

August 11, 2020

The Honorable Roy Blunt
Chairman
Senate Subcommittee on Department of Labor,
HHS, and Education, and Related Agencies
260 Russell Office Building
Washington, D.C., 20002

The Honorable Patty Murray
Ranking Member
Senate Subcommittee on Department of Labor,
HHS, and Education, and Related Agencies
154 Russell Office Building
Washington, D.C., 20002

Dear Chairman Blunt and Ranking Member Murray,

On behalf of the members of the Veterans Education Project (VEP), which represents the interests and concerns of well over one million members of the Army and Air National Guard, their family members, veterans and survivors, we urge the subcommittee to reject Section 313 of HR 7617. This language would severely limit veterans' choice in their pursuit of higher education; would make their earned benefits equivocal to federal loans; would threaten to potentially displace over 150,000 Servicemembers and Veteran students from their educational programs by the closure of over 400 institutions of higher education in the midst of a pandemic; and, finally, relies on a unproven regulatory measure of quality. For these reasons, we urge caution and commonsense as the subcommittee moves forward in the best interest of veteran students and servicemembers.

While we welcome and support regulation that punishes bad actors and promotes quality higher educational programs, we cannot support language that would change the nature of veterans' education benefits under the current 90-10 rule by defining their earned benefits as simply federal contributions; nor can we support in good conscience the change to an 85-15 ratio, which we view as especially dangerous during an economic crisis when all Americans are desperate for federal assistance. First, the language within Section 313 of HR 7617 would redefine the very nature of veterans' education benefits by considering them equal to federal subsidies alongside Title IV loans and grants. This is an insult to veterans everywhere who earned their benefits through their service. On principle, we cannot in good conscience support legislation that affirms the notion that veterans' benefits are subsidies from the federal government. They are earned through service, and should not be used as a political bargaining chip.

According to recent Pew research¹, American unemployment increased more in three months of the COVID-19 pandemic than it did over two years of the great depression. As of today, 6.7 million American families are facing eviction, being unable to pay their rent. This language, however, would punish veteran students and the institutions that serve them because there are too many students relying on federal assistance to keep attending their programs. We would also like to highlight that, at present, there is no official federal data regarding what will happen to servicemembers and student veterans if there is a change to the application of the 90-10 rule. A 2019 NDP Analytics study commissioned by Career Education Colleges and Universities reported that "over 260 institutions serving military or veteran education beneficiaries that currently pass the existing 90/10 ratio would fail an 85/15 ratio."² As of today, that number has increased to over 400 institutions, with an estimated 158,000 veterans and servicemembers losing their education benefits and basic allowance for housing if available. We are

¹ <https://www.pewresearch.org/fact-tank/2020/06/11/unemployment-rose-higher-in-three-months-of-covid-19-than-it-did-in-two-years-of-the-great-recession/>

² Available at: <https://www.career.org/news/proposals-in-congress-would-risk-college-access-for-over-158000-veterans-and-servicemembers>

concerned about the potentially devastating effects this language could have on student veterans attending programs of higher education and depending upon their basic housing allowance. If there is a chance that over 150,000 military students will be displaced from their accredited and approved programs, it is vital for Congress to perform a comprehensive examination into the efficacy of this accountability metric and any proposed changes. The servicemembers and student veterans we aim to protect deserve nothing less. Finally, we would like to highlight that researchers and financial aid experts have published studies on the 90-10 rule with contradictory findings in almost every respect: how the ratio would change if military education benefits were applied to the numerator; how the 90-10 rule would affect public and nonprofit institutions of higher education if applied to all; and, whether it is an effective measure of institutional quality at all.^{3,4}

The Veterans Education Project thanks the subcommittee for all your efforts, and respectfully urge you not to consider the risky adoption of language that would change current application of the 90-10 rule.



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³ Kantrowitz, M. (2013). Available at: <https://www.edvisors.com/media/files/student-aid-policy/20130819-90-10-rule.pdf>

⁴ Looney, A. (2019). Available at: https://www.brookings.edu/wp-content/uploads/2019/01/ES_20190116_Looney-90-10.pdf