



**STATEMENT FOR THE RECORD
LEGISLATIVE PRIORITIES SUBMITTED TO THE
SENATE AND HOUSE COMMITTEES ON VETERANS AFFAIRS
118TH CONGRESS, FIRST SESSION**

March 7, 2023

Chairmen Tester and Bost, Ranking Members Moran and Takano, and Members of the Committees on Veterans Affairs:

We thank you for the opportunity to share our legislative priorities for consideration in the first session of the 118th Congress. Veterans Education Success is a nonprofit organization with the mission of advancing higher education success for veterans, service members, and military families, and protecting the integrity and promise of the GI Bill and other federal education programs.

This past year included several crucial successes, which can be credited to the strong bipartisan effort of these Committees. The Best Schools for Veterans Act of 2022 and the Veterans Eligible to Transfer School (VETS) Credit Act both address significant bureaucratic shortfalls and will improve the quality and accessibility of higher education. We would also like to note several outstanding priorities from the 117th Congress that we hope to see completed by the 118th Congress, including the Guard and Reserve GI Bill Parity Act of 2021, risk-based school oversight of schools by the U.S. Department of Defense (mirroring Isakson-Roe Act), and, most importantly, legislation enacting stronger standards of quality and value at schools seeking eligibility to receive GI Bill dollars.

We also urge careful Congressional oversight of the U.S. Department of Veterans Affairs' (VA) implementation of the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* as there are gaps and errors in implementation. Similarly, we encourage additional careful oversight of the *Career Ready Student Veterans Act*; inconsistent implementation of the Act remains a significant concern, as identified in our report, "Despite a 2016 Statute, The GI Bill Still Pays for Degrees that Do Not Lead to a Job."¹

Today, we offer our full testimony for consideration, outlining our top legislative priorities for this year. Our proposals target important elements of the overall GI Bill framework, and seek to improve educational outcomes for the nation's veterans and for the federal government by strengthening critical or missing features of the programs under your leadership. These elements include better upfront gatekeeping to ensure that only quality providers are approved for participation in VA programs, better counseling to prospective student veterans to enable them to

¹ Veterans Education Success, *Despite a 2016 Statute, The GI Bill Still Pays for Degrees that Do Not Lead to a Job* (April 2018), <https://vetsedsuccess.org/ves-report-despite-a-2016-statute-the-gi-bill-still-pays-for-degrees-that-do-not-lead-to-a-job/>.

make well-informed choices, better institutional support for enrolled veterans to help more of them graduate with quality credentials, and better ongoing oversight to address any predatory practices and to help defrauded student veterans recover their hard-earned benefits. We look forward to working closely with you and your staff members on these issues, and thank you for the invitation to provide our perspective on these pressing topics.

Require Minimum Standards for GI Bill Programs

Veterans and taxpayers count on the GI Bill to facilitate a smooth transition from military service to a successful civilian career. Veterans actively rely on VA's program approval as a "stamp of approval" that identifies quality programs. Both veterans and taxpayers are entitled to a reasonable return on investment for the GI Bill.

Unfortunately, there are too many approved programs that fail to educate veterans effectively and prepare them for a lifetime of success. Worse yet, many of these school programs cause serious harm to the veterans they are meant to help, leaving veterans with worthless credits, burdensome debts, and wasted benefits. Despite providing poor results, many of these programs and schools continue to rake in millions of taxpayer dollars through the recruitment and exploitation of veterans and the abuse of their hard-earned GI Bill benefits.

Veterans often express anger that VA would approve schools known for producing poor outcomes or that are under a law enforcement cloud.

Veterans should never have to wonder why obvious scams like FastTrain College and Retail Ready Career Center were approved in the first place.^{2,3} Both of these schools proved to be a significant waste of taxpayer money, even before the FBI stepped in, and yet so many similar examples continue to reap the benefits veterans earned.

The GI Bill program approval process must be strengthened to protect student veterans from low quality and fraudulent schools.

The statutes governing program approval are seriously outdated, even referencing classes taught "by radio," and they continue to allow a low standard of entry.⁴ It is time to update the statutes

² Carli Teproff, *Now defunct for-profit college must pay the government \$20 million, a court rules*, Miami Herald (Feb. 21, 2017), <https://www.miamiherald.com/news/local/education/article134161714.html>.

³ Department of Justice Press Release, *For-Profit Trade School Owner Charged with Defrauding VA, Student Veterans* (Nov. 23, 2020), <https://www.justice.gov/usao-ndtx/pr/profit-trade-school-owner-charged-defrauding-va-student-veterans>.

