



VETERANS
EDUCATION SUCCESS

STATEMENT FOR THE RECORD

LEGISLATIVE HEARING

SUBMITTED TO THE

SENATE COMMITTEE ON VETERANS AFFAIRS

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Chairman Isakson, Ranking Member Tester and Members of the Committee on Veterans Affairs, Veterans Education Success (VES) appreciates the opportunity to share its views on legislation under consideration at today’s hearing.

VES is a nonprofit 501c(3) organization dedicated to protecting the integrity and promise of the GI Bill and other federal educational programs for veterans and service members; and, supporting student-veterans who have lost GI Bill entitlement through no fault of their own either because they were defrauded or their school closed.

VES receives no grants or funding from the Federal Government.

A Summary of VES’ positions on the bills and Discussion Draft legislation before the Committee follows. “No Position” means the measure is outside our expertise or legislative area of interest.

AGENDA ITEM	Subject / Key Word	Veterans Education Success Position
S. 75 Arla Harrell Act	Mustard Gas Claims WWII	No position
S. 111 Filipino Veterans Promise Act	WWII Claims	No position
S. 410 Shauna Hill Post 9/11 Education Transferability Act	Transfer GI Bill at Dependent’s Death	Support
S. 473 Educational Development for Troops and Veterans Act of 2017	Guard-Reserve Call-ups Entitlement	Strongly support
S. 758 Janey Ensminger Act of 2017	Toxic Substances Exposure-Related Care	No Position
S. 798 Yellow Ribbon Improvement Act	Fry Scholarship Fix	Strongly Support

S. 882	Purple Heart GI Bill Act		Strongly support
S. 844	GI Bill Fairness Act	Reserves' Medical Hold – GI Bill	Strongly support
S. 1192	Veterans TEST Accessibility Act	Licensure & Test GI Bill Consumption	Support
S. 1209	A bill to increase special pension for medal of honor recipients	MOH Stipend	No Position
S. 1218	Empowering Federal Employment for Veterans Act of 2017		No Position
S. 1277	Veterans Employment TEC Act of 2017	Coding Boot Camps	Provisional support
Section	GI Bill Discussion Draft BAG17503		
2	Consolidation of certain eligibility tiers under Post-9/11 Educational Assistance Program of the Department of Veterans Affairs	Raise Certain GI Bill Rates for Guard-Reserve	Support with comment
3	Additional Post-9/11 Educational Assistance for certain individuals pursuing programs of education in science, technology, engineering, math, or health care.	GI Bill Hike for STEM Degrees	Oppose
4	Increase in amounts of educational assistance payable under Survivors' and Dependents' Educational Assistance Program of Department of Veterans Affairs	Raise DEA Rates Comparable to MGIB	Support
5	Authorization for use of Post-9/11 Educational Assistance to pursue independent study programs at certain educational institutions that are not institutions of higher learning	Modify Independent Study	Provisional support
6	Calculation of monthly housing stipend under Post-9/11 Educational Assistance program based on location of campus where classes are attended	BAH Rate on Facilities' zipcode	Support with Comment
7	Repeal of sunset on work-study allowance from Department of Veterans Affairs for certain qualifying work-study activities		No position
8	Authorization of transfer of entitlement to Post-9/11 Educational Assistance by dependents who receive transfers from individuals who subsequently die		Support

9	Department of Veterans Affairs provision of on-campus educational and vocational counseling for veterans	Support
10	Restoration of entitlement to Post-9/11 Educational Assistance and other relief for veterans affected by school closure	Support
11	Treatment, for purposes of educational assistance administered by the Secretary of Veterans Affairs, of educational courses that begin seven or fewer days before or after the first day of an academic term	Support
12	Improvement of information technology of the Veterans Benefits Administration	Support
13	Provision of information regarding entitlement of veterans to educational assistance	Support
14	Extension of authority for Advisory Committee on Education	Support
15	Limitation on use of reporting fees payable to educational institutions and joint apprenticeship training committees	Support
16	Training for school certifying officials as condition of approval of courses for veterans educational assistance	Support
17	Modifications relating to reimbursement of expenses of State approving agencies for matters relating to administration of veterans educational assistance	Support
18	Modification of calculation of amount of educational assistance for individuals partially eligible for Post-9/11 Educational Assistance	Support

COMMENT ON SELECTED BILLS AND GI BILL DISCUSSION DRAFT PROVISIONS

S. 473 The Educational Development Act for Troops and Veterans Act (Senators Tester, Blumenthal, Brown, Murray). The bill would provide education benefits to National Guard and Reserve members called to active federal service under orders that don't qualify them for Post 9/11 GI Bill benefits, and for other purposes.

