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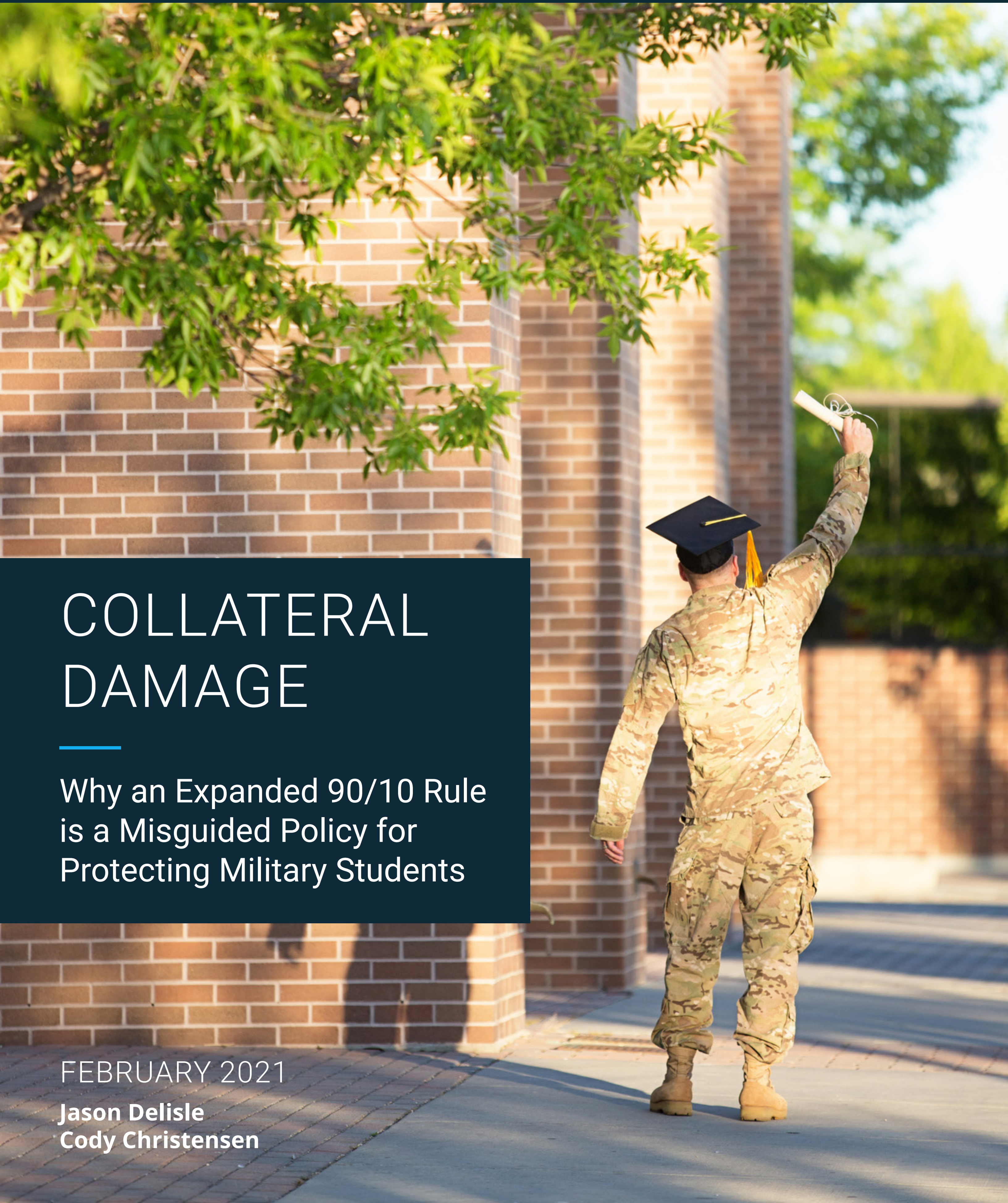

COLLATERAL DAMAGE

Why an Expanded 90/10 Rule is a Misguided Policy for Protecting Military Students

FEBRUARY 2021

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ACKNOWLEDGEMENTS

Support for this publication was provided by the Veterans Education Project.

The authors are thankful for Mark Kantrowitz, Clare McCann and Preston Cooper for your conversations, comments, suggestions and clarifications. All opinions and any errors are our own.

