



**STATEMENT FOR THE RECORD
SUBMITTED TO THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
118TH CONGRESS, FIRST SESSION**

June 14, 2023

Chairman Van Orden, Ranking Member Levin, and Members of the Subcommittee:

We thank you for the opportunity to share this statement for consideration during this hearing, which includes several notable bills addressing topics in higher education and veterans education benefits. 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.

In this statement, we address the following topics: Isakson-Roe implementation hurdles, the “Ed Regs” discussion draft provisions, and potential opportunities for the Digital Transcript bill. We applaud the Subcommittee’s dedication to our Nation’s veterans, and look forward to working closely with the staff members on the advancement of many of these important topics for broader consideration.

H.R. _____, Veterans Education Oversight Expansion Act

In 2020, the House Veterans Affairs Committee led the unanimous enactment of the Isakson-Roe law, which included important new provisions requiring the U.S. Department of Veterans Affairs (VA) to conduct more careful oversight of colleges receiving the GI Bill.

Since the enactment of this law, State approving agencies (SAA) working to implement the law have encountered some obstacles, which this legislation would resolve with common-sense technical corrections. We thank the Subcommittee staff for working on these technical fixes, and we thank Representative McGarvey for introducing this important bill. We fully endorse this legislation.

We also acknowledge and thank our colleagues at the National Association of State Approving Agencies (NASAA) and The American Legion for their collaboration in identifying these technical changes. This legislation would facilitate the implementation of Isakson-Roe, and below we provide our specific feedback on the importance of each provision of this proposal:

- *Subsections (a), (b), (c)*

The Isakson-Roe law established risk-based surveys of colleges facing actions from accreditors, law enforcement, and government. The law requires an SAA to complete a risk-based survey within 60 days of becoming aware of certain events, such as punitive action by a state or a federal agency, and loss or risk of loss of accreditation.¹

The problem which has arisen is that SAAs and VA have no practical method to become aware of state actions and accreditor actions, many of which are not publicly available. On the other hand, colleges are well aware of their own situations, and should voluntarily disclose any actions they face to promote transparency with SAAs and VA.

The U.S. Department of Defense (DOD) Voluntary Education Institutional Compliance Program serves as a useful model, requiring institutions to self-report any adverse issues, under the terms of a memorandum of agreement. We believe that this reporting requirement would not be a burden on the vast majority of schools, which are already required to report this information to other Federal entities. The language is narrowly tailored to only affect a fraction of schools – those that are facing adverse action: HCM2 status, risk of loss of accreditation, and punitive actions by government agencies.

Multiple instances highlight the significance of this issue, in which VA and the SAAs may have not been informed about actions that specific colleges faced, including the following: Full Sail placed on Warning Status with its accreditor in March 2022;² Bay State College placed on Probation by its accreditor in June 2022;³ ASA College placed on Probation or more severe status with its accreditor for over a year, and also on HCM2 status with the U.S. Department of Education (ED) since March 2022;⁴ and Florida Career College placed on HCM2 status from ED in July 2022.⁵

As late as December 9, 2022, no risk-based survey had been conducted for any of these schools. It is worth noting that three out of the four mentioned schools have lost ED approval to receive Title IV funds and/or are currently closing, or already closed.^{6, 7, 8} This shows that the concerns at these schools are serious, warranting a risk-based survey under the Isakson-Roe law.

¹ [38 U.S.C. 3673](#)(e)(1)(C) and (e)(3).

² Veterans Education Success. "Letter to VA Regarding Full Sail University." Veterans Education Success, 21 Nov. 2022, <https://vetsedsuccess.org/letter-to-va-regarding-full-sail-university/>. Full Sail was not removed from Warning Status with its accreditor until January 11, 2023.

³ Veterans Education Success. "Letter to VA Regarding Bay State College." Veterans Education Success, 21 Nov. 2022, <https://vetsedsuccess.org/letter-to-va-regarding-bay-state-college/>.

⁴ Veterans Education Success. "Letter to VA Regarding ASA College." Veterans Education Success, 21 Nov. 2022, <https://vetsedsuccess.org/letter-to-va-regarding-asa-college/>.

⁵ Veterans Education Success. "Letter to VA Regarding Florida Career College." Veterans Education Success, 21 Nov. 2022, <https://vetsedsuccess.org/letter-to-va-regarding-florida-career-college/>.

