

U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

ONE HUNDRED SEVENTEENTH CONGRESS

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WASHINGTON, DC 20515

<http://veterans.house.gov>

May 26, 2021

Tom Murphy
Undersecretary for Benefits
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Mr. Murphy:

I write today to urge the Department of Veterans Affairs (VA) to perform rigorous oversight of schools receiving GI Bill funds, including using new authorities under the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act* (P.L. 116-315). In particular, I bring to your attention recent actions against the Florida Coastal School of Law and so-called Center of Excellence in Higher Education (CEHE).

First, I urge rigorous oversight of the Florida Coastal School of Law. On April 1, 2021, the U.S. Department of Education (ED) terminated Florida Coastal's access to Title IV federal funds, an action which often leads to school closure.¹ As ED's action can impact the law school's ability to operate in compliance with American Bar Association (ABA) standards, ABA directed Florida Coastal to file a teach-out plan.² On April 26, 2021, the ABA rejected the school's teach out plan because of missing information and insufficient detail, placing its accreditation at risk.³ Two other law schools owned by Florida Coastal's parent company, InfiLaw, closed in recent years after losing ABA accreditation.⁴

On May 13, 2021, ED denied Florida Coastal's reinstatement application, stating the school "operated recklessly and irresponsibly, putting its students at financial risk rather than providing the opportunities they were seeking" and reiterating the Department's commitment "to stand up

¹ American Bar Association, www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/20210405-md-statement-florida-coastal.pdf

² American Bar Association, www.americanbar.org/content/dam/aba/administrative/legal_education_and_admissions_to_the_bar/20210405-md-statement-florida-coastal.pdf

³ American Bar Association Journal, <https://www.abajournal.com/news/article/florida-coastals-proposed-teach-out-plan-dinged-due-to-lack-of-details>

⁴ American Bar Association Journal, <https://www.abajournal.com/web/article/compared-with-2016-there-are-now-half-as-many-for-profit-law-schools>

for all students and ensure their institutions are held to the standards our students and communities expect and deserve.”⁵

According to the GI Bill Comparison Tool, Florida Coastal School of Law had 24 GI Bill Students in 2019 and received about \$269,000 in tuition and fee payments for beneficiaries using the Post-9/11 GI Bill.⁶ Actual VA payments to the school are likely even higher as about half of the beneficiaries enrolled in the law school are using educational benefits that pay a lump sum to the student, precluding VA from determining the actual amount allocated toward tuition and fees. Should an investigation of Florida Coastal not be resolved by August 1, 2021, I urge VA to utilize new authorities under Section 1012 of P.L. 116-315, which expands VA’s authority to disapprove a course of education if the institution is at risk of losing its accreditation.

I also urge VA to take immediate action against CEHE under 38 U.S.C. § 3696(a) to protect veterans and GI Bill funds. In August 2020, a Colorado state court entered a final judgment against CEHE for knowingly making false representations about the schools’ employment statistics, affordability, and program availability. The court concluded that CEHE engaged in “unconscionable” misrepresentations to students.^{7,8} 38 U.S.C. § 3696(a) forbids VA from approving the enrollment of veterans in a school that utilizes deceptive or misleading advertising, sales, or enrollment practices. This statutory obligation ensures that VA protects veterans from schools that use misrepresentations to induce veterans to enroll.

Reportedly, CEHE has suggested VA should ignore the Colorado court’s final judgment because CEHE has appealed. However, CEHE’s appeal does not challenge the court’s findings of fact about CEHE’s advertising and misrepresentations.⁹ CEHE appeals only the conclusions of law about the applicability of Colorado statutes, which are irrelevant to VA’s implementation of 38 U.S.C. § 3696(a). As you know, appellate courts generally grant deference to the lower court’s “findings of fact” unless they are “clearly erroneous.” There exist no suggestions of any error in the court’s findings of fact. Any suggestion that VA should not act until it obtains the complete trial transcript (which is being blocked by the company) is spurious, given that the court already published more than 100 pages of witness testimony and detailed evidence documenting erroneous, deceptive, and misleading advertising and recruiting.

Moreover, on April 22, 2021, the Accrediting Commission of Career Schools and Colleges withdrew¹⁰ the accreditation of CEHE-owned Independence University. Many CEHE schools have already closed or are in teach-out. The company’s Independence University and Stevens-Henager College remain approved for the GI Bill. According to the GI Bill Comparison Tool,

⁵ U.S. Department of Education, https://www.ed.gov/news/press-releases/department-educations-federal-student-aid-denies-reinstatement-application-profit-law-school?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=

⁶ U.S. Department of Veterans Affairs, <https://www.va.gov/gi-bill-comparison-tool/profile/21058610>

⁷ *Colorado ex rel. Coffman v. Ctr. for Excellence in Higher Educ., Inc.*, No. [14CV34530](#), at p. 147, ¶ 707 (Colo. Dist. Ct. 2020).

⁸ *Id.* at p. 160.

⁹ *Id.* At page 94.

¹⁰ Accrediting Commission of Career Schools and Colleges, <https://www.accsc.org/UploadedDocuments/Commission%20Actions/2021/Public-Notices/Withdrawal/070581-SAL-02-2021-Redacted.pdf>

Independence University enrolls more than 700 GI Bill beneficiaries and received close to \$7 million in GI Bill payments in 2020; Stevens-Henager College enrolls more than 60 GI Bill students and received close to \$415,000 in GI Bill payments in 2020.

When a school closes, GI Bill beneficiaries are often unable to transfer their credits to another school in order to continue their education. Allowing GI Bill students to continue to enroll in a school that faces the likelihood of closure is a waste of both veterans' hard-earned benefits and taxpayer dollars. I encourage VA to acknowledge the likelihood that Florida Coastal and CEHE will close and to make full use of its authorities to protect veterans and taxpayers as soon as possible. Thank you for your attention to this urgent matter.

Sincerely,

A handwritten signature in black ink that reads "Mike Levin". The signature is written in a cursive style with a long, sweeping underline.

Mike Levin
Chair
Subcommittee on Economic Opportunity
House Committee on Veterans Affairs