



STATEMENT FOR THE RECORD

***H.R. XXXX, the “Harry W. Colmery Veterans
Educational Assistance Act of 2017”***

SUBMITTED TO THE

HOUSE COMMITTEE ON VETERANS AFFAIRS

FIRST SESSION

115th CONGRESS

JULY 17, 2017

Chairman Roe, Ranking Member Walz and Members of the Committee on Veterans Affairs, Veterans Education Success (VES) appreciates the opportunity to share its views on **H.R. XXXX, the “Harry W. Colmery Veterans Educational Assistance Act of 2017”** 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.

VES is very grateful to the leadership, Members and staff of the Committee for its extraordinary work on this landmark legislation. In concert with 37 other veteran and military groups, we particularly are thankful for the Sections concerning:

- defrauded veterans at closed schools (with modification) – Section 107
- Purple Heart recipient entitlement -- Section 103
- National Guard / Reserves call-up entitlement – Sections 101, 402 and 403, and
- A Yellow Ribbon matching authority for the Fry Scholarship program for Survivors – Section 108

We are also deeply appreciative of the unprecedented extension of unused GI Bill benefits over the lifetime of future veterans. These and other improvements in the legislation honor the legacy of the creator of the historic WWII GI Bill, Harry W. Colmery of the American Legion.

COMMENT ON SELECTED PROVISIONS IN THE “HARRY W. COLMERY VETERANS EDUCATIONAL ASSISTANCE ACT OF 2017

Section 101. Consideration of Certain Time Spent Receiving Medical Care from Secretary of Defense as Active Duty for Purposes of Eligibility for Post-9/11 Educational Assistance.

This section would add time spent on active duty under orders authorized by section 12301(h) of Title 10, U.S.C., as qualifying time for the Post-9/11 GI Bill. These particular orders are used when a National Guardsman or Reservist is receiving medical care or is recovering from active duty wounds, illness or injury. ***VES strongly supports Section 101.***

Section 102. Consolidation of Eligibility Tiers under Post-9/11 Educational Assistance Program of the Department of Veterans Affairs.

This section would authorize additional GI Bill funding for members of the National Guard and Reserve. This section would increase the amount of money/eligibility that individuals receive who serve at least 90 days but less than 6 months on active duty from 40% to 50% benefit payable. It would also increase the amount of money/eligibility that individuals receive who

serve at least 6 months but less than 12 months from 50% to 60% benefit payable. **VES supports Section 102.**

Section 103. Educational Assistance Under Post-9/11 Educational Assistance Program for Members of the Armed Forces Awarded the Purple Heart.

This section would extend full eligibility for the Post-9/11 GI Bill to any Purple Heart recipients since September 11, 2001.

Currently, only veterans who serve either 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 Section 103.**

Section 104. Eligibility for Post-9/11 Educational Assistance for Certain Members of Reserve Components of Armed Forces who Lost Entitlement to Educational Assistance under Reserve Educational Assistance Program.

This section would allow certain members of the Reserve component to transfer into the Post-9/11 GI Bill who lost educational assistance benefits when Congress repealed the Reserve Educational Assistant Program (REAP). **VES strongly supports Section 104.**

Section 105. Calculation of Monthly Housing Stipend under Post-9/11 Educational Assistance Program Based on Location of Campus where Classes are Attended.

This section would change the way living stipend amounts are calculated, from the current rule that says the living stipend payment is based on where the school is located to instead having the payment calculated based on where the student attends the majority of their classes. VES is grateful to the Committee for its attention to the problem of predatory colleges gaming the housing allowance to induce enrollments. VES is concerned that the current bill is still open to abuse by bad-actor schools. **VES suggests, as an alternative, that the Committee direct VA to review its present methodology and make recommendations to Congress within three months of the date of enactment of this legislation.**

Section 106. Charge to Entitlement for Certain Licensure and Certification Tests and National Tests under Department of Veterans' Affairs Post-9/11 Educational Assistance.