⁴ 38 U.S.C. § 3672 has almost no requirements. It also incorporates, by reference, the program approval requirements of Chapters 34 and 35, but those are also extremely minimal, forbidding only, for example, bartending and personality development courses, and restricting "radio" courses (indicating an out-of-date statutory framework). 38 U.S.C. § 3675 (approval of accredited courses) requires only that the school is recognized by a recognized accreditor and keeps records on students and credits, and that the State Approving Agency looks at the catalog, with no further guidance. But some accreditors offer no real service, like ACICS (which accredited ITT Tech, Corinthian, and was caught this year by USA Today accrediting a school with no teachers). In contrast, 38 U.S.C. § 3676 (approval of nonaccredited courses) has more restrictions, but many are undefined, including no definition of "quality" in (c)(1); no definition of teacher "qualifications" in (c)(4); no definition of "financially sound" in (c)(9) (which could easily be defined by reference to US Department of

with minimum quality standards, so that veterans can count on the VA “stamp of approval” as the level of quality they – and taxpayers – expect. While the recently enacted [HR 7939](#), codified at 38 U.S.C. § 3672A, creates a Uniform application with some improvements to the approval standards, we urge the Committees to consider the following additional requirements as prerequisites for schools to have Title 38 eligibility:

- Expand the definition of adverse government action in 38 U.S.C. § 3672A(3)(b)(1)(B) to all types of fraud, not just those relating to education quality that result in a fine of 5 percent of Title IV (which is rare). After all, the Committees wouldn’t want a school or CEO that engaged in any other type of fraud (such as stealing federal student aid from Title IV, as Argosy was accused of doing, or robbing a bank) to be in charge of GI Bill funds, yet that’s what the statute currently allows.
- Extend to all education programs the requirements for minimum faculty credentials in § 3672A.
- Require schools to have adequate administrative capability to administer veterans benefits.⁵
- Require screening of a school’s financial stability before its approval to avoid all the sudden school closures.
- Ensure that programs are not overcharging VA and that VA tuition funds are spent on veterans’ education.
- Require a demonstrated track record of minimum student outcomes for a school to maintain Title 38 eligibility.
- Ensure school recruiters have the fiduciary responsibility to tell the truth.
- In the case of online classes, require actual teaching, not pre-recorded classes. Passive, YouTube-like videos are no substitute for regular and substantive interactions with qualified faculty and should not be paid for with GI Bill dollars. The Committees should require “regular and substantive interaction” between virtual faculty and students like that

Education standards); inadequate ban on deceptive advertising in (c)(10) (which should be clarified to ban any school that has faced legal or regulatory concerns over its advertising in the prior 5 years); and no definition of “good character” in (c)(12) (which should be clarified to ban administrators and teachers who have faced legal or regulatory action or any action by a licensing board).

⁵ Currently, there is no requirement in Title 38 that schools devote the necessary resources for competent administration of VA programs. Congress should mandate that institutions demonstrate to the Secretary that they are capable of adequately administering the programs and that they have committed adequate administrative resources. It should also require that schools pledge to fully cover the tuition and housing costs of VA-supported students if the school suddenly loses eligibility due to institutional error, including paperwork non-compliance. Committeemembers may recall the problems at Howard University when 52 VA-supported students enrolled in 14 programs at Howard suddenly discovered their programs were not properly approved for GI Bill and VR&E. The DC State Approving Agency (SAA) said the issue boiled down to failure by Howard to submit the proper paperwork. The programs affected included Howard’s medical school, law school, and Master in Social Work program. It took eight months to get the approvals cleared up. During this time, students experienced immense uncertainty and undue anxiety. They faced the possibility of having to withdraw from school, pay out-of-pocket to cover housing and living costs, or seek loans from the school and external sources, and experienced significant stress due to the uncertainty of the situation. This scenario highlighted the challenge associated with Title 38 benefits and the relationship between VA, the SAA, the institution, and the student. Unfortunately, we do not believe this to be an issue isolated to one school. In some cases, school certifying officials (SCO) are expected to administer benefits for well over VA’s recommendation of the ratio of support staff to students, 1 to 200. Even in the case of this ratio, the expectations of SCOs often go well beyond the responsibilities of certifying benefits, making the challenge increasingly difficult to handle.

required by the Department of Education.⁶ Regular interaction with subject matter experts is essential to ensuring student veterans are receiving a worthwhile education.⁷

Separately, we note that many schools are partnering with for-profit online program management (OPM) companies to offer numerous services, including delivery of academic instruction – with news exposes of poor outcomes for students.⁸ VA should conduct oversight of courses offered through OPM partnerships and subject all such courses and their recruiting practices to more thorough approval and oversight requirements.

Recent complaints from student veterans attending GI-Bill approved programs expose subpar programs that are failing to deliver:

- Student veteran JJ reported to us that she was told by the school she attended, “the instructor is not there to instruct us and we should study the courses on YouTube.”
- Student veteran DD at a different school complained that his school regularly used free YouTube videos as their training, explaining the school “replay[s] free web seminars as their own training and [uses] unqualified people to lead the classes. They literally go to Youtube, find the free course by someone else, then they play that during the ZOOM meeting and call it training.”
- Student veteran AD who attended an accredited for-profit school stated, “Instructors are incompetent and inexperienced, Labs and course material are not taught ... This school is a scam and not even worth the \$750 I am paying for books.”
- Student veteran EV at a different school said, “... the classes that we took, none of them are requirement classes for the Microsoft certification and in fact Microsoft has retired the Certified Systems Engineer certification altogether as a "Legacy" certification. It seems again that the predatory nature of this school has left many VRRAP participants with lost time and worthless schooling....”
- Student veteran DM voiced a similar experience, recognizing he would not be able to get a job with the training: “It was more or less just someone reading off the free basic guides on the internet, with little to no actual workplace insight or situational applications. It hasn't gotten me any closer to employment and isn't recognized by any marketable accreditation institution.”