VES strongly supports the educational benefits provisions in the bill.

Sections 2-4 of this legislation would ensure that any time spent activated on mobilization authorization orders 12304a, 12304b, and 12301d of Title 10, USC counts toward eligibility for Post-9/11 GI Bill benefits for Guardsmen and reservists.

In 2012 Congress authorized the Secretary of Defense and Service Secretaries to more easily access the Reserve forces. In addition to call-ups in law for "national emergencies" and "contingency operations," the Pentagon may call Guard and Reserve formations to active duty for missions that are "pre-planned and budgeted," i.e., such missions do not require formal action by Congress or the Commander in Chief.

VES assumes the exclusion of veterans benefits for the G-R mobilized under Section 12304b and perhaps the other sections of law cited above were an oversight in the fog of enacting new deployment authorities and not an intentional slight against these service members.

Since enactment of the law-change, the Services have steadily increased their reliance on pre-planned and budgeted call-ups of the Guard and Reserve.

As a matter of principle and fairness to our nation's "operational Guard and Reserve" men and women, there is no reason to exclude them from GI Bill entitlement simply because they serve under "wrong" orders. VES strongly endorses Sections 2-4 of S. 473.

Section 6 would create a grant program with the Department of Education to help institutions of higher education establish, maintain, and improve veteran education centers – a dedicated space on a college or university campus that provides students who are veterans, members of the Armed Forces, or eligible family members a centralized location for services.

VES supports the provision. We note that the VA operates 94 VetSuccess on Campus programs at designated colleges and universities across the nation that provide VA counselors and support to veterans eligible for Vocational Rehabilitation and Employment benefits. VES recommends coordination between the VA and Dept. of Education on the new program envisioned in Sec. 6.

Section 8 of S. 473 would prorate the monthly housing allowance for the portion of the month the service member is not on active duty by amending Title 38, U.S.C. to clarify the eligibility for monthly stipends paid under the Post-9/11 Educational Assistance Program for certain members of the reserve components of the Armed Forces. VES supports Section 8.

S. 798 Yellow Ribbon Improvement Act of 2017 (Senators Cassidy, Brown, Tillis). S.798 would correct an inequity that denies Survivors entitled to the Fry Scholarship the opportunity to participate in the Yellow Ribbon matching program. Under the Yellow Ribbon participating colleges and universities may match up to half any remaining cost after GI Bill benefits are paid. The VA matches the difference. VES strongly supports S. 798.

S. 844 GI Bill Fairness Act of 2017 (Senators Wyden, Boozman). S. 844 would authorize Guard and Reserve members receiving medical care or treatment on active duty to earn GI Bill entitlement during that period of service. Under current law, reservists who are wounded, ill or injured in the line-of-duty and eligible to earn GI Bill benefits are transferred to "medical hold" status resulting in the loss of that service for the purpose of GI Bill entitlement. By contrast active duty service members continue to earn GI Bill benefits during a medical hold period of service. VES strongly supports S. 844.

S. 882. Purple Heart GI Bill Act (Senators Rounds, Boozman). S. 882 would grant full Post-9/11 GI Bill benefits to all Post-9/11 Purple Heart recipients.

Currently, only veterans who either serve at least 36 months on active duty or are medically retired receive Post-9/11 GI Bill benefits at the 100 percent rate. Those who were not medically retired and serve less than 36 months receive only a portion of those benefits on a prorated basis. Unfortunately, this leaves out many Purple Heart recipients, particularly from the Reserve Component, who were wounded on Post-9/11 battlefields, but were activated for less than three years in total. VES strongly supports S. 882.

S. 1192, Veterans TEST Accessibility Act of 2017 (Senator Rounds, Hirono). S.1192 would change the rate for reimbursing the cost of licensure and certification tests under the GI Bill to a pro-rated amount based on the actual cost of the fee charged for the test. VES supports S.1192.

S. 1277. Veterans Employment TEC Act of 2017 (Senator Boozman, Heller). S. 1277 would require the Secretary of Veterans Affairs to conduct a pilot program under which eligible veterans could enroll in high technology programs of education. (The pilot authority would not amend GI Bill statutes nor affect GI Bill benefits for veterans).

VES will not oppose S.1277 provided the following concerns are addressed.