This section would change the current rules that require veterans be charged an entire month of entitlement to pay for any national test (GMET, GRE, SAT etc.) or test that is required for state licensing. Instead of a full month of entitlement the bill would require that the test be prorated to the amount of the actual cost of the test. **VES supports Section 106.**

Section 107. Restoration of Entitlement to Post-9/11 Educational Assistance for Veterans Affected by Closures of Educational Institution.

This section would restore one semester of entitlement to individuals when their school closes during the course of a semester. This section would also authorize additional living stipend payments to be paid to students whose school during the course of a semester for no more than 4 months, or the length of the semester, where they were attending training.

VES is appreciative of the Committee's desire to help defrauded veterans at closed schools. Thousands of student veterans and their families who were enrolled in ITT Tech and Corinthian colleges, now closed, have lost vital GI Bill benefits through no fault of their own.

It is worth bearing in mind that, at the time of its closure, ITT Tech credits were generally not respected or accepted for transfer by other schools. Indeed, the event precipitating ITT's closure (namely, the Education Department's request for an additional letter of credit and demand that ITT stop enrolling new students) was imposed because ITT had failed to answer ITT's accreditor's demand that ITT "show cause" why it should remain accredited, in light of evidence of substandard quality.

This provision is in need of a technical fix because ITT Tech closed in-between terms, not during the course of the term. Therefore, ITT Tech student-veterans would not be authorized the relief envisioned in the provision, contrary to the Committee's intent.

Moreover, VES respectfully submits that the Committee's reinstatement of only one semester of entitlement is insufficient to veterans who have lost their entire GI Bill through no fault of their own. Thirty-eight leading veterans and military service organizations wrote to the Committee on June 5, 2017¹, asking the Committee to favorably report HR 1216, which reinstates full GI Bill benefits to veterans at closed schools – and the letter recommended to make it retroactive to also cover veterans at shuttered Corinthian Colleges.

As an alternative, VES respectfully urges the Committee to consider mirroring the U.S. Education Department's method of handling Closed School Discharges of student loans (available at 34 CFR 685.214). The Education Department's policy for students with Title IV loans makes sense: no loan discharge if a student benefited from the credits he earned at the closed school either through a teach-out arranged by the school or by transferring those credits to a comparable program at a new school. For veterans who were enrolled in closed schools, this would translate to reinstatement of GI Bill benefits under Title 38. The veteran would get total reimbursement of her GI Bill if she enjoyed no benefit from the closed-school credits. It

¹ See Letter to Chairman Phil Roe and Ranking Member Tim Walz from 38 veterans and military service organizations, June 5, 2017, available at https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/59358ee63e00be856f3addb6/1496682216257/GI+Bill+2017+Asks+-+letter_signed.pdf

would enable veterans who are left behind with lost GI Bill benefits to start over, as other students can, and reach their goals.

VES has been in contact with nearly 1,000 veterans from ITT Tech and Corinthian, 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."

VES respectfully recommends the Committee allocate funding from the 'STEM' provision (Section 110) to provide fuller reinstatement of benefits. *VES can support a modified Section 107 as discussed above.*

Section 108. Inclusion of Fry Scholarship Recipients in Yellow Ribbon GI Education Enhancement Program.

This section would extend the Yellow Ribbon Program to students receiving GI Bill payments through the Fry Scholarship program and those who received a Purple Heart after September 11, 2001. Fry recipients are surviving dependents of servicemembers who died while serving on active duty. ***VES strongly supports Section 108.***

Section 109. Additional Authorized Transfer of Unused Post-9/11 Educational Assistance Benefits to Dependents upon Death of Originally Designated Dependent.

This section would allow a veteran to transfer remaining months of GI Bill entitlement to another dependent if the dependent who originally received the transferred benefits dies before that person can use all of the benefits. The section would also allow a dependent to transfer remaining months of GI Bill entitlement to another dependent after the death of the servicemember or veteran. ***VES supports Section 109.***

Section 110. Edith Nourse Rogers STEM Scholarship.

This section would authorize VA to provide additional GI Bill funds to certain student veterans enrolled in academic programs in science, technology, engineering or math degrees. They would be eligible to apply for the program, which would pay for the lesser of nine additional months of Post-9/11 GI Bill or a lump sum of \$30,000. The amount of money that could be spent on this program would not exceed \$100,000,000 in any one fiscal year. The estimated cost of Section 110 is approximately \$1 billion over ten years.