⁶ Bay State College. "Bay State College Closure." Massachusetts Department of Higher Education, www.mass.edu/baystate/.

⁷ U.S. Department of Education. "Important Information for Students Attending Florida Career College." Federal Student Aid, www.studentaid.gov/announcements-events/florida-career-college/.

⁸ New York State Education Department. "ASA College (Potential Closure - No Current Educational Activity)." New York State Education Department, www.nysed.gov/asacollege/.

We have confidence that VA and the SAAs would readily carry out Isakson-Roe's risk-based survey if they were aware of these events; however, they have no additional capacity to investigate whether a particular accreditor or state agency has taken action against one of the more than 4,000 colleges in America.

Unfortunately, the Congressional Veterans Affairs Committees lack jurisdiction to compel accreditors and state government agencies to report their actions to VA and SAAs. Therefore, the best solution is to require colleges that are receiving GI Bill funds to notify SAAs and the Secretary of any relevant adverse actions or events within 30 days. This legislation would provide this needed technical change, and promote proper implementation of Isakson-Roe.

- *Subsection (d)*

Section 3699(b)(1)(B) of Title 38 restricts disapproval of programs solely to changes in law or VA policy.⁹ However, these criteria are impractical as they rarely consider instances of institutional misconduct that results in the disapproval of programs benefiting student veterans. A technical fix is needed, as both the Majority and Minority Subcommittee staff agreed to in prior years. The proposed legislation incorporates a broad catchall, which would grant the Secretary discretionary authority in determining actions that impact approval or disapproval. Implementing this additional standard would provide the Secretary with greater flexibility to address the growing problem of program disapprovals that disrupt the educational journeys of student veterans.

- *Subsection (e)*

Isakson-Roe mandated the creation of a database by VA to monitor adverse events and actions concerning colleges.¹⁰ However, VA has yet to complete this task, causing frustration among SAAs. The delay in establishing the database presents a significant challenge for schools and SAAs in overseeing compliance and enforcement. To address this issue, the proposed legislation sets a deadline of 180 days from the bill's enactment for VA to complete the database.

⁹ The current statutory standards under [38 U.S.C. 3699](#)(b)(1)(B) state the Secretary has authority to restore education benefits if program/course disapproval is due to, "(i) a provision of law enacted after the date on which the individual enrolls at such institution affecting the approval or disapproval of courses under this chapter; or (ii) after the date on which the individual enrolls at such institution, the Secretary prescribing or modifying regulations or policies of the Department affecting such approval or disapproval;"

¹⁰ Section 1013 of the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020, codified as [38 U.S.C. 3673A](#)(c) requires, "The Secretary, in partnership with the State approving agencies under this chapter, shall establish a searchable database or use an existing system, as the Secretary considers appropriate, to serve as a central repository for information required for or collected during site visits for the risk-based survey developed under subsection (a), so as to improve future oversight of educational institutions with programs of education approved under this chapter."

H.R. _____, To amend title 38, United States Code, to make certain improvements in the administration of the educational assistance programs of the Department of Veterans Affairs, and for other purposes.

We are grateful to the Subcommittee staff for their thoughtfulness in drafting this legislation, and support their intent in crafting the various provisions of this proposal. Many of these sections represent long-standing procedural or logistical challenges that negatively impact the ecosystem of VA education benefits. Below we offer technical feedback, which we believe might strengthen the language and contribute to achieving the goals of each section as intended.

- *Section 2: Payment of Full Monthly Housing Stipend for Veterans Enrolled in Final Semester Using Educational Assistance under Post-9/11 Educational Assistance Program*

We support the proposal to grant veterans in their final semester, who are carrying “incomplete course loads,” with the full monthly housing stipend. This change would provide important financial support to student veterans as they near the completion of their educational programs.

To avoid potential mistakes or inadvertent choices that could lead to the loss of benefits, we recommend clarifying the language surrounding this provision. Specifically, we suggest adding a requirement that student veterans who enroll part-time in their final semester are either currently enrolled in or have successfully completed every course required for graduation from their program of education during that specific term.

By incorporating this clarification, we can establish unambiguous guidelines that protect student veterans from unintentionally jeopardizing their benefits. This modification will promote transparency, certainty, and fairness in the implementation of the proposed policy.

