

## **New Data Reveals For-Profit Colleges Take in Bulk of Active Duty Military Education Benefits**

*Findings Underscore the Need for DOD Rules to Protect Service Members from Fraud, Waste and Abuse*

WASHINGTON – Senator Tom Harkin (D-IA) today released new Department of Defense (DoD) data showing that for-profit colleges received half of all military Tuition Assistance (TA) dollars – \$280 million out of \$563 million spent last year on the program that gives service men and women the opportunity to take college classes while on active duty. This new information underscores the impact of for-profit colleges' aggressive recruiting on bases and military-related websites. It also emphasizes the importance of strengthening eligibility requirements for colleges participating in the TA program in order to ensure that servicemembers and their spouses are getting a quality education and taxpayer dollars are not being wasted.

“I hope that the Defense Department will do more to ensure servicemembers are using their one-time education benefits at colleges that provide them with a quality education and the tools they need to succeed,” said Harkin. “In light of the aggressive and misleading recruiting employed by some for-profit colleges, DoD should institute protections and quality assurances from schools in order to receive Tuition Assistance funds, including requirements that colleges and universities provide important academic and student support services. We owe the men and women in our armed forces a tremendous debt, and it is only fair that we do our part to help them succeed by cracking down on unscrupulous companies that are after their hard-earned benefits but not willing to provide them a good education in exchange.”

“It is essential that taxpayer dollars used by DoD and VA to fund education programs for our service members and veterans go to schools that are focused on degree attainment and meaningful employment - not just recruiting numbers,” said Michael Dakduk, Executive Director of Student Veterans of America. “This new data showing so much money going to schools with exceptionally low performance is truly alarming.”

“Service members count on DoD education benefits to further their professional development and help secure jobs after they leave service. We must ensure that the education they receive using the benefits they have earned is of the highest quality. It is imperative that service members and their families have all the information that they need to ensure that they can make smart and productive educational choices,” said Tom Tarantino, Deputy Policy Director of the Iraq and Afghanistan Veterans of America.

“Military tuition assistance has long served as a key element in the professional development of our nation's all-volunteer Armed Forces. The Military Officers Association of America (MOAA) believes more must be done to ensure the highest quality outcomes from this investment in our most precious resource, our military men and women,” said VADM Norb Ryan, USN (ret.), President of MOAA.

“It is critical that our members be fully informed about the true value and usefulness of prospective college programs before spending their precious educational benefit dollars,” said

Retired Colonel Peter J. Duffy, Deputy Director of Legislation at the National Guard Association of the United States.

In December, Senator Harkin led a bipartisan coalition of 52 Senators in urging DoD to delay the implementation of a new agreement governing school eligibility for the TA program in order to make critical improvements that protect servicemembers and taxpayers. As drafted, this Memorandum of Understanding (MOU) fails to address many of the key issues facing military students and at the same time discourages high-quality institutions from continuing to participate in the TA program. Originally, the deadline for schools to sign the MOU was January 1, 2012, but following the bipartisan letter, the DoD announced a 90-day delay to address concerns raised by the Senators and service member and veterans organizations.

The HELP Committee's analysis reveals:

- Six of the top 10 TA recipients are for-profit colleges. Those six alone pull in more than two-thirds of all TA dollars going to the for-profit sector.
- A HELP Committee analysis of student outcomes at four of those companies shows that 60 percent of students dropped out of the schools less than a year after enrolling.
- The HELP Committee has documented additional problems at several of the companies in the top 10:
  - Bridgepoint employs 1,700 recruiters but just 1 job placement counselor while numerous students log complaints about the lack of support services.
  - TUI received a citation from the Department of Education for financial aid mismanagement in 2009 and its accrediting agency is currently reviewing its accreditation status.
- A bigger share of military educational benefits goes to for-profit colleges with questionable or unknown outcomes than any other federal education program.
- For-profit colleges are rapidly increasing the amount of TA benefits they take in, with one company demonstrating a 199 percent increase in a two-year period.
- For-profit colleges are taking in more than 60 percent of the tuition assistance available to military spouses through the Military Spouse Career Advancement Accounts (MyCAA) program.
- Four of the top 10 schools receiving MyCAA funds are largely unregulated by the U.S. Department of Education.

Today's announcement follows last fall's [HELP Committee analysis](#) revealing that the top 10 recipients of Post 9/11-G.I. Bill education benefits include eight for-profit higher education companies, even as students attending colleges operated by these companies have a one year drop-out rate of almost 60 percent. Together, those eight companies collected \$626 million last year.

Senator Harkin, Chairman of the Health, Education, Labor and Pensions Committee, has conducted an [investigation](#) into the for-profit college sector over the past year and released a [report](#) in December 2010 on the industry's recruitment of veterans.