

**STATEMENT FOR THE RECORD
LEGISLATIVE HEARING
HOUSE COMMITTEE ON VETERANS AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

June 11, 2025

Chairman Van Order and Ranking Member Pappas,

We thank you for the opportunity to provide a statement for the record regarding the legislation being discussed today.

Veterans Education Success works on a bipartisan basis to advance higher education success for veterans, service members, and military families, and to protect the integrity and promise of the GI Bill® and other federal postsecondary education programs.

EXECUTIVE SUMMARY

Veterans Education Success offers our support and opposition to the following bills being discussed today:

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| ● HR ####, Expanding Access for Online Veteran Students Act | OPPOSE |
| ● HR 1965, Annual Increase to Book and Supplies Stipend | SUPPORT |
| ● HR 2720, Gold Star Family Education Parity Act | SUPPORT |
| ● HR 2954, Veterans' Transition to Trucking Act of 2025 | No Position |
| ● HR 3387, Enhancing the Transitioning Servicemember's Exp Act | SUPPORT |
| ● HR 3481, Delivering Digitally to Our Veterans Act of 2025 | SUPPORT |
| ● HR 3579, Vet Readiness & Employment Program Integrity Act | No Position |
| ● HR ####, Limit Vocational Rehabilitation extensions | No Position |

BACKGROUND

HR ####, Expanding Access for Online Veteran Students Act (OPPOSE)

Veterans Education Success strongly opposes this legislation because it would harm veterans' educational outcomes, create gross and unjustified inequities between GI Bill users, enable predatory institutional practices, and represent a misallocation of limited federal education resources. Previous attempts to make similar changes to the Post-9/11 GI Bill benefits failed because the end result created significant discrepancies in veterans' benefits.

Currently, the structure of Post-9/11 GI Bill's monthly housing allowance (MHA) reflects a deliberate policy distinction between in-person and online education delivery methods

and practical implementation challenges of implementing an MHA that is fair to all veterans. Veterans currently enrolled exclusively in online programs receive half the national average of MHAs for students attending in-person classes or \$1,118.50/month.¹ The legislation under review, however, seeks to eliminate this differential by increasing the housing allowance for online-only students to the full national average of MHAs.

Housing Allowance is Designed to Account for Realities of In-Person vs. Online Education

The differential housing allowance for online-only students reflects several policy and practical considerations that remain relevant today. This housing allowance differential is designed to account for the lower housing costs and greater employment flexibility inherent in distance education, where students typically maintain existing housing arrangements and continue working while studying and do not incur the costs that in-person students incur by relocating housing and reducing work hours to attend classes in person.

During the COVID-19 pandemic, Congress demonstrated the flexibility of this policy framework by temporarily allowing students forced online to maintain their full housing allowances. This temporary exception was appropriate because these students had already incurred housing costs based on their expectation of in-person attendance. The return to normal operations and the resumption of in-person classes provided a natural endpoint for this emergency accommodation.

Not Fair to Most GI Bill students

Increasing housing allowances for online-only students would create significant market distortions that could harm both educational quality and fiscal efficiency. The current housing allowance structure is based on DOD Basic Allowance for Housing (BAH) rates for E-5 service members with dependents, which vary substantially by geographic location.

Over 60% of schools approved for the Post-9/11 GI Bill have an MHA less than the national average (10,674 institutions). According to the VA GI Bill Comparison Tool, more than 55% of all Post-9/11 GI Bill students attend an institution with an MHA less than the national average (~450,000 students).

¹ U.S. Department of Veterans Affairs. (2025). Post-9/11 GI Bill (Chapter 33) rates. <https://www.va.gov/education/benefit-rates/post-9-11-gi-bill-rates/>

This geographic disparity would create perverse incentives for veterans to abandon high-quality, affordable public institutions in favor of potentially lower-quality online programs purely for financial reasons. For example, a veteran attending a flagship public university in states like Arizona, Indiana, Kentucky, South Carolina, or Wisconsin—where housing costs are relatively low—could receive substantially more money by transferring to an online-only institution.