- *Section 3: Notice of Department of Veterans Affairs Rule Makings Affecting the Educational Assistance Programs of the Department*

We endorse the legislative objective of providing regulated entities with timely notice before the implementation of regulations.¹¹ However, we express our opposition to a rigid one-size-fits-all approach that would uniformly delay all final rules issued by VA by six months.

¹¹ Veterans Benefits Administration staff provided insight into the delay on anticipated regulations and the related Notice of Proposed Rulemaking announcement associated with a wide variety of legislation that has been passed into law over the preceding decade. This information was shared with relevant parties during the monthly GI Bill Monthly Stakeholder call held on May 18, 2023.

As the language is currently drafted, a uniform six-month delay for all VA final rules could inadvertently result in unintended adverse consequences. It could hinder the implementation of necessary regulations and delay the benefits and protections they are intended to provide. A more flexible approach would strike a balance between providing proper notice and allowing for timely implementation of important regulatory changes. While we recognize the importance of allowing entities adequate time to adjust to regulatory changes, we believe a more nuanced approach would be more effective and practical.

- *Section 4: Notice to Educational Institutions of Risk-Based Surveys*

We acknowledge and value the attention given to resolving the difficulties associated with statutory timelines for risk-based surveys. To effectively address this issue, we instead propose a two-tiered approach to recognize unique scenarios and the appropriate application of risk-based surveys.

First, we recommend granting the authority for unannounced visits without prior notice when an SAA determines that such visits are necessary to uncover instances of fraud or other severe issues. SAAs need the tool of unannounced visits for those situations where notice of an upcoming visit could lead to a college's hiding or covering up critical problems that the SAA seeks to uncover. Unannounced visits are a necessary oversight tool to address critical problems promptly.

Second, we suggest allowing up to 30 days' notice before a visit for any non-urgent matters. This approach provides sufficient time for an institution to prepare for the visit, enabling a smooth process without compromising the integrity of the assessment.

By adopting this two-tiered approach, we believe Congress would manage the competing challenges between the need for surprise visits to uncover serious issues and the practicality of providing reasonable notice for non-urgent matters. This solution would empower SAAs to effectively carry out their responsibilities while maintaining transparency and effectiveness in the review process.

- *Section 5: Multi-Year Waivers for Educational Institutions*

We endorse the objective of relieving the administrative burden associated with annual renewals for both VA and institutions in instances where VA has determined that a waiver would be appropriate.¹² However, we are concerned about the potential for misinterpretation by VA of this provision.

¹² [38 U.S.C. 3675\(b\)\(4\)](#), which this bill proposes relabeling as 3675(2)(D), presently states, "The educational institution is approved and participates in a program under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) or the Secretary has waived the requirement under this paragraph with respect to an educational institution and submits to the Committee on Veterans' Affairs of the Senate and the Committee on Veterans' Affairs of the House of Representatives notice of such waiver."

To address this concern and provide appropriate oversight, we recommend the inclusion of a provision specifying a cap of “up to three years” for multi-year waivers. This cap would provide a reasonable timeframe for institutions to operate without the need for annual renewals while maintaining accountability.

Additionally, we propose the requirement of annual reporting to Congress, a mechanism which would serve as a transparency measure, so that the waiver program is being implemented as intended. This would also afford for congressional review and evaluation of the effectiveness and impact of the waiver process. By incorporating these safeguards, we believe it would maintain a balance between streamlining the renewal process and upholding accountability.

H.R. _____, To amend title 38, United States Code, to require, as a condition of approval under the educational assistance programs of the Department of Veterans Affairs, that educational institutions make available to eligible persons and veterans digital copies of official transcripts.

We support the intent of this bill, particularly in light of the alarming trend of continued precipitous school closures. However, we have concerns regarding the current language and its ability to achieve the intended goal. To effectively address the pervasive problem of limited access to academic records and transcripts from closed schools, we propose that Congress establishes a more targeted precondition for GI Bill eligibility.

In the current draft of the bill, we are concerned that the current terminology would fail to achieve the stated objective of this legislation:

- The term “official transcript” implies a document that is verified and unaltered, making it challenging to prove if it is provided directly to the student. Additionally, the “transcript” is merely a partial extract of the comprehensive student academic record. Instead, the Subcommittee should guarantee the permanent preservation of the complete academic record to not only facilitate the production of transcripts but also support continued employment and background check verification services that student veterans may require for several decades after attending.
- We suggest broadening the scope of the document beyond a narrow “transcript” to encompass the entire “academic record.” It is worth noting that, by statute, a transcript cannot list sensitive information such as social security numbers or other tax identifying data.¹³

¹³ 20 U.S. Code § 1232g(b)(1) states, “No funds shall be made available under any applicable program to any educational agency or institution which has a policy or practice of permitting the release of education records (or personally identifiable information contained therein other than directory information, as defined in paragraph (5) of subsection (a)) of students,” which is codified in the Code of Federal Regulations Section 99.31.