VES remains concerned about the STEM provision and believes it fundamentally alters the longstanding principle of equal benefits for equal service rendered to the nation by members of our Armed Forces.

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.

However, 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 110 would establish a policy that alters 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, an unintended consequence of the Section may be to **incentivize colleges to artificially increase their tuition, fees and credit requirements**. Thus, this provision may create waste, fraud, and abuse – all to the benefit of bad actors. Predatory schools have been known in the past to artificially increase their tuition to take advantage of additional benefits. This was well-documented following the Vietnam War and more recently.

We 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 also a current mechanism for the proposed objective – additional entitlement – at least in part. Veterans with multiple GI Bill program entitlement 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. In fairness to all veterans, Section 107 should be reconciled with current statutory authorities on multiple benefit program entitlement.

Finally, VES is concerned that Section 110 creates a permanent authority for STEM enhanced benefits under new Section 3320, 38 USC. Over time, we believe the mere assumption that a STEM program benefit hike is deserved or needed will be challenged by veterans taking other courses of study. After all, a recent study showed that 53% of GI Bill users graduate with a degree in business. Are they less worthy of enhanced benefits?

If the Committee proceeds with this initiative, VES respectfully recommends as an alternative a 5-year pilot program along the lines of the “coding boot camps” provision in Section 114 to measure degree completions and employment outcomes in STEM fields.

VES also respectfully recommends that some of the funding for Section 110 – approximately \$1 billion over 10 years – be applied to fully restore lost entitlement for defrauded student veterans (Section 107) and to increase entitlement for Survivors under Section 203.

VES is unable to support Section 110.

Section 111. Honoring the national service of members of the Armed Forces by elimination of time limitation for use of entitlement.

This section would eliminate the current time limitation to use the GI Bill for new members of the Armed Forces. Student veterans currently have 15 years from the date of their last active duty discharge to use the benefit.

This provision offers enormous potential for supporting future veterans over their lifetime by allowing them to apply unused GI Bill entitlement at various times as their careers, personal needs and aspirations change.

The provision also offers an historic opportunity for the Armed Forces to offer a more compelling enlistment incentive for young Americans contemplating military service. ***VES strongly supports Section 111.***

Section 112. Monthly Stipend for Certain Members of the Reserve Components of the Armed Forces Receiving Post-9/11 Educational Assistance.

This section would require VA to pro-rate the GI Bill housing stipend provided to National Guard and Reserve members who are called up for active duty during the middle of a month. Current law prohibits them from pro-rating the stipend so if the reservist is on active duty orders for even one day of a month they lose the entire months' worth of VA housing allowance. ***VES supports Section 112.***

Section 113. Improvement of Information Technology of the Veterans Benefits Administration of the Department of Veterans Affairs.

This section would authorize \$30 million to improve GI Bill claims processing and complete their rules-based processing system for these claims. VES recommends the Committee ensure the \$30 million funding for upgrading educational claims processing technologies is earmarked so that the Dept. of Veterans Affairs is prohibited from applying the funding elsewhere in the general operating accounts of the Dept. ***VES supports Section 113.***

Section 114. Department of Veterans Affairs High Technology Pilot Program.

This section would authorize VA to conduct a 5-year pilot program that would provide veterans the opportunity to enroll in high technology courses (coding boot camp, IT certifications etc.). VA would enter into contracts with these schools or programs and would provide tuition and fees payments on a sliding scale that incentivizes the schools to graduate the student and ensure they find a job in their field of study. The section would also authorize a living stipend payment equal to the Post-9/11 rate to students while they are using the benefit. Section 114

does not alter GI Bill statutes under Title 38 since the VA will manage the pilot programs directly with contractors. VES appreciates the Committee's inclusion of some quality controls in the authorizing language. VES respectfully urges the Committee to require VA to develop criteria to preclude participation in the pilot by low-quality coding boot camp programs. This can be done without burdening VA by requiring VA to limit its selection to programs that submit evidence to VA their program is recognized and accepted by leading technology employers as sufficient for employment in the field of study.

