colleges. Seven bills moved through Committees and three were fully enacted into law.

Policy Wins

AB 1340, signed into law on October 4th, 2019, will demonstrate whether for-profit institutions are adequately preparing students for the job market by requiring the California Bureau for
Private Postsecondary Education to calculate a debt-to-income ratio for both the for-profit institution and the programs they offer.

**AB 1344**, also signed into law on October 4th, 2019, increases state oversight of out-of-state institutions that enroll California students in online programs – the largest share of which are for-profit colleges. The bill strengthens consumer protections by giving the Bureau for Private Postsecondary Education authority to place these institutions on a probationary status and revoke authorization to enroll California students if they do not comply.

**AB 1346**, also signed into law on October 4th, 2019, helps students recover the real cost of their losses if their school closes while they are enrolled. It expands access to California’s Student Tuition Recovery Fund by allowing students to recover losses beyond tuition expenses, including housing, transportation, and child care, as well as any costs incurred by the student as a result of the closed school, such as transcript fees or the cost of services related to debt relief.

**Coalition**

VES worked with dozens of veteran and military service organizations to provide advocacy and testimony in California, ultimately securing support and testimony from impacted veterans, whistleblowers, and policy experts.

We worked directly with the legislative staff of the bill sponsors to develop bill language, sponsor testimony, and talking points.

**Summary**

Our work in California in 2019 led to an unprecedented package of common-sense for-profit college regulation and accountability measures and will help protect the future of quality higher-education in California for years to come.