First, we urge the Committee to add language to ensure that a legitimate, high quality boot camp receives the VA contract. Currently, the only requirement is that the boot camp has been in existence for two years, but many low-quality rip-offs have existed for two years. There is no mention of outcomes, price, scale, or population served in the definition of qualified providers. We recommend the provision require VA to survey America's best high tech companies and select a boot camp from one of the top five ranked by high tech companies.

Second, the provision includes no cap on tuition. Some proprietary boot camps charge outrageous tuition for a very short number of weeks. The tuition should be capped, such as by limiting the VA reimbursement to no more than 10% higher than the average **nonprofit** boot camp tuition price for the same time period. Another method would be to limit the boot camp tuition coverage to no more than a weekly prorated share of the annual GI Bill.

Third, we urge the Committee to consult executives from the top tech companies in Silicon Valley. Executives tell us many coding boot camps are a rip off, and that the public excitement about such boot camps may be misplaced.

Fourth, there is real concern that giving federal funding to boot camps, some of which are owned by proprietary colleges, will lead to the next big scandal. Significant quality assurance measures are needed to prevent that. At a minimum, the Committee could require that coding boot camp programs meet the current Education Department requirements for short-term programs—70% completion and 70% job placement rates. Coding boot camps are not currently eligible for Education Department funding because they are not accredited and are too short to qualify for Pell Grants. Reports show the same problems with boot camp job placement rate

claims that occurred among bad actors in the proprietary college industry, so much so that the private lenders that lend to students in these program just announced a more vigorous job placement rate definition and verification system for the coding camps.

Finally, the provision includes some clear loopholes, including failing to define the type, quality, or duration of “employment” and “meaningful employment.”

GI BILL DISCUSSION DRAFT BAG17503

Section 2. Consolidation of certain eligibility tiers under Post-9/11 Educational Assistance Program of the Department of Veterans Affairs.

This provision would raise the percentage of Post 9/11 GI Bill entitlement for the lowest two tiers for National Guard and Reserve service members with qualifying active duty service. Tier 1 – an aggregate of 90 days active duty -- would increase from 40% to 50% GI Bill entitlement. Tier 2 – aggregates of more than 180 days, but less than 360 days – would increase from 50% to 60% entitlement.

Below is a recent VA report summarizing new GI Bill entitlement by tiers:

Number of Veterans, Servicemembers, and Dependents Using the Post 9/11 Benefit, by Eligibility Level

Eligibility level	40%	50%	60%	70%	80%	90%	100%	Total
Number of Users	17,209	65,530	109,788	63,396	68,504	71,527	1,090,195	1,486,149
Percent of total	1.2%	4.4%	7.4%	4.3%	4.6%	4.8%	73.4%	100%

Source: VA (August 1, 2009 through Sept. 30, 2015).

The data indicate that over time Tier 1 and Tier 2 participants appear to migrate to higher levels of entitlement due to additional qualifying active duty service. In other words, over a 6 year period from the start of the new GI Bill only 1.2% of all users were in Tier 1. The 100% entitlement top tier no doubt includes a substantial number of National Guard and Reserve members who have served multiple qualifying tours of active duty. Unofficially, more than one million Guard and Reserve members have been called up since Sept. 11, 2001 and over 300,000 have had multiple activations.

VES recognizes and greatly appreciates the service and sacrifice of our nation’s Guard and Reserve warriors. VES is supportive of Section 2 of the Draft Bill but we wonder whether there is a demonstrated need to increase the first two tiers of eligibility at this time.

We believe strongly that the first order of business must be to resolve the inequity of denied entitlement for service under certain activation orders such as 12304b, 10 USC discussed above.

Section 3. Additional Post-9/11 Educational Assistance for certain individuals pursuing programs of education in science, technology, engineering, math, or health care.

This provision would authorize an additional lump sum payment under the P911 GI Bill for veterans who pursue degrees in science, technology, engineering, math or health care.

VES appreciates the intent of this provision. It would further the career goals of certain veterans who pursue STEM degrees and potentially benefit the economy over time. These are certainly laudable goals.

We must caution, however, that the provision would overturn a fundamental principle of all GI Bill programs extending back more than 70 years, namely, that all veterans are entitled to the same basic benefits under the GI Bill for the same service rendered to the nation.

With those benefits, veterans are free to pursue any course of study or training approved for the GI Bill that meets their personal and career needs. No veteran should get additional basic benefits on the basis of their field of study or training.