VES also suggests that the 3-year report to Congress, like the 5-year report to Congress, include whether graduates obtained employment for at least 6 months, and, in both the 3-year and 5-year reports, that employment be clarified to mean "in the field of study."

VES supports Section 114 provided the additional safeguards noted above are added.

Section 201. Work Study Allowance

This section would repeal the sunset date in the law that allows VA work-study benefits for outreach to student veterans and to assist State Approving Agencies. ***VES supports this provision.***

Section 202. *Duration of Educational Assistance under Survivors' and Dependent' Educational Assistance Program (DEA).*

This section would change the number of months of entitlement for individuals who become eligible for the Survivors' and Dependents' Educational Assistance Program from 45 months to 36 months. This would re-align this program with other GI Bill programs that provide 36 months of eligibility for educational assistance. This change would only apply to individuals that become entitled to this program on or after August 1, 2018.

VES notes that the original intent for a 45-month pro-rated entitlement was to enable Survivors coping with their loss while often juggling multiple career and family responsibilities to complete their educations or training. ***VES recommends the Committee carefully consider the views of the Tragedy Assistance Program for Survivors (TAPS) on Section 202.***

Section 203. Olin E. Teague Increase in the Amounts of Educational Assistance Payable Under Survivors' and Dependent' Educational Assistance Program (DEA).

This section would increase the monthly payment for educational assistance provided under Survivors' and Dependent' Educational Assistance Program by \$200 a month.

When Congress enacted the Post 9/11 GI Bill in 2008, it also increased Montgomery GI Bill (MGIB) benefits by 20%. Because no matching increase was made to DEA, 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. ***VES strongly***

supports Section 203. We also recommend an additional increase to DEA to close the gap with the MGIB by re-allocating some funding from the STEM provision – Section 110 – to this section (See comment on Section 110).

Section 301. State Approving Agency Funding.

This section would increase the funding out of VA's mandatory account for the State Approving Agencies (SAA) from \$19 million a year to \$21 million a year. The section also would authorize VA to provide an additional \$3 million a year to the SAAs out of the Department's discretionary account; and, beginning in fiscal year 2019, require VA to provide a cost of living adjustment increase to the SAAs budget in an amount that equals the same percentage increase as benefits provided under the Social Security Act. **VES strongly supports Section 301.**

Section 302. 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.

This section would allow an eligible individual to use their GI Bill benefit for an accredited independent study program (including open circuit television) at an educational institution that is an area career and technical education school or a postsecondary vocational school providing postsecondary level education.

VES is concerned that this provision unwittingly invites predatory behavior by schools offering subpar quality. We recommend quality controls be added. Specifically, the Committee should require that VA put the burden on the school to submit evidence that its program of independent study is recognized and accepted by the regional business area in which the student is located as sufficient for employment in the field of study. In addition, just as the Committee required in its recent Career Ready Student Veterans Act, enacted as part of the Miller-Blumenthal Omnibus in December 2016, the Committee should require that accreditation be either national or regional (since the current drafting would exclude regionally-accredited schools, which include most public and non-profit schools), and that the institution providing the program not provide any commission, bonus, or other incentive program based directly or indirectly on success in securing enrollments. **VES does not support the provision in its current form.**

Section 303. Provision of Information on Priority Enrollment for Veterans in Certain Courses of Education.

This section would require VA to include on its GI Bill College Comparison Tool, information on whether a school has a priority enrollment system in place that allows veterans to enroll in courses earlier than other students attending the school. **VES supports Section 303.**

Section. 304. Limitation on Use of Reporting Fees Payable to Educational Institutions and Sponsors of Programs of Apprenticeship.

This section would allow VA to provide a fee to schools or a sponsor of a program of apprenticeship for the reports or certifications that these institutions are required to submit to VA about the individuals at their school receiving GI Bill benefits. This section would require VA to provide \$16 to the institution for each individual that they certify as using GI Bill benefits at their institution. This section would also require that schools with 100 or more enrollees using GI Bill benefits, may not use the funds received by the institution from the reporting fees for the institution's general fund and that these funds may only be used for veterans programs at that institution. **VES supports Section 304.**

Section 305. Training for School Certifying Officials.