To illustrate the point, last year more than 250 student veterans used their GI Bill benefits at the University of Wisconsin–La Crosse, where the monthly housing allowance was \$1,218. Under the proposed legislation, a student veteran living in La Crosse but enrolled at an online “college” would qualify for a monthly housing allowance of \$2,237 — nearly double what he’s currently entitled to and a whopping \$1,019 more per month than a veteran taking normal classes in-person at UW–La Crosse. This would create gross inequities and strongly incentivize student veterans to leave excellent colleges like the University of Wisconsin-LaCrosse in favor of lower-performing schools.

Furthermore, much of the anticipated enrollment shift would likely involve movement from low-tuition public institutions to high-tuition private online programs. This dynamic would drive up costs not only for the VA but also for the veterans themselves, who may find themselves with greater debt burdens despite higher housing allowances. The economic literature on higher education suggests that such price distortions typically benefit institutions rather than students, leading to tuition inflation without corresponding improvements in educational quality or outcomes.

Worse Outcomes in Online Education

Beyond creating an unfair situation for some veterans, perhaps the most compelling argument against increasing housing allowances for online-only students lies in emerging scholarly research literature on educational outcomes in distance learning environments. An academic paper from the Annenberg Institute at Brown University, for example, found that “enrolling in an exclusively online degree program had a negative influence on students' likelihood of completing their bachelor's degree or any degree when compared to their otherwise-similar peers who enrolled in at least some

face-to-face courses."² Another study's results suggest that bachelor's degree students in online programs perform worse on nearly all test score measures (including math, reading, writing, and English) relative to their counterparts attending in-person college classes.³ Yet another paper studied the influence of varying levels of online enrollment on community college students' likelihood of degree completion, with a particular focus on completion outcomes among traditionally underserved subgroups of students. Using institutional transcript data from a high-enrollment community college and a propensity score weighting approach, the paper concluded that enrolling in all-online courses had a negative influence on the likelihood of degree completion across subgroups of community college students, while the same groups of students with lower levels of online enrollment were more likely to complete their degrees.⁴

For veterans, the adverse outcomes of fully online education programs stand in stark contrast to the general success of student veterans in traditional higher education programs. Student veterans bring unique strengths to academic environments, including discipline, life experience, and strong work ethics developed through military service.⁵ However, these advantages appear to be less effective in purely online learning environments.

The implications of these findings extend beyond individual student outcomes to broader questions of educational investment and return. If online-only programs demonstrate consistently lower completion rates for military-connected students, policies that incentivize enrollment in such programs may actually undermine the fundamental purpose of veterans' education benefits: to provide pathways to successful civilian careers through quality education.

² Justin C. Ortagus, Rodney Hughes, and Hope Allchin. "The Role and Influence of Exclusively Online Degree Programs in Higher Education", EdWorkingPaper: 23-879, Annenberg Institute at Brown University (2023), <https://doi.org/10.26300/xksc-2v33>

<https://www.wsj.com/us-news/education/usc-online-social-work-masters-11636435900>

³ Cellini, S. R., & Grueso, H. (2021). Student Learning in Online College Programs. *AERA Open*. <https://doi.org/10.1177/23328584211008105>

⁴ Ortagus, J. C. (2023). The Relationship Between Varying Levels of Online Enrollment and Degree Completion. *Educational Researcher*. <https://doi.org/10.3102/0013189X221147522>. This scholarly work has also been documented in investigative news stories that indicate that disparities between the quality and outcomes of fully online and those of in-person programs are evident in all sectors of higher education, including nonprofit and public institutions. See Hannah Dreyfus "Duped: Students of UA's new online college can't get jobs, say school misled them on value of degrees". Arizona Republic, June 25, 2024. Lisa Bannon and Andrea Fuller. "USC Pushed a \$115,000 Online Degree. Graduates Got Low Salaries, Huge Debts." November 9, 2021.

⁵ D'Aniello Institute for Veterans and Military Families. (2024). Student Veterans: A Valuable Asset to Higher Education. Syracuse University. <https://ivmf.syracuse.edu/student-veterans-a-valuable-asset-to-higher-education/>

Exploitation by Predatory Institutions

The proposed increase in housing allowances would provide powerful marketing tools for predatory educational institutions that have historically targeted military-connected students. Deceptive and aggressive marketing and recruiting of veterans by predatory institutions has been well-documented.⁶ Veterans Education Success has documented extensive complaints from military-connected students who attended predatory institutions, often involving high-pressure sales tactics and misleading information about benefit coverage.⁷

The closure of the 90/10 loophole—which previously allowed institutions to count veterans' education benefits as private funding rather than federal aid—was specifically designed to reduce such targeting.