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Commissioned by The Veterans Education Project

EXECUTIVE SUMMARY

For-profit institutions of higher education may not earn more than 90% of their revenue from student aid programs operated by the U.S. Department of Education to remain eligible for those programs (the so-called 90/10 rule). Some observers argue that education benefits for military students should be included in the revenue restriction under the 90/10 rule. This paper examines the for-profit institutions most likely to fail a modified 90/10 rule that includes military benefits in the revenue limit.

We find that including military benefits in the 90/10 rule would cause an estimated 87 institutions that currently pass such a test to fall out of compliance in the most recent year for which data are available. Reducing the revenue limit further to 85% (an 85/15 rule) and including military benefits would cause 333 institutions currently in compliance to violate the rule. These institutions represent about 5 percent and 20 percent of for-profit institutions that participate in student aid programs operated by the U.S. Department of Education, respectively. They collectively enroll over 100,000 students receiving GI Bill benefits or benefits under the Department of Defense Tuition Assistance Program.

Our analysis suggests that including military benefits in the revenue limit under the 90/10 rule may indeed reduce the supply of seats for veterans and military students at for-profit institutions with the weakest student outcomes, although these students may end up at public institutions with even weaker student outcomes. We find that there are hundreds of public institutions that report student outcomes as weak, or weaker, than those of the for-profit colleges failing a 90/10 rule that includes GI Bill and Department of Defense benefits.

Even more concerning, we find evidence that a number of high-quality for-profit institutions will fail a 90/10 rule that includes GI Bill and Department of Defense benefits. Student outcomes at these schools, such as graduation rates, post-enrollment earnings, loan repayment, and student loan defaults make them indistinguishable from most public institutions. Collectively, these for-profit institutions enroll thousands of veteran and military students. A number of them that are popular with military students report exceptional student outcomes, such as Trident University International, Refrigeration School Inc., ITI Technical College, and Spartan College of Aeronautics and Technology.

The proposed changes to the 90/10 rule would force these schools to limit enrollment of military students, or raise their tuition, or even go out of business. Such an outcome is completely at odds with the purported goal of including military benefits in the 90/10 rule.

Overall we conclude that the 90/10 rule is an antiquated and blunt input test that is concerned entirely with revenues, not what students themselves earn from their education, whether they pay their loans, or whether they graduate. The 90/10 rule is clearly out of step with the movement toward more modern accountability policies in higher education that are based on advanced data systems and student outcomes.

INTRODUCTION

The federal government provides over $125 billion annually in financial aid to help students pay for a postsecondary education.[1] Much of this aid is provided by the U.S. Department of Education through grants and loans. Education assistance for veterans and servicemembers, such as the GI Bill offered through the Department of Veterans Affairs and the Tuition Assistance Program offered by the Department of Defense for active duty personnel are additional sources of federal aid. Each year, the Department of Veterans Affairs disburses nearly $5 billion in GI Bill benefits to cover tuition and fees for veterans; the Tuition Assistance Program is relatively small at about $500 million in benefits annually.[2] This report refers to both sets of benefits collectively as "military benefits" and the students who receive them as "military students."

In the early 1990s, lawmakers reformed the federal aid programs operated by the Department of Education to strengthen accountability rules for institutions of higher education.[3] These reforms were meant primarily to restrict student access to for-profit colleges with low-quality programs and weak outcomes.

Some of these reforms, such as the rule limiting defaults on student loans ("cohort default rate"), applied to public, non-profit, and for-profit colleges alike. But other reforms applied only to for-profit institutions. One such reform requires that for-profit institutions earn at least 10% of their revenue from sources other than federal aid programs operated by the Department of Education.[4] Institutions that fail the rule for two consecutive years lose eligibility for these programs and cannot regain eligibility for at least two additional years.

The rationale for the policy is that a worthwhile educational provider should be able to attract other sources of revenue beyond federal grants and loans, and that students should be willing to put some of their own money toward their education (i.e., "skin in the game").[5] This so-called 90/10 rule is still in effect today, and it applies only to for-profit institutions. These institutions must meet the 90/10 rule in addition to all other rules and standards that are required of all institutions to participate in the federal student aid programs. That is, like other institutions, for-profit institutions must satisfy state licensure standards, meet federal accreditation and financial responsibility rules, and not exceed the student loan default rate limits but must also meet the additional requirements of the 90/10 rule.