⁶ David Whitman, *The Cautionary Tale of Correspondence Schools*, New America (Dec. 11, 2018), <https://www.newamerica.org/education-policy/reports/cautionary-tale-correspondence-schools/>.

⁷ Veterans Education Success, *Congressional Testimony Submitted on the Topic of Congressional and Administration Priorities For the Next Congress*, Submitted to the Subcommittee on Economic Opportunity, Committee on Veterans Affairs, U.S. House of Representatives (December 8, 2020), https://vetsedsuccess.org/our-written-testimony-for-the-house-veterans-affairs-economic-opportunity-subcommittee-hearing-on-2021-legislative-priorities/#_ftn1.

⁸ See, e.g., Harriet Ryan, Matt Hamilton, *Must Reads: Online degrees made USC the world's biggest social work school. Then things went terribly wrong*, Los Angeles Times (June 6, 2019), <https://www.latimes.com/local/lanow/la-me-usc-social-work-20190606-story.html>.

Restore Veterans' Education Benefits in Cases of Fraud – Especially When the Government Has Recouped the Funds

Currently, the U.S. Department of Justice is seizing the bank accounts of the House of Prayer⁹ – a bible school we exposed and brought to VA's attention¹⁰ because veterans were being cheated out of their GI Bill and abused by an alleged religious cult leader.

But even when the federal government recovers their GI Bill funds, the veterans who earned those GI Bill benefits will get nothing. Currently, when federal law enforcement recovers fraudulently-obtained GI Bill funds or VR&E funds, veterans get nothing back.

In another example, the U.S. Department of Justice recouped more than \$150 million from Retail Ready Career Center¹¹ and sent the owner to jail for 19 years, after he had swindled thousands of veterans, taking their GI Bill but not educating them and taking their housing allowance but then forcing them to live in substandard migrant housing. But when the federal government recovered \$150 million, the veterans got nothing and did not get their GI Bill benefits back.

We urge the Committees to immediately rectify this situation. The Committees should consider legislation directing VA to restore VA education benefits to the extent that the government is able to recoup those funds (including partial restoration if the recoupment is not complete).

More broadly, the Committees should consider restoring VA education benefits anytime there exists government evidence of fraud by the school. The idea that veterans are defrauded out of their hard-earned GI Bill is anathema to the Congressional intent. Student loans are forgiven by the Department of Education if fraud is evident, but student veterans have no parity with regard to their GI Bill and VR&E benefits at VA. Student veterans should have parity with students at the Department of Education. In order to cover the costs of restoring veterans' education benefits, we recommend the Committees authorize VA to require at-risk or underfunded schools to obtain a financial guarantee through a "letter of credit," as the U.S. Department of Education (ED) does.¹² Alternatively, the Committees could require all schools or all at-risk schools to contribute to a "GI Bill recovery fund" – like the student tuition recovery funds operated by many states, akin to Unemployment Insurance funds for employers – which would be available for defrauded students' restoration of VA education benefits.

⁹ *United States of America v. \$115,800.00 in U.S. Currency Funds*, available at <https://vetsedsuccess.org/us-attorney-action-against-house-of-prayer-bible-seminary-january-2023/>.

¹⁰ Veterans Education Success, *Our Letter to VA and Georgia SAA Regarding House of Prayer Christian Church* (Aug. 2020), <https://vetsedsuccess.org/letter-to-va-and-georgia-saa-regarding-house-of-prayer-christian-church/>.

¹¹ United States Attorney's Office, Northern District of Texas Press Release, *For-Profit Trade School Sentenced to Nearly 20 Years for Defrauding VA, Student Veterans* (Sept. 22, 2021), <https://www.justice.gov/usao-ndtx/pr/profit-trade-school-sentenced-nearly-20-years-defrauding-va-student-veterans>.

¹² U.S. Department of Education, *Financial Responsibility Standards Requiring a Letter of Credit*, <https://studentaid.gov/data-center/school/loc>.

Ensure Proper Implementation of Isakson-Roe’s Risk-Based Reviews of Colleges and Make Two Technical Corrections to the Statute

Under the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020*, VA is required to implement a risk-based approach to identify schools that require additional scrutiny and potential corrections.^{13, 14 15}

We urge the Committees to ensure this law is implemented at VA, given the large number of schools that suddenly close each year – particularly low-quality schools that engage in illegal practices and/or are put on probation by their accreditors.

A cause of concern is the VBA Education Service’s Standard Operating Procedure for Risk Based Surveys¹⁶ and Standard Operating Procedures for Targeted Risk Based Reviews¹⁷ (SOPs). While VBA is to be commended for preparing thorough and thoughtful SOPs, both SOPs represent a lack of familiarity with Section 1014 of the Isakson-Roe law, codified at 38 U.S.C. § 3673(e)(3). In essence, the SOPs appear to have confused the “scope” of a risk-based survey, codified at 38 U.S.C. § 3673A(b)(2), with the triggering events, codified at 38 U.S.C. § 3673(e)(3).