The proposal today would reintroduce ugly incentives for predatory targeting of veterans by bad-actor online “colleges.” Bad actor, low-quality schools would immediately jump on the legislation’s increased housing allowances as a primary selling point, and target veterans with aggressive recruiting to pull the veterans out of reputable colleges like the University of Wisconsin-LaCrosse that would better serve their educational and career objectives.

Fiscal Implications and Opportunity Costs

⁶ Holly Petraeus, “For Profit Colleges, Vulnerable GI’s,” The New York Times, September 22, 2011, <https://www.nytimes.com/2011/09/22/opinion/for-profit-colleges-vulnerable-gis.html>.

U.S. Senate Health, Education, Labor, and Pensions (HELP) Committee, *For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success*, Majority Committee Staff Report, July 30, 2012, https://www.help.senate.gov/imo/media/for_profit_report/ExecutiveSummary.pdf.

U.S. Senate Health, Education, Labor, and Pensions (HELP) Committee, *Is the new G.I. Bill working?: For Profit College Increasing Veteran Enrollment and Federal Funds*, July 30, 2014,

<https://vetsedsuccess.org/wp-content/uploads/2018/09/harkin-senate-help-report-is-new-gi-bill-working-for-profit-colleges-increasing-veteran-enrollment-federal-funds-july-2014.pdf>

And the problems continue. For example, just last year, the U.S. Federal Trade Commission announced a \$15 million settlement with Career Step, LLC, for targeting servicemembers and their spouses using false claims about job placement and career outcomes, externships, and hiring partnerships with prominent companies.

<https://www.ftc.gov/news-events/news/press-releases/2025/03/ftc-sends-more-155-million-refunds-consumers-affected-career-steps-deceptive-job-placement-employer>

Also the CA AG “Announce[d] \$4.5 Million Settlement with University of Phoenix for Unlawful Military Student Recruitment Tactics”.

<https://oag.ca.gov/news/press-releases/attorney-general-bonta-announces-45-million-settlement-university-phoenix>

⁷ Veterans Education Success. (2021). “Veterans with Student Loans They Never Authorized or Wanted”. <https://vetsedsuccess.org/veterans-with-student-loans-they-never-authorized-or-wanted/>

The additional funding required for increasing housing allowances for online-only students represents a substantial opportunity cost in terms of alternative investments in veteran education and support. Given that the Post-9/11 GI Bill represents a significant federal investment—with nearly \$100 billion budgeted between 2009 and 2019⁸—Congress must carefully prioritize uses of these resources to maximize benefits for veterans.

Several critical unmet needs in veteran education could be addressed with these resources. GI Bill Parity for Guard and Reserve service members would extend full benefits to veterans who have served their country in different capacities but currently receive reduced benefits (H.R. 1423). Improvements to Survivors and Dependents Chapter 35 benefits would better support military families who have made significant sacrifices (H.R. 2720). Restoration of benefits for veterans defrauded by predatory institutions would address ongoing injustices and provide second chances for veterans whose educational goals were derailed by institutional misconduct (H.R. 1725).

Each of these alternatives would likely produce greater returns in terms of educational outcomes and veteran welfare than simply increasing housing allowances for online-only students.

HR 1965, Annual Increase to Book and Supplies Stipend (SUPPORT)

Veterans Education Success supports H.R. 1965, which would increase the annual books and supplies stipend under the Post-9/11 GI Bill. This stipend—originally set at \$1,000 per year in 2008—has not kept pace with the rising costs student veterans face today.

H.R. 1965 would raise the stipend to \$1,400 annually and tie future increases to the Consumer Price Index (CPI), ensuring it keeps up with inflation. Since the Post-9/11 GI Bill was enacted, inflation has risen by approximately 50% (Minneapolis Federal Reserve Inflation Calculator)⁹. Meanwhile, textbook prices have surged at nearly three times the rate of inflation, according to the Education Data Initiative¹⁰. As a result, today's student veterans must often pay out of pocket to cover book and supply costs that were once fully covered—placing additional financial strain on those who have served our country.