- The term “digital format” lacks a clear definition and is ambiguous due to the various available options such as PDF, screenshots, or CSV files. Providing such files to students would be no more meaningful than offering a paper copy; other institutions would consider it an unofficial transcript due to the lack of direct transmission or assurances of file integrity.
- More broadly, institutions should be required to demonstrate that they have adequate resources to guarantee proper retention of critical academic records in case of future closure. They should be required to establish arrangements with qualified third parties, typically their respective states' departments of education or other qualified archival custodians. This would ensure that students' academic records are preserved in case of school closure, and that transcription and verification services remain available to former students, even if the institution ceases to exist.
- Schools should also have the opportunity to propose alternative technology-neutral solutions that align with the intended goal, subject to the approval of the Secretary.

We believe these recommendations would offer a more robust solution to address the challenges associated with access to academic records and transcripts, while also maintaining the integrity and reliability of these documents for students, institutions, and employers.

Additional Issues Necessitating New Legislation

In addition to our comments on the legislation above, there are two issues we would like to raise for awareness of the Subcommittee. First, the present language in 38 U.S.C. 3699(c)(2) providing restoration of GI Bill benefits when a student is unable to complete a program due to the school closing or the program being disapproved if the student transfers fewer than 12 credits is statutorily set to effectively terminate on October 1, 2023. We believe this important protection for veterans should be extended to provide coverage for veterans whose schools close or programs lose approval after September 30, 2023.¹⁴

Second, we encourage the Subcommittee to consider amending 38 U.S.C. § 3680A, which addresses study abroad programs. The language presently mandates a qualifier that, “the educational institution that offers the covered study-abroad course agrees to seek the approval of the course under this chapter by not later than five years after the date of the agreement.” In practice, this requirement has proven to be overly burdensome to schools, while providing little benefit as intended. We believe removing this requirement would be beneficial to student veterans interested in studying abroad, which is an educational experience which provides a high degree of benefit to students.¹⁵

¹⁴ [38 U.S.C. 3699\(c\)\(2\)\(C\)](#), states, “This paragraph shall apply with respect to a course or program of education closed or discontinued before September 30, 2023.”

¹⁵ Current restrictions are statutorily derived from [Section 9 of H.R. 7939](#) from the 117th Congress.

Finally, we urge the Subcommittee to prioritize the modernization of program approval criteria for Title 38 programs. The current system has almost no standards, and veterans are understandably angry when they discover VA put its "stamp of approval" on scam operations. This is especially true in cases where some of these schools had their CEOs later face criminal charges, all while the U.S. Department of Justice recoups millions of dollars from the fraudsters, such as the cases of including Retail Ready Career Center and House of Prayer Bible College.^{16, 17, 18} Fraudulent programs should never be approved for GI Bill, but the statutes currently allow "anything goes." We look forward to working with the Subcommittees to establish common sense minimum standards for schools that seek GI Bill funding.¹⁹

Conclusion

Veterans Education Success sincerely appreciates the opportunity to express our views before this Committee. 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 discussion and review of these proposals, and we are grateful for the continued opportunities to collaborate on these topics.

¹⁶ 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>.

¹⁷ 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/>.

¹⁸ Beynon, Steve. "House of Prayer, a Church Accused of Squeezing Veterans for Benefits, Stripped of GI Bill Eligibility," Military.com, (October 4, 2022), <https://www.military.com/daily-news/2022/10/04/house-of-prayer-church-accused-of-squeezing-veterans-benefits-stripped-of-gi-bill-eligibility.html>.

¹⁹ Veterans Education Success. "Statement for the Record: Legislative Priorities Submitted to the Senate and House Committees on Veterans Affairs." (7 Mar. 2023), <https://vetsedsuccess.org/statement-for-the-record-legislative-priorities-submitted-to-the-senate-and-house-committees-on-veterans-affairs/>. (See pages 2 - 4).

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.