Section 3 would establish a policy that would alter this longstanding principle of benefit equity. In effect, it would say that some fields of study are inherently more valuable, thereby relegating non-STEM pursuit to a lesser level of importance to the nation. A second order consequence of the provision is that lawmakers may be tempted in the future to lower (or raise) entitlement to the GI Bill based on the attributed worth of a program of study. What happens, for example, if STEM degrees fall out of favor or are not seen as important to the economy as business degrees, for example?

Similarly, we would encourage you to consider the unintended, second order consequence of this provision in incentivizing some STEM programs to change their tuition and/or number of credits needed, in order to charge more to take advantage of this provision.

Finally, we would ask if the Committee has thoroughly consulted experts to determine if this provision is needed. We would note that the nation's finest STEM programs such as at the Massachusetts Institute of Technology and Carnegie Mellon, do not require additional time to graduate, raising the question of the necessity of this provision.

There is a current mechanism for the proposed objective – additional entitlement – at least in part. Veterans with eligibility for multiple GI Bill programs may use up to 48 months of benefits. For example, Montgomery GI Bill (Chap. 30, 38 USC) participants can use up to 12 months of entitlement and make an irrevocable election for the P911 GI Bill benefit and have 36 months of remaining entitlement for a total of 48 months of benefits.

For these reasons, VES is unable to support Section 3.

Section 4. Increase in amounts of educational assistance payable under survivors' and dependents' educational assistance program

This provision would restore the education and buying power of Survivors and Dependents Educational Assistance (DEA) benefits under Chap. 35, 38 USC.

When Congress enacted the P911 GI Bill in 2008, it also increased by 20% MGIB benefits. Unfortunately, Survivors and their dependents were left behind. Over time, the value of their benefits has fallen further behind since the annual COLA adjustments, if any, are applied to a smaller base amount.

Congress needs to do more to help Survivors prepare for their futures by restoring the value of their benefits earned by their spouses who made the ultimate sacrifice. VES strongly supports Section 4.

Section 5. Authorization for use of Post-9/11 educational assistance to pursue independent study programs at certain educational institutions that are not institutions of higher learning.

VES shares the views of the National Association of State Approving Agencies on this provision. Adequate controls should be put in place to limit the potential for abuse by “non-accredited” independent study programs. VES is very concerned that some veterans may be duped into so-called Independent Study programs that don't lead to a license, certification or other meaningful credential needed to pursue a career in a chosen field of study. State Approving Agencies and / or the Departments of Veterans Affairs, Education and Labor must be given authority to oversee programs envisioned under Section 5.

Section 6. Calculation of monthly housing stipend under post-9/11 educational assistance program based on location of campus where classes are attended.

The provision would change the method for determining the housing stipend for veterans to the location of the facility where the veteran is enrolled.

VES is supportive of the provision, provided the VA assesses the impact of the proposal on veterans. The sponsor of the House version of the bill, Rep. Paul Cook, wrote to the VA earlier this year requesting data on the how his bill would affect the housing stipend calculation system-wide. It's our understanding the VA has not yet responded to the request. We believe the housing stipend data will be helpful in determining whether to proceed with some version of this provision. The VA must assure Congress that any second or third order impact on veterans is fair and balanced.

Section 8. Authorization of transfer of entitlement to post-9/11 educational assistance by dependents who receive transfers from individuals who subsequently die.

VES supports Section 8.

Section 9. Department of Veterans Affairs provision of on-campus educational and vocational counseling for veterans.

VES notes the existence of the VetSuccess on Campus (VSOC) program at 94 campuses across the country according to the VA website. VES is supportive of Section 9 and recommends Congress and the VA assure coordination and / or integration of the new authority with VetSuccess on Campus.

Section 10. Restoration of entitlement to Post-9/11 Educational Assistance and other relief for veterans affected by school closure.

Thousands of student veterans who were enrolled in ITT and Corinthian colleges, now closed, have lost vital GI Bill benefits through no fault of their own.

VES has been in contact with nearly 1,000 of these veterans and is advising them on actions they may be able to take regarding their benefits.

Veterans regularly describe to VES various false statements that their school made in order to persuade them to enroll. For example, many veterans describe how their school inflated its job placement rates or the efforts it puts into finding students jobs. Many also report that their school misled them about the accreditation status of its programs or whether its credits transfer to other schools. Many veterans describe how their school promised them that the GI Bill would cover their entire education, only to be told later that they would need to take out loans in order to complete their education. Some even describe learning that officials at their school falsified federal aid applications by forging their names on loan applications.