This confusion has led the SOP to incorrectly instruct State Approving Agencies (SAAs) to conduct a risk-based survey when an institution’s veteran enrollment increases from two students to four. (Enrollment increase is a factor in the statute’s “scope” of a review in 38 U.S.C. § 3673A(b)(2), but is not a triggering event for a review.)

This confusion also has led the SOP to incorrectly instruct SAAs that the loss or risk of loss of accreditation is merely an additional factor worth considering, but not a statutory trigger, in determining whether a risk-based survey is needed. This is clearly at odds with the explicit language of 38 U.S.C. § 3673(e)(3)(D), which specifically names the loss or risk of loss of accreditation as a trigger for a risk-based review. Similarly, the SOPs incorrectly limit state government actions to those that reach a courtroom, which is clearly at odds with the explicit language of 38 U.S.C. § 3673(e)(3)(C).

We appreciate that the topics outlined in 38 USC § 3673A(b)(2), such as veteran complaints, may actually indicate risk before one of the triggering events in § 3673(e)(3) occurs. Therefore, we commend VBA’s efforts to identify risky schools early. To do this, however, VBA should

¹³ Public Law No: 116-315, “Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020” (Jan. 5, 2021), <https://www.congress.gov/bill/116th-congress/house-bill/7105>.

¹⁴ Section 1013 of the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020* required the Secretary of Veteran Affairs to work with State Approving Agencies to develop a comprehensive program to conduct risk-based surveys with an effective date of October 1, 2022.

¹⁵ Arnold, Nathan et al, *Lessons from a Risk-Based Oversight Model Designed to Protect Students and Taxpayers*, (Jan. 2022), <https://educationcounsel.com/wp-content/uploads/2022/01/RiskBasedReviewReportFinal012822.pdf>.

¹⁶ VBA Education Service, Oversight and Accountability Division, *Standard Operating Procedure, Risk Based Surveys* (Jul. 22, 2022), <https://vetsedsuccess.org/vbas-standard-operating-procedures-for-risk-based-surveys-july-22-2022/>.

¹⁷ VBA Education Service, Oversight and Accountability Division, *Standard Operating Procedure, Targeted Risk Based Review (TRBR)* (Oct. 1, 2022), <https://vetsedsuccess.org/vbas-standard-operating-procedures-for-targeted-risk-based-reviews-oct-1-2022/>.

ensure that the automatic triggers for a risk-based survey in § 3673(e)(3) are incorporated into the SOPs and should develop an algorithm for using the items listed in § 3673A(b)(2) as early indicators of risk.

The SOPs also fail to embrace Section 1014's strict time limits for VA and SAAs to act, codified at 38 U.S.C. § 3673(e)(1), and also fail to embrace Isakson-Roe's methodology of assigning risk-based reviews to SAAs to complete, codified at 38 U.S.C. § 3673(e)(1), whereas VBA's SOPs state that Education Service staff ("Chief Education Liaison Office" staff) will conduct "targeted" risk-based surveys (see p. 7 of the "Targeted" SOP).

In short, it appears VA staff overlooked the new statutory language in 38 U.S.C. § 3673(e). We urge the Committees to work with VBA to ensure proper implementation of the statute. It is worth noting that both SOPs contain many thoughtful elements. For example, the "Targeted" SOP provides well-thought-out appendices providing numerous "risk indicators" worth reviewing during a targeted risk-based review (see pp. 11-12 and 18-20 of "Targeted" SOP), and we recommend keeping these lists. But we also recommend incorporating into both SOPs the requirements of 38 U.S.C. § 3673(e).

We also urge **two technical corrections** to Isakson-Roe to ensure its proper execution.

First, VA and SAAs aren't receiving some of the notifications of adverse actions against schools listed in 38 U.S.C. § 3673(e)(3). We urge the Committees to improve the statute in two ways:

- **Require schools to self-report to VA and the relevant SAA(s) any adverse actions outlined in 38 U.S.C. § 3673(e)(3)**, by adding a new section (g) to 38 U.S.C. § 3679 with the following: *"Institutions shall disclose to the Secretary and the relevant State approving agency or agencies any action or event described in 38 U.S.C. § 3673(e)(3) within thirty days of the institution's first knowledge of the action or investigation. Failure to provide such disclosures or any additional materials requested by the Secretary or a State approving agency may result in a withdrawal of the institution's eligibility to receive VA education funds."*
- **Require VA to request from other agencies information about adverse actions outlined in 38 U.S.C. § 3673(e)(3)**, with language such as: *"(1) Every 90 days, the Secretary shall request from relevant agencies and departments, including the U.S. Department of Education, U.S. Department of Labor, U.S. Department of Defense, and the U.S. Federal Trade Commission, information regarding any action or event described in 38 U.S.C. § 3673(e)(3) as well as any other adverse information about postsecondary institutions. (2) Every 90 days, each State approving agency shall request from relevant state departments and agencies, including the state higher education authorizing entity and state licensing boards, information regarding any action or event described in 38 U.S.C. § 3673(e)(3) as well as any other adverse information about postsecondary institutions."*

Similarly, the National Association of State Approving Agencies reports that SAAs get very little data about unaccredited schools. We therefore recommend that the Committees require all schools approved for VA benefits to self-report any adverse events to VA and the SAAs. The Committees also could require VA to monitor the types of actions and events listed in 38 U.S.C. § 3673(e)(3).