⁸ A.W. Radford, P. Bailey, A. Bloomfield, B.H. Webster, Jr., and H.C. Park, *A First Look at Post-9/11 GI Bill-Eligible Enlisted Veterans' Outcomes*, American Institutes for Research; U.S. Census Bureau; and National Center for Veterans Analysis & Statistics, U.S. Department of Veterans Affairs (2024), available at <https://www.air.org/project/study-post-911-gi-bill-student-outcomes>

⁹ <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator>

¹⁰ <https://educationdata.org/average-cost-of-college-textbooks>

HR 2720, Gold Star Family Education Parity Act (SUPPORT)

Veterans Education Success supports H.R. 2720, the Gold Star Family Education Parity Act. This legislation corrects a long-standing inequity by ensuring that the spouses and children of fallen servicemembers—our Gold Star families—receive the same educational benefits as families of those who transferred their Post-9/11 GI Bill benefits.

Under current law, survivors relying on Chapter 35 benefits (the Survivors' and Dependents' Educational Assistance Program or DEA) receive just \$1,536 per month for full-time education. That amount falls far short of today's actual cost of college. Meanwhile, spouses and children of servicemembers who were able to transfer their Post-9/11 GI Bill benefits receive full tuition and fees, a monthly housing allowance, and a stipend for books and supplies—support that reflects the true cost of attending school. The monthly living allowance alone is, on average, 46% higher than what DEA recipients receive.

Last year, more than 250,000 survivors relied on DEA benefits, while about 115,000 spouses and children used transferred GI Bill benefits. It is profoundly unfair that families whose loved one died in service to this country receive less than those whose servicemember returned home and had the opportunity to transfer benefits. This legislation ensures that the children and spouses of the fallen are no longer left behind.

Gold Star families have already paid the ultimate price. We owe it to them to ensure their educational path is not made harder by bureaucratic discrepancies. H.R. 2720 is not just a policy fix—it is a moral obligation.

HR 2954, Veterans' Transition to Trucking Act of 2025 (No Position)

Veterans Education Success takes no position on HR 2954, Veterans' Transition to Trucking Act of 2025.

This legislation permits the VA to review and if appropriate approve apprenticeship programs that span multiple states.

We do not know enough to understand the specific issue that is being addressed with this legislation to have an informed opinion.

However, we remind this committee and the VA that we have serious concerns about the VA and State Approving Agencies' (SAAs) overall capability to effectively oversee the program approval process. Additionally, planned cuts to VA staff will only further erode VA's ability to effectively monitor these programs.

We recently released three reports reviewing GI Bill oversight, finding significantly insufficient oversight by VA of its employees' conflicts of interest and also by the SAAs in the approvals of Retail Ready Career Center¹¹ and House of Prayer Bible colleges¹² – both of which were raided by the FBI and eventually shuttered for defrauding veterans. The reports below lay out specific oversight gaps and offer recommendations to strengthen protections for veterans and improve the program approval process.

- “Results of Our Review of the Texas SAA’s Correspondence Regarding Approval of Retail Ready Career Center”
- “Results of Our Review of VA Approval Correspondence for Two House of Prayer Bible Seminaries in Georgia”
- “Despite a Long History of Employee Conflicts of Interest with For-Profit Schools, the Department of Veterans Affairs’ Oversight is Insufficient”

Given current insufficient oversight, we urge caution by the committee in opening up the GI Bill to potential areas of abuse or insufficient oversight. We think there are some clear areas for improvement by VA, including quicker action on credible complaints, stronger accountability for school quality, and better oversight and communication with SAAs.

HR 3387, Enhancing the Transitioning Servicemember’s Experience Act (SUPPORT)

Veterans Education Success strongly supports the “Enhancing the Transitioning Servicemember’s Experience Act.”

The ETS Act will make much-needed improvements to the Transition Assistance Program (TAP) to complement the recent Memorandum of Understanding (MOU) that the Departments of Defense and Veterans Affairs signed¹³ to improve the TAP.

Specifically, this bill would require TAP participation (versus making it an opt-in) and expand TAP training to military spouses. The bill would improve coordination between DOD, VA, and Labor by providing a warm handoff and identify veterans who might be at

¹¹ See Jacob Vaughn, “North Texas Trade School Owner Convicted After ‘Bamboozling’ Millions in Veterans Affairs Scheme,” Dallas Observer, September 8, 2021, available at: <https://www.dallasobserver.com/news/bamboozled-feds-accuse-trade-school-owner-of-va-tuition-fraud-sc-heme12364382>.

