

**Affiliation:** Other

**Name and Name of Organization:** This comment is submitted by James Haynes on behalf of Veterans Education Success.

## **Part 2: Strategic Goals and Objectives**

X Strategic Goal 1

X Strategic Goal 3

X Strategic Goal 5

Thank you for the opportunity to comment on Federal Student Aid's (FSA) FY 2020-24 Strategic Plan. Veterans and military-connected students have experienced waste, fraud, and abuse because of inadequate gatekeeping and oversight of colleges eligible for federal aid. The U.S. Department of Veterans Affairs (VA) Inspector General estimates that VA will pay \$2.3 billion over 5 years in GI Bill funds to schools that should be ineligible because they engage in misleading and deceptive recruiting practices (VAOIG-16-00862-179).

VA and the Defense Department (DOD) rely on the FSA's oversight staff and enforcement mechanisms to police bad actors in higher education. Therefore, we support adding a new Strategic Objective 1.3: Ensure FSA Has Necessary Staff to Conduct Extensive Oversight of Institutions, Vendors, and Other Partners; the goal is to ensure FSA is able to improve its oversight.

Under Strategic Goal 3, we support increasing the use of risk-based reviews and further recommend that FSA's definition of risk reflects the new information and problems it finds through analysis and that FSA consider a more proactive and outward-facing approach to its oversight work, including issuing deterrence bulletins to warn colleges of unwanted or illegal behavior it identifies in other reviews. Risk-based reviews matter to military-connected students because (1) both VA and DOD rely on FSA's oversight, and (2) research has documented inadequate risk-based oversight of colleges. (See, e.g., <https://vetsedsuccess.org/va-and-saas-should-act-on-early-warning-signs-when-risks-to-gi-bill-beneficiaries-and-taxpayers-emerge-at-participating-schools/>).

The enlisted military and veteran population are more racially diverse than the general population. Tracking their student outcomes is important to ensuring America's heroes are properly served. Recent analyses have mined data from other sources (including NCES sample surveys) to demonstrate that loan outcomes, in particular, vary considerably by race/ethnicity — even after accounting for factors like completion status. Yet, FSA analyses do not take race into account. Therefore, we propose adding a new Strategic Objective 5.5: Improve Insights into and Understanding of Variations in Student Aid by Race/Ethnicity.

## **Part 3: Performance Measure for Strategic Goals**

X Performance Measures for Strategic Goal 2

X Performance Measure for Strategic Goal 3

Since 2009, veterans have constituted a growing share of postsecondary enrollment. These data were previously reported but, because of the introduction of the “skip-logic” function in FAFSA, many servicemembers and veterans never have the opportunity to self-identify. Instead, they are automatically skipped past the active duty and veteran status questions based on their answers to earlier questions about their dependency status (including age, degree-level, and marital status). While we applaud the overall benefits of FAFSA simplification, the questions about military background would be easy to answer in a matter of seconds. Therefore, for Strategic Objective 2.1, we support the inclusion of a question about servicemember and veteran status for all applicants and propose adding a metric that measures FAFSA completion among servicemembers and veterans who as adults may be using student aid to supplement their GI Bill educational benefits. We also ask that the Department re-word questions about active-duty or veteran status to “recurring military service” and “discharged veteran” to make it clear that reservists, subject to periodic activations, are included. Or, if this is not feasible, the relevant notes and “Help and Hints” sections could be clarified.

To increase access to accurate and up-to-date information about closed school discharge and total and permanent disability (TPD) discharge, we propose a new Performance Metric (D) under Strategic Objective 2.4, to track adoption of other student loan forgiveness and discharge options by eligible borrowers. Currently, TPD discharge is automated for veterans designated by VA with a 100% service-connected disability. This practice should continue and be extended to all disabled citizens who qualify for TPD discharge when the Social Security Administration deems them 100% disabled, including veterans with an SSA disability determination that is not service-connected.

Because veterans and military-connected students are targeted by predatory schools, it is imperative that FSA provide effective oversight of institutions demonstrating warning signs that they pose a risk to taxpayers’ investment. For Strategic Objective 3.1, Performance Metric (A), we are concerned that the goal of auditing every college or partner within five years is overly ambitious and works against FSA’s articulated goal of risk-based reviews. Instead, we recommend revising this language to focus reviews on the most egregious and harmful violations. Potential metrics to improve Performance Metric (A) could include: (1) number of unscheduled risk-based reviews; (2) number of precipitous institutional closures; (3) actions, audits, and investigations by state and government agencies; (4) lawsuits; (5) borrower defense triggers; (6) abatement measures, such as the amount taxpayer liabilities are reduced through dollars returned to FSA and/or letters of credit or other financial protections drawn down by FSA; and (7) the amount taxpayer liabilities are increased through False Certification, Borrower Defense, and other loan forgiveness options.

Borrower defense is important to military-connected students because the 90/10 loophole gives predatory schools an incentive to target them with deceptive recruiting. For Strategic Objective 3.1 Performance Metric (B), we agree with the goal of reducing the backlog of borrower defense claims. For FYs 22-24, we propose clarifying that the backlog shall not exceed 5,000 applications in a given year. Additionally, we urge FSA to ensure claims are adjudicated fairly, and not rushed to meet a target number. As you know, the federal court in *Sweet v. DeVos* recently found that claims were receiving “perfunctory” and “alarmingly-curt” rejections. Veterans deserve to be treated fairly and honorably when they have been cheated by a school.