Second, VBA has reportedly not yet established the database required for risk-based reviews, codified at 38 U.S.C. § 3637A(c). **We recommend the committees add to § 3637A(c) the words “within 120 days”** to ensure VBA compliance.

Provide Education Benefits for General Discharges Under Honorable Conditions

Eligibility for most veterans' benefits, including compensation, pension, home loan, and insurance, requires that a veteran's character of discharge or service be under other-than-dishonorable conditions (e.g., honorable, under honorable conditions, general). Yet, even if the character of service is "general under honorable conditions," the Post-9/11 GI Bill is unfairly denied to these veterans.

During debate of the historic World War II Servicemembers' Readjustment Act of 1944, the key Senate Committee voted unanimously to uphold GI Bill entitlement for all discharges other than dishonorable, and a 1946 Senate Report declared, "It is the opinion of the Committee that such [discharge less than Honorable] should not bar entitlement to benefits otherwise bestowed unless such offense was... as to constitute Dishonorable conditions." Forty years later, a requirement was added to the Montgomery GI Bill that excluded education benefits for veterans issued General discharges under honorable conditions. This latter-day limitation was not imposed on other veterans' benefits.

According to The American Legion, between 2019 and 2021, 36,000 veterans were separated from the service with a general discharge under honorable conditions and thereby denied access to the Post 9/11 GI Bill. Thus, they were denied a critical transition benefit to assist them in adjusting to civilian life.

We urge the Committees to correct this historical inequity by granting these servicemembers the same education benefits as were provided for our nation's World War II veterans and those who served before enactment of the Montgomery GI Bill.

Oppose Full Housing Allowance for Online-Only Students

At the onset of the COVID public health emergency, when institutions had to convert to fully online programs, we supported the Committees' work to change the housing policy to allow students enrolled in such courses to continue to receive 100 percent of their residential monthly housing allowance. Today, college is back in-person and students no longer need a larger fully-online housing allowance, currently set at half the residential rate.

We understand some Members are considering a very costly policy change of providing full housing allowance for online-only education.

We strongly caution Congress about unintended consequences of such a shift in policy:

- First, this could *unintentionally incentivize veterans to leave legitimate flagship public colleges in low-rent states*, such as Kentucky or Kansas, to attend much lower quality online colleges simply because the housing allowance were higher. They would then receive a much lower-quality education all because of a perverse housing incentive. Many studies have documented the better outcomes from in-person education vs. online college;¹⁸
- Second, this could *unintentionally channel veterans to lower-quality and predatory providers, which could use the availability of a full housing allowance as a selling point to target veterans with low-value programs* that would rob them of their hard-earned benefits and leave them without the economic benefits intended by Congress. **Coming in the aftermath of having finally closed the 90/10 loophole**, a shift to full housing allowance for completely online study would make veterans a favored prey for unscrupulous schools; and
- Third, such a change would undermine the logic that providing a lower housing allowance for fully online study was designed to accommodate the additional employment flexibility and convenience that distance education is intended to provide non-traditional students. Entirely online courses are typically designed to allow students to continue working while enrolled. Full-time students need a larger housing allowance because they do not have employment to cover their housing. The lower housing allowance provided to fully online students therefore reflects this central distinction; setting it at the same rate as the one provided to veterans enrolled in in-person courses would overlook meaningful differences in expenses and opportunity costs incurred by students enrolled in the two distinct modes of delivery.

Finally, the expense of increasing BAH for online-only students does not make sense, given other Congressional priorities such as GI Bill Parity for Guard and Reserve.

Improve the GI Bill Comparison Tool – and Oppose “Yelp”-Style Reviews Because They are Easily Manipulated

We urge the Committees to consider legislation to improve VA’s GI Bill Comparison Tool. Countering the aggressive marketing by predatory colleges necessitates that VA provide consumer protection warnings and dramatically improve the GI Bill Comparison Tool.

Previous changes that have been incorporated at our urging include the ability to perform side-by-side comparisons of schools and to execute searches by major or degree sought and by geographic area. We welcome and applaud these updates, and recommend the Committees strengthen the GI Bill Comparison Tool by adding the following additional modernizations:

- Update student outcome metrics using data from ED.
- Include a “Risk Index” to enable students to avoid risky schools.

¹⁸ See, e.g., Stephanie Riegg Cellini, Brookings Institution, “How Does Virtual Learning Impact Students in Higher Education” (Aug. 13, 2021), <https://www.brookings.edu/blog/brown-center-chalkboard/2021/08/13/how-does-virtual-learning-impact-students-in-higher-education/>

- Improve the “Caution Flags” showing government or accreditor action against the school.
- Provide the text of student complaints received by VA, and require VA to show all complaints, not just those from the most recent 24 months.
- Include closed schools like ITT Tech on the data dashboard for historical reference, used by researchers and other government agencies.
- Give students the option to mark their complaint as closed to their satisfaction or not, just like the Consumer Financial Protection Bureau does.