This section would require VA, in consultation with the SAA's, to provide requirements for training for school certifying officials at educational institutions that are approved for GI Bill benefits. This section would also allow VA to disapprove a course of education if a school does not ensure that the school certifying official meets the training requirements.

Section 305 implements a GAO recommendation (GAO Report 16-42) to reduce the incidence of overpayments under the GI Bill. The VA identified \$416 million in Post-9/11 GI Bill overpayments in fiscal year 2014, affecting approximately one in four veteran beneficiaries and about 6,000 schools according to the Report.

The GAO noted that “[O]verpayments also occur when schools make errors, such as reporting enrollment information incorrectly, which VA officials said is sometimes attributable to a lack of training. For example, some school officials routinely made systematic errors reporting enrollment information, creating thousands of dollars in overpayments. Not all school officials attend the different training opportunities VA offers and VA officials said the agency lacks the authority to require school officials to participate in any of them. VA officials said they would like school officials to take a minimum level of training, which could help reduce errors and related overpayments.” [emphasis added]. **VES strongly supports Section 305.**

Section 306. Extension of Authority for Advisory Committee on Education.

This section would extend the authority for VA's Advisory Committee on Education from December of 2017 through to December of 2022. **VES supports Section 306.**

Section 307. Department of Veterans Affairs Provision of On-Campus Educational and Vocational Counseling for Veterans.

This section would codify VA's Veterans Success on Campus (VSOC) program, which is administered and overseen by the Vocational Rehabilitation and Employment Service (VS&E). There are currently 94 schools with a VSOC program, which provides a VR&E counselor at each school to assist veterans with their transition from military to college life as well as who provide the support and assistance needed to pursue their educational and employment goals. **VES**

supports Section 307 and strongly recommends the Committee direct the VA to rapidly expand the VSOC program to campuses that have a minimum number of enrolled veterans.

Section 308. Provision of Information Regarding Veteran Entitlement to Educational Assistance.

This section would require VA to make available to educational institutions, the ability to view the remaining benefit amount for each veteran attending that institution. This section would also allow the veteran or her dependent (if they are a beneficiary of their GI Bill benefits) to opt out of the school's ability to receive such information from VA. **VES supports Section 308.**

Section 309. Treatment, for Purposes of Educational Assistance Administered by the Secretary of Veterans Affairs, of Educational Courses that Begin Seven or Fewer Days after the First Day of an Academic Year.

This section would provide more flexibility to the school certifying officials if the first day of a course does not start on the first day of an academic term, by allowing the school certifying official to certify the course as beginning on that day first day of the academic term for purposes of certifying a veteran for GI Bill benefits. **VES supports Section 309.**

Section 401. Eligibility of Reserve Component Members for Post 9/11 Educational Assistance.

This section would make individuals eligible for Post-9/11 GI Bill benefits who serve under Sections 12304, 12304a or 12304b 10 USC orders. Any active duty service under these Reserve component orders retroactive to the date of enactment of the Post-9/11 Veterans Educational Assistance Act of 2008 would apply for such benefits going forward.

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 service members 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.

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. Section 401 is extremely important to the nations' "total force" policy and to the morale and, ultimately, the readiness of our Reserve forces.

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 the 'wrong' orders. **VES strongly supports Section 401.**

Section 402. Time Limitation for Training and Rehabilitation for Veterans with Service-Connected Disabilities.

This section would also make Sections 12304, 12304a and 12304b 10 USC orders eligible for benefits under the Vocational Rehabilitation and Employment program in chapter 31 of title 38, U.S.C. ***VES strongly supports Section 402.***

Veterans Education Success appreciates the opportunity to submit our views on H.R. XXXX, the “Harry W. Colmery Educational Benefits Act of 2017. VES respectfully requests inclusion of this Statement in the official record of this hearing; and, we thank the Chairman, Ranking Member and Members of the Committee for their enduring interest in and support of our nation’s service men and women, veterans, survivors and their family members.