One veteran told us that his school said it had a 93% job placement rating, and promised that he would have access to a nationwide network of employers. That veteran told us, "It wasn't until near the end of my schooling that I began to realize that a lot of the training I was getting was outdated, in some instances by a few years, and that I had a long way to go until I was up to par with the industry standards. I also found out that . . . my program had a success rate of only 38%. I have student loans that I am going to be paying off for years and really I have nothing to show for it."

Another veteran, Travis, attended ITT Tech. Travis asks, "Why was I getting outdated material? Why were instructors not even competent in what they teach? How could I know more about the subject than my own instructor? This was MADNESS!" He goes on, "What more can we do about this because at the end of the day the veterans are the ones taking the biggest hit! Lost GI Bill that we can't recoup, lost time away from family and friends and nothing to show for it! What about my time going to this school, sleepless nights studying for exams and finals, driving to school, driving home from school? As Veterans, the Education system has to do more for us! They should give us our time back towards our GI Bill that was used. Maybe in the future they will look more into these schools so this type of thing never happens again!"

Those veterans are just a few examples of thousands who served their country, chose to use the educational benefits they earned in the military in order to transition into civilian life, yet later discovered that their school defrauded them, provided a subpar education, and in some cases could not even keep its doors open. Along with wasting their GI Bill benefits, many of these veterans are now saddled with overwhelming student loan debt. As Travis told us, "It's affecting me as well as other veterans. Sometimes just dwelling on it brings me to tears because, in reality, at the end of the day, you honestly feel like a failure. You try so hard to get your education in order and then this happens."

Section 10 would restore up to four weeks GI Bill entitlement and a housing stipend under specific criteria in cases where a school closed permanently and the veteran did not receive credit or lost training time towards a program of study. The effective date would be the beginning of fiscal year 2015.

VES supports Section 10. VES recommends the Committee provide a more generous reinstatement of benefits than four weeks of GI Bill, such as by providing the entire GI Bill reinstated as in the House bill by Congressman Messer. Additionally, we recommend the Committee amend the provision to include student veterans who were defrauded by the now-closed Corinthian Colleges.

Section 11. Treatment, for purposes of educational assistance administered by the secretary of veterans affairs, of educational courses that begin seven or fewer days before or after the first day of an academic term.

VES supports Section 11.

Sections 12-15. VES supports.

Section 16. Training for school certifying officials as condition of approval of courses for veterans educational assistance.

This provision has the potential for reducing errors in calculating benefit entitlement and overpayments under the GI Bill programs for veterans by requiring school certifying officials to be trained by the VA as a condition for the school to be approved for such benefits. VES supports Section 16.

Section 17. Modifications relating to reimbursement of expenses of state approving agencies for matters relating to administration of veterans educational assistance.

This provision would increase funding for the State Approving Agencies (SAAs). SAAs are essential to the management and integrity of GI Bill programs, which is in our veterans' best interest. Funding for the SAAs has been flat-lined for over 10 years except for modest increases

under annual COLAs. The provision would raise annual funding by discretionary appropriation of \$3 million per year. VES supports Section 17.

Section 18. Modification of calculation of amount of educational assistance for individuals partially eligible for post-9/11 educational assistance.

This provision would change the method of calculating GI Bill benefits for veterans who have less than a 100% entitlement.

The following example illustrates the inequity. A veteran has 50% eligibility for the P911 GI Bill. She can receive 50% of the **net** tuition and fee costs paid, up to a maximum of half the private school cap.

The annual tuition and fee charges for this veteran are \$20,000, which is less than the annual cap if it's a private school.

The veteran applies for grants and scholarships from outside sources, the school, and from their employer. The veteran receives \$10,000 in tuition scholarships for the school year.

When certifying the veteran's enrollment to VA, the school reports net tuition and fee charges of \$10,000 (actual charges minus scholarships). VA pays 50% of the reported charges, or \$5,000.

The veteran now has to come up with another \$5,000 to pay the balance. But if any of those additional funds are tuition scholarships or employer assistance, it will further reduce the calculated net tuition and fees and further reduce the amount the VA pays.

Section 18 would make the inclusion of any scholarship, or other Federal, State, institutional, or employer-based aid or assistance (other than loans and any funds provided under section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b))) that is provided directly to the institution and specifically designated for the sole purpose of defraying tuition and fees, no longer applicable to the net tuition and fee calculation for those with less than 100% eligibility.

VES supports Section 18.

Veterans Education Success appreciates the opportunity to express our views before the Committee. We thank the Members for their enduring interest in and support of our nation's veterans, survivors and their family members.