Separately, VA is reportedly considering inviting veterans to post “yelp”-style reviews about schools. However, the U.S. Federal Trade Commission (FTC) reported¹⁹ this Fall that “yelp”-style reviews represent a persistent problem of paid positive reviews and fake reviews because “[d]eceptive and manipulated reviews and endorsements cheat consumers looking for real feedback on a product or service and undercut honest businesses.”²⁰

According to the FTC:

“Research shows that many consumers rely on reviews when they’re shopping for a product or service, and that fake reviews drive sales and tend to be associated with low-quality products. The rapid growth of online marketplaces and platforms has made it easier than ever for some companies to create and use fake reviews or endorsements to make themselves look better or their competitors look worse.”²¹

The FTC observed, **“It can be difficult for anyone—including consumers, competitors, platforms, and researchers—to distinguish real from fake, giving bad actors big incentives to break the law.”²²**

It is not hard to imagine the worst predatory schools giving veterans gift cards or other advantages in exchange for posting positive reviews about the schools.

Therefore, we strongly **urge the Committees to require VA to abandon its idea of “yelp”-style reviews and heed the FTC’s guidance.** At the least, if VA moves forward with “yelp”-style reviews, the Committees should forbid schools from paying veterans to post positive reviews with language, by enacting language that says:

“An institution shall become ineligible to enroll eligible veterans or eligible beneficiaries in courses or programs if the institution, course, or program offers, directly or indirectly, premiums, payments, stock or other securities, prizes, travel, entertainment expenses, gifts, scholarship, tuition reduction, tuition payment or reimbursement, or other inducements to veterans or beneficiaries related to any feedback the veterans or beneficiaries post on the GI Bill Feedback Tool” (borrowing from 20 U.S.C. § 1078(b)(3)).

¹⁹ Federal Trade Commission Press Release, *FTC to Explore Rulemaking to Combat Fake Reviews and Other Deceptive Endorsements* (Oct. 20, 2022), <https://www.ftc.gov/news-events/news/press-releases/2022/10/ftc-explore-rulemaking-combat-fake-reviews-other-deceptive-endorsements>.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

Strengthen Veteran Readiness & Employment (VR&E)

We applaud both Committees' commitment to the VR&E program and VA's continued efforts to improve it. As we testified previously, we recommend the Committees further decrease the number of clients per counselor and increase training for VR&E counselors to ensure consistency in counseling. Veterans have described their experiences to us as follows, demonstrating the need for more counselors who are better trained:

Veteran AI: "I reached out to [my counselor] so many times, and she was often unresponsive. When she was responsive, she was unhelpful. I reminded her that there were important deadlines to meet in my case, and she kept telling me that she had so many cases to handle and that she would do it, but she didn't....I had taken all necessary measures and followed all VA instructions, but my VR&E counselor did not do her part. As a result of [my counselor's] decision ... and subsequent failure to submit necessary documentation, I was paid by the Post-9/11 GI Bill for the spring semester, and then those payments were retroactively undone, creating VA overpayment debts for me. These debts would never have been created if my switch from the Post-9/11 GI Bill to VR&E had been completed correctly and in a timely manner."

Veteran CT: "The immense amount of stress caused by all these incidents and the lack of support from VR&E led me to email my VR&E counselor and tell her that I would just not use VR&E for the following semester."

Veteran JR: "I've spent 3 years fighting to complete the program I was approved for back in 2013 and I am running out of time to use my Benefits." Veteran JR explained he had attended a flight school with obvious quality issues and his complaint to VR&E was ignored. It appears the program was ultimately suspended due to violation of the 85/15 rule. The veteran is now attempting to enroll in a different program and is having trouble getting his VR&E benefits.

We also recommend the Committees establish a similar Monthly Housing Allowance (MHA) for VR&E students as for Post-9/11 GI Bill students.²³ Continued disparities only serve to exacerbate the typical challenges non-traditional students face in maintaining a heavy course load, while often working full or part-time. Finally, we would like to commend VA's e-VA Document Repository and Automation Initiative, which will significantly reduce an otherwise time- and effort-intensive process for VR&E counselors. This digitization and automation will allow student veterans to provide critical information in a greatly more efficient and effective manner.

²³ Veterans Education Success, Statement for the Record, House Committee on Veterans' Affairs Economic Opportunity Subcommittee Hearing, *Getting Veterans to Work after COVID-19*, July 21, 2020, <https://vetsedsuccess.org/our-sfr-for-july-21-hvac-economic-opportunity-subcommittee-hearing-getting-veterans-to-work-after-covid-19/>.

Examine Lessons Learned from the Veteran Rapid Retraining Assistance Program

While well-intentioned with some pro-veteran measures, a *Washington Post* investigative report²⁴ and student veteran complaints we have received indicate that VRRAP may have made a vulnerable population (unemployed veterans with no other unemployment assistance or VA education benefit options available to them)²⁵ an easy target for low quality or predatory schools.

