

February 2, 2017

The Honorable Lamar Alexander
Chairman
Senate Committee on Health, Education, Labor
& Pensions
U.S. Senate

The Honorable Patty Murray
Ranking Member
Senate Committee on Health, Education, Labor
& Pensions
U.S. Senate

The Honorable Virginia Foxx
Chairwoman
House Committee on Education & the Workforce
U.S. House of Representatives

The Honorable Bobby Scott
Ranking Member
House Committee on Education & the Workforce
U.S. House of Representatives

Dear Chairmen Alexander and Foxx, and Ranking Members Murray and Scott,

On behalf of national organizations representing our nation's military servicemembers, veterans, survivors, and military families, we write to urge you to ensure that important laws and regulations protecting students are not watered down or eliminated. We hope that bipartisan agreement is possible in order to protect America's military heroes and their families.

As you may know, veterans, servicemembers, survivors, and military family members are too often singled out and targeted with the most deceptive, fraudulent college recruiting. A loophole in the Higher Education Act's "90/10 rule" has the unfortunate effect of incentivizing proprietary colleges to view veterans, servicemembers, survivors, and military families as "nothing more than dollar signs in uniform, and to use aggressive marketing to draw them," as Holly Petraeus, the former head of Service Member Affairs at the U.S. Consumer Financial Protection Bureau, explained.¹ This is because the loophole caps the federal funds proprietary schools can receive, but fails to list funds from the Departments of Defense (DOD) and Veterans Affairs (VA), and many proprietary colleges target DOD and VA funds to offset the cap on federal funds. As a result, our nation's heroes are targeted with the most deceptive and aggressive recruiting. Thus, it is critical to fully uphold the existing protections that help stop these abuses.

We hope you will stand with America's heroes by opposing any efforts to weaken or eliminate existing protections for student veterans and their families, including:

- The **Gainful Employment Rule**, which enforces the Higher Education Act's requirement that career education programs receiving federal student aid must "prepare students for gainful employment in a recognized occupation." This common-sense requirement applies to career education programs at *all* types of colleges (public, nonprofit, and proprietary) and protects both students and taxpayers from waste, fraud, and abuse. Veterans express anger when they discover that the government knew that a career education program had a lousy record but allowed them to waste their time and GI Bill benefits enrolled in it. The Gainful Employment Rule requires schools to disclose basic information about program costs and outcomes and prevents funding for programs that consistently leave students with debts they cannot repay. Because the rule eliminates funding for wasteful programs, the Congressional Budget Office estimates that repealing the rule would increase spending by \$1.3 billion over 10 years.²
- **New regulations on federal student loan relief for defrauded borrowers and college accountability**, which make it harder for schools to hide fraud and clarify avenues for students to receive the loan relief they are entitled to under the Higher Education Act. America's heroes are

¹ Hollister K. Petraeus, "For-Profit Colleges, Vulnerable G.I.'s", *New York Times* (Sept. 21, 2011)

² CBO preliminary estimate prohibits the Department of Education from implementing any rulemaking relating to "gainful employment" and from making any future rules related to "gainful employment," July 7, 2016. Estimate includes both mandatory and discretionary spending.

targeted for such fraud because of the 90/10 loophole, and deserve the relief they are entitled to under the law.

- The **ban on incentive compensation** (sales commissions) in the Higher Education Act, which was enacted more than 20 years ago with broad bipartisan support to reduce high-pressure, deceptive sales tactics. Sales commissions incentivize college recruiters to “do anything and say anything” to get veterans to enroll. Veterans, who are frequently encouraged to enroll on the spot, are particularly vulnerable to high-pressure recruiting: over 60 percent are the first in their family to attend college. In 2015, the Education Department’s Inspector General called for greater oversight and enforcement of the ban to prevent fraud and abuse. We urge you to oppose the creation of any loopholes in the ban.
- **The Enforcement Unit at the Education Department**, which is taking steps to protect all students – but has explicitly embraced a goal of prioritizing veterans and servicemembers – from any illegal conduct by any college.

We would be grateful for the opportunity to discuss these concerns with your staff. Thank you for your time and attention.

Sincerely,

Carl Blake
Associate Executive Director
Paralyzed Veterans of America

Bonnie Carroll
President and Founder
Tragedy Assistance Program for Survivors

Joseph Chenelly
Executive Director
AMVETS National Headquarters

Anthony Hardie
Director
Veterans for Common Sense

Anna Ivey
Co-Founder
Service to School

Mary M. Keller, Ed.D.
President and Chief Executive Officer
Military Child Education Coalition

Peter James Kiernan
President
Ivy League Veterans Council

Michael S. Linnington, LTG (ret), U.S. Army
Chief Executive Officer
Wounded Warrior Project

Jared Lyon
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Student Veterans of America
Jeffrey E. Phillips
Executive Director
Reserve Officers Association of the United States

Joyce Raezer
Executive Director
National Military Family Association

Randy Reid, USCG (ret)
Executive Director
U.S. Coast Guard Chief Petty Officers Association & Enlisted Association

Kathy Roth-Douquet
CEO
Blue Star Families

John Rowan
National President
Vietnam Veterans of America

Mark C. Stevenson
Chief Operating Officer
Air Force Sergeants Association

Carrie Wofford
President
Veterans Education Success