¹² See Alexandra Koch, “FBI Raids Georgia Church Near Military Bases, Sources Say Church Was Targeting Soldiers,” June 24, 2022, Savannah Morning News via USA Today, available at: <https://www.usatoday.com/story/news/nation/2022/06/24/fbi-raids-house-prayer-churches/7724801001/>.

¹³ <https://media.defense.gov/2025/May/30/2003728337/-1/-1/1/MEMORANDUM-OF-UNDERSTANDING-BETWEEN-THE-SECRETARIES-OF-DEFENSE-AND-VETERANS-AFFAIRS-STRENGTHENING-OUR-PARTNERSHIP-IN-SERVICE-TO-THOSE-WHO-SERVE.PDF>

risk for a difficult transition. The bill would also require “yearly surprise audits” of TAP training and require an annual report on TAP participation.

This bill also expands the window for recently separated veterans to seek transition health care. This bill would require the Government Accountability Office (GAO) to conduct a study of Skillbridge programs under 10 U.S.C. 1143(e). This bill will require the VA to maintain a website that will enable recently separated veterans to access local support programs.

The bill expands eligibility for job counseling to active duty service members eligible for TAP and ensures veterans can access TAP training materials after they separate.

HR 3481, Delivering Digitally to Our Veterans Act of 2025 (SUPPORT)

Veterans Education Success supports the “Delivering Digitally to Our Veterans Act of 2025” because it will significantly improve the VA’s ability to effectively communicate with students using their GI Bill benefits. Specifically, this legislation requires the VA to develop the ability to send and receive electronic correspondence to/from students related to their GI Bill benefits.

In today’s world, relying solely on paper mail creates unnecessary delays and confusion. Many student veterans move frequently due to academic transitions, family obligations, or housing instability — and physical mail often fails to keep pace. Offering electronic communication will ensure veterans receive timely updates about their GI Bill benefits, certifications, and eligibility without the risk of missed deadlines or lost documents.

HR 3579, Veterans Readiness and Employment Program Integrity Act (NO POSITION)

Veterans Education Success takes no position on this legislation.

This bill would require a veteran applying for vocational rehabilitation to submit a substantially complete application before receiving an initial evaluation (Sec. 2). This bill would limit the maximum duration of employment assistance to not longer than 365 days (Sec. 3). This bill would also require the VA to collect and publish aggregate wage data before and after participation in vocational training, post the average wait time for vocational rehabilitation applicants to initially meet with a counselor and conduct an independent audit of the program (Sec. 4).

We are very supportive of enhanced data collection and reporting in this legislation (section 4). We believe strongly that veterans, agency leaders, and lawmakers are well

served by having meaningful outcome data, public wait times, and an independent assessment of the program.

We do not know enough about the issues being addressed in sections 2 and 3 of this legislation. Like the previous bill, before we can provide informed feedback on whether this legislation will result in better outcomes for veterans and/or more efficient allocation of taxpayer dollars, we need to see utilization data over the past couple of years and any other analysis done on the issues.

HR ###, Limit Vocational Rehabilitation extensions (NO POSITION)

Veterans Education Success takes no position on this legislation.

This bill would limit the VA's ability to approve vocational rehabilitation programs that exceed 96 months (8 years). For programs longer than 96 months, the VA Secretary would need to sign off that "extraordinary circumstances apply," and Congress would need to be notified.

We have heard the concerning anecdotes by committee staff about veterans being enrolled in vocational rehabilitation programs for over a decade. Before we can provide informed feedback on whether this legislation will result in better outcomes for veterans and/or more efficient allocation of taxpayer dollars, we need to see utilization data over the past couple of years and any other analysis done on the issue.

Conclusion

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

Information Required by Rule XI2(g)(5) of the House of Representatives

Pursuant to Rule XI2(g)(5) of the House of Representatives, Veterans Education Success has not received any federal grants in Fiscal Year 2025, nor has it received any federal grants in the two previous Fiscal Years.

Information Required by P.L. 118-50, Division H, § 2(g)(1)

Pursuant to P.L. 118-50, Division H, § 2(g)(1), Veterans Education Success has not received any contracts, grants, or payments from a foreign government, a foreign adversary-controlled entity, or an entity or country of particular concern, as designated by the Secretary of State.