The 90/10 rule effectively treats military benefits differently than the U.S. Department of Education's grant and loan programs. While financial aid programs administered through the U.S. Department of Education are counted toward the 90% revenue limit in the 90/10 rule, military benefits are not; the rule references only U.S. Department of Education programs under Title IV of the Higher Education Act. As a result, military benefits are counted toward satisfying the 10% of revenue institutions must receive from non-federal sources. The benefits are thus treated as if the student were contributing his own funds toward the education, which can help the school comply with the 90/10 rule. Some observers argue that is the intent of the law because a student's military benefits are earned with service, whereas U.S. Department of Education grants and loans are entitlement programs. Under this view, military benefits should be treated as the student's own funds with respect to the 90/10 rule.

Others argue that excluding military benefits from the numerator of the 90/10 rule (federal revenue) and allowing schools to count it in the denominator (total revenue) is a "loophole."[6] Under current law, a for-profit institution can receive more than 90% of revenue from federal sources because military benefits are treated as the student's own contribution. Furthermore, they say that the current policy encourages for-profit institutions to recruit and enroll veterans and military personnel because military benefits are treated as the students' own dollars.[7] And because the 90/10 rule is premised on the idea that institutions that earn too much of their revenue from federal aid do not provide a worthwhile education, they argue that institutions relying heavily on military benefits pose a quality risk for these students.

Advocates and some lawmakers have thus argued that the law should be changed to include military benefits in the numerator of the 90/10 rule.[8] That is, they should be treated the same as revenue from U.S. Department of Education grant and loan programs. Additionally, supporters of such a policy argue that the rule should be returned to the original 85/15 standard (meaning that no more than 85% of an institution's revenue could come from federal sources) to further limit the amount of federal aid for-profit institutions can earn as a share of their revenues.

Much of the public debate on the 90/10 rule has been dominated by those advocating for the above reforms. Thus, the debate is often framed as a question of whether the 90/10 rule should be modified to supposedly increase its effectiveness, not whether it actually ensures educational quality in the first place. This framing has left little room for an open and honest discussion about the fundamental flaws with the policy itself—and how those flaws can actually work at cross-purposes with the goal of helping veterans and military personnel obtain valuable credentials, certifications, and degrees. These issues merit more careful consideration as policymakers debate including military benefits in the rule. In response, this paper takes a critical look at the rationale behind the 90/10 rule and employs an empirical analysis to examine the effects of including military benefits in the rule.

We conclude that the 90/10 rule is out of step with the movement toward more modern accountability policies in higher education, policies that are based on advanced data systems and student outcomes. The 90/10 rule is an antiquated and blunt input rule that is concerned entirely with revenues, not what students themselves earn from their education, whether they pay their loans, or whether they graduate. The 90/10 rule is also inconsistent with other federal student aid policies, such as the Expected Family Contribution (EFC) formula, and contemporary policy agendas such as making public colleges tuition-free. Finally, we find that modifying the 90/10 rule to include military benefits in the numerator of the rule (closing the so-called "loophole" referenced above) would likely prevent many students from enrolling in popular institutions that produce outcomes well above those observed across large swaths of public institutions. Students steered away from for-profit institutions as a result of the 90/10 reforms may well end up at public institutions with weaker student outcomes than the for-profit institution they might have attended otherwise.

> The 90/10 rule is an antiquated and blunt input rule that is concerned entirely with revenues, not what students themselves earn from their education, whether they pay their loans, or whether they graduate.

90/10 IS INCONSISTENT WITH OTHER FEDERAL RULES AND PRIORITIES

The principle behind the 90/10 rule—that students ought to contribute some of their own out-of-pocket funds toward an education to signal that it is valuable—is not well aligned with other federal higher education policies. In fact, it conflicts with other key policies and principles that many of those who advocate for an expanded 90/10 rule also support.

For example, the 90/10 rule can reduce access to higher education because it can discourage institutions from enrolling students who qualify for large amounts of federal aid—students who are from the lowest-income families. These students pay relatively little out-of-pocket tuition by design because their grant aid is substantial (and they also qualify for federal student loans). But that may also put an institution that enrolls them at risk of earning too much revenue from federal aid programs, causing it to violate 90/10. Should the 90/10 rule be expanded to include military benefits, institutions would face similar disincentives for enrolling these students.