The investigative report from the *Washington Post* asserts that the Department of Veterans Affairs withdrew the approval for nearly 90 schools participating in VRRAP due to the schools' failure to deliver the promised services, closing down, or engaging in deceptive practices.²⁶ One of the most publicized instances of a school's losing approval was Future Tech. In February 2022 Future Tech lost its VA approval when the Illinois State Approving Agency's investigation "found serious problems at Future Tech, including missing instructors, changing course lengths, students forced to take night courses when they had requested a day scheduled, instructors who lacked certifications, 'substantial misrepresentations' and sloppy record-keeping."²⁷ Future Tech had previously lost its approval in 2012 after officials discovered that "administrators were submitting false reports and misleading veterans about costs."²⁸ Nevertheless, it regained approval in 2017 and was eligible for VRRAP in 2021.

As concluded by the *Washington Post*, "Lawmakers didn't address VA's long struggle to police for-profit schools that engage in deceptive practices, as they set up a program that attracted many for-profit entities."

While the VRRAP program is no longer accepting new enrollees, the experiences of student veterans should be instructive for changes Congress needs to make now to strengthen the GI Bill program approval process as discussed above, and in the future when designing retraining programs. We believe the lessons learned from VRRAP should be considered when creating future programs that may incorporate similar features.

1. *Any targeted retraining program should require schools to demonstrate that they have the staff, resources, knowledge, and capacity for assisting student veterans with job placement.*

²⁴ Lisa Rein and Yeganeh Torbati, *Millions in Covid Aid Went to Retrain Veterans. Only 397 Landed Jobs.*, Washington Post (Aug. 25 2022), <https://www.washingtonpost.com/politics/2022/08/25/covid-veterans-retraining-program-school/>

²⁵ Pub. L. No. 117-2, Sec. 8006(b)(1)(listing eligibility criteria to include, not eligible to receive VA educational assistance benefits, not enrolled in any Federal or State jobs program, not rated as totally disabled due to unemployability, not receiving unemployment benefits)

²⁶ Lisa Rein and Yeganeh Torbati, *Millions in Covid Aid Went to Retrain Veterans. Only 397 Landed Jobs.*, Washington Post (Aug. 25 2022), <https://www.washingtonpost.com/politics/2022/08/25/covid-veterans-retraining-program-school/>

²⁷ *Id.*

²⁸ *Id.*

Eligible programs under VRRAP must be approved for GI Bill benefits and not lead to a bachelor or graduate degree, or approved for VET TEC²⁹. Under VRRAP, the schools receive 50% of tuition and fees when the student veteran starts the program, 25% when a student completes the program, and the final 25% if the student veteran becomes employed in a related field within 180 days.³⁰

These protections, however, failed to incentivize predatory and subpar schools to provide a quality education leading to employment. Recent data available from the Veterans Benefits Administration Education Service revealed that as of January 9, 2023, “3,635 Veterans have graduated from VRRAP, and 841 students have reported meaningful employment . . . The 180-day meaningful employment reporting period has expired for 2,770 participants who completed programs.”³¹ In February, the Education Service updated the data to show that a total of 4,113 Veterans have graduated from VRRAP with only 980 students reporting meaningful employment.³² **This suggests a mere 24% employment rate.**

While the purpose of VRRAP was to assist unemployed veterans by providing an opportunity for retraining to get a job, it does not appear that the approved programs were required to demonstrate that they have the knowledge and resources for providing job placement assistance. We recommend that any such approved employment training program require schools to demonstrate they have the appropriate resources and capacity for assisting veterans who complete the program in obtaining employment.

Further, as discussed above, complaints from VRRAP student veterans demonstrate fake programs are getting approved for the GI Bill. The GI Bill program approval criteria needs to be strengthened to protect student veterans from low quality and fraudulent schools that waste taxpayer dollars and student veterans time and effort.

2. Approved schools should have the resources and capacity to comply with VA documentation requirements in a timely fashion and to respond to veterans’ questions.

Several student veterans have reported frustration that their school failed to submit the proper verification to VA, had incorrect or no information about the ability to change classes, or was generally unresponsive. For example, one student complained: “Throughout the last 6 months, I have emailed the school’s help desk and other areas with various questions. I have had emails go unanswered after one, two, and three requests. Calls to the help desk are futile as they are not answered. . . After 6 months, I still do not know what course I have next or how long that course will last.”

²⁹ Pub. L. No. 117-2, Sec. 8006(c); see also Veteran Rapid Retraining Assistance Program (VRRAP) Frequently Asked Questions (FAQs), Q16, available from the Veteran Benefit Administration at https://benefits.va.gov/gibill/docs/VRRAP_FAQs.pdf.

³⁰ Pub. L. No. 117-2, Sec. 8006(d); see also VRRAP FAQs, Q5, available at https://benefits.va.gov/gibill/docs/VRRAP_FAQs.pdf.

³¹ Veterans Benefits Administration Education Service, GI Bill® Stakeholders Meeting, January 19, 2023, presentation, p. 12.

³² Veterans Benefits Administration Education Service, GI Bill® Stakeholders Meeting, February 16, 2023, presentation, p. 15.

3. *When launching a new program, VA counselors should be prepared and trained to deal with questions about the program.*

The VRRAP program was launched as a rapid response to concerns for veterans who lost their jobs during the pandemic, and the lead time to prepare for rollout of the program may not have been available. There are consequences for student veterans, however, who have to navigate the terms and conditions of a program when counselors are not well-informed. One student veteran inquired about getting her VRRAP benefit restored, stating: “The VRRAP program was really hard to navigate, VA reps on the phone constantly gave me differing information, and the school I picked was disappointing as it was zoom classes just doing basic examples of coding which would have no real marketability for a job.”