Supporters of the 90/10 rule might argue that this dynamic is a feature, not a flaw, if the institutions it affects have weak student outcomes. But as we show later in this paper, that is not always the case. And if a for-profit institution demonstrates strong student outcomes, but 90/10 discourages it from enrolling more students with federal aid, the rule is clearly counterproductive.

There is an additional flaw with the 90/10 rule's interaction with federal financial aid policies. The 90/10 rule can encourage institutions to charge tuition to students even if, according to federal guidelines, the students cannot afford to put a single dollar toward their education.

The federal government assesses students' financial situation to determine what—if anything—they can afford to put toward their education by calculating a family's "expected family contribution" or EFC. (The EFC was recently renamed the "Student Aid Index", a change that will take effect in 2022). The EFC is calculated by a formula that assesses a family's income and assets to determine the amount they can afford to pay for a postsecondary education each year. Many families are assigned an EFC of $0 because their income and assets are very low. In the eyes of the federal government, these families cannot afford to put any of their own funds toward their education. According to U.S. Department of Education data, nearly 40% of undergraduates are assigned an EFC of $0.[9] Institutions that aim to serve more low-income students show larger concentrations of students with $0 EFC's.[10]

A for-profit institution that enrolls students with a $0 EFC increases its risk of violating the 90/10 rule because these students may use federal aid to cover 100% of their tuition. For instance, if all students' federal grants and loans total $9,000 on average at an institution, then the school needs to charge students $10,000 on average in order to stay within 90/10 limits. The students have to come up with the extra $1,000 on their own. Or the institution must find other students who will use less federal aid to pay for the education.

Effectively, the 90/10 rule signals that an institution enrolling students with $0 EFC's has charged them an insufficient price; the students have put none of their own funds toward their education. It makes little sense to require that colleges charge students tuition high enough to ensure they commit some of their own funds when the federal rules and data show that many of them cannot afford to do so. The EFC concept, and the fact that many families are assigned an EFC of $0, are logically incompatible with the principle behind the 90/10 rule. In short, the federal government deems many students financially unable to pay any out-of-pocket funds for their education while the 90/10 rule requires that institutions enrolling these students charge prices above what is covered by the students' federal grants and loans. Other experts, such as Mark Kantrowitz, have made this same argument.[11]

The notion that students should contribute out-of-pocket funds toward their education no matter how much aid they receive is also inconsistent with the popular free-college agenda. A growing number of advocacy groups and policymakers say that students should not be expected to put even small sums of their own funds toward their education. In response, they want the federal government to help states provide tuition-free public colleges. Many students eligible for federal grant aid, however, already pay very low tuition at public colleges, about $1,000 a year at four-year institutions, after their aid from all sources is factored in.[12] Yet the free-college movement argues that even these sums are an unfair and unaffordable burden.

> The notion that students should contribute out-of-pocket funds toward their education no matter how much aid they receive is also inconsistent with the popular free-college agenda.

This reasoning conflicts with the rationale behind the 90/10 rule, which holds that it is imperative that students put some of their own funds, even if they are poor, toward the education to ensure it is valuable. In short, two opposite standards—that students should pay nothing, and that they must pay something—are being applied to institutions of higher education based on their tax status.

Many Public Colleges Would Fail a Student "Skin in the Game" Test

One of the core ideas behind the 90/10 rule is that students should be willing to spend their own money on an education if it is truly a worthwhile investment. This is often called having "skin in the game." Colleges that cannot earn enough revenue from students' out-of-pocket payments in addition to the government aid they receive (the student's grants, loans, etc.), are assumed to be of low quality. They fail the 90/10 rule.

Although the rule does not apply to public colleges, it is useful to consider how it might affect public colleges if it did. This exercise reveals that many public colleges would not pass the test and are thus not providing a valuable education, at least according to the skin-in-the-game logic of the 90/10 rule.

The 90/10 rule applies only to federal financial aid from the U.S. Department of Education such that colleges may exclude revenue from any other source from the numerator in the 90/10 rule. To be sure, if the 90/10 rule applied to public colleges, many advocates of the rule would argue that state and local appropriations (or state grant programs for students) should not be treated as student aid. They would say that this aid should count only toward the denominator of 90/10 