VRRAP was a well-intentioned program. Unfortunately, with additional perspective, there ultimately proved to be significant timing, logistical, and structural issues with the program that prevented its overall success.

We hope Congress considers these lessons to improve future programs to support the long-term success of student veterans.

Ensure Orderly Processes in Cases of School Closures

Sudden school closures leave students in the lurch, and there is no end in sight to this alarming trend. Committee members recall the closures of ITT Tech, Corinthian Colleges, Argosy University, and, more recently, three brands owned by the Center for Excellence in Higher Education (CEHE) (CollegeAmerica, Stevens-Henager, and Independence University), and many others.

Once a school has closed precipitously, student veterans are left trying to figure out their next step. We recommend the Committees require VA to protect student veterans by allowing only financially sound providers to participate in VA education programs. In addition, the Department should mandate that all VA-approved programs put in place and document safeguards against sudden shut-downs and to have pre-approved contingency plans ensuring orderly closure processes in which students are properly notified with advanced warning, are provided viable transfer options, and are guaranteed continued and permanent access to their transcripts and records. A new law in Maryland provides a useful model.³³

Forbid Transcript Withholding

Beyond sudden institutional closures, student veterans also face the unacceptably prevalent practice of transcript withholding by schools, often for minor debts at the time of withdrawal.³⁴ This unfortunate collection tactic prevents student veterans from pursuing employment opportunities or education at other institutions that may be more appropriate for their needs, and

³³ Maryland orderly school closure law: SB 446 (enacted May 7, 2020), <http://mgaleg.maryland.gov/mgawebsite/Legislation/Details/SB0446?ys=2020RS>.

³⁴ Veterans Education Success, *The Student Veteran Experience with Transcript Withholding* (Mar. 2022), <https://vetsedsuccess.org/the-student-veteran-experience-with-transcript-withholding/>.

negates the purposes for which GI Bill educational benefits were created in the first place. We believe this Congress should pass legislation banning the abhorrent practice of withholding transcripts from students, and also establish requirements that students be provided with free and secure access to their official transcripts when conditions indicate potential risks of the school closing.

Change VA’s Debt Collection Practices

We urge the Committees to rein in VA’s debt collection practices, which are intentionally aggressive but are not supported by statute, as we testified previously.³⁵ We also urge the Committees to halt VA’s debt collection for “retroactive readjustments” of GI Bill benefits awarded to a veteran. A “retroactive readjustment” means that VA adjusts a veteran’s GI Bill eligibility after the veteran has used the benefit. If the problem was VA error, and the veteran honorably relied on VA’s procedures, then it is not fair to subject the veteran to debt collection.

Provide Pre-Enrollment Counseling at VA for Student Veterans

Beyond the imperative of doing the utmost to ensure that only quality providers are allowed to access VA funds, Congress can also mandate specific data reporting and counseling practices that would enable prospective student-veterans to make well-informed choices that would improve educational and labor-market outcomes for them and produce significant savings to the federal government by rendering the programs more efficient.

- Providing more real-time data about programmatic outcomes – most notably, graduation, job placement, and labor-market earnings – would be enormously helpful for prospective students in their decisions regarding where to spend their well-earned GI Bill benefits.
- Providing student veterans with substantive pre-enrollment counseling services to assist veterans in identifying the best programs for their needs. Counseling could provide more objective, evidence-based advice to prospective students, many of whom are today subject to wildly exaggerated and sometimes deceptive advertising and recruitment pitches that place them in low-quality programs that leave them with low-value or mismatched credentials while exhausting their GI Bill benefits.
- Educating veterans about student loans – including what a “Master Promissory Note” is – is sorely needed because too many veterans wind up with student loans they did not want or need.³⁶

Expand Veterans Success on Campus

³⁵ Veterans Education Success, Written Testimony, House Committee on Veterans’ Affairs Subcommittee on Oversight and Investigations Legislative Hearing, September 19, 2019, <https://vetsedsuccess.org/our-written-testimony-for-house-veterans-affairs-hearing-on-va-debt-collection-practices/>.

³⁶ Veterans Education Success, *Veterans with Student Loans They Never Authorized or Wanted*, (Mar. 2022) <https://vetsedsuccess.org/veterans-with-student-loans-they-never-authorized-or-wanted/>.

The Committees should study the outcomes of the Veteran Success on Campus (VSOC) program (and if there are no outcomes available, request a GAO study), and, if it is showing success, then expand the program onto more campuses.

Conclusion

Veterans Education Success sincerely appreciates the opportunity to express our legislative priorities before the Committees. As the higher education industry continues to evolve in these very dynamic times, we emphasize the importance of maintaining high standards of quality. Student veterans, taxpayers, and Congress must expect the best outcomes from the use of hard-earned GI Bill benefits. We look forward to the enactment of these priorities, and we are grateful for the continued opportunities to collaborate on these initiatives.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, Veterans Education Success has not received any federal grants in Fiscal Year 2023, nor has it received any federal grants in the two previous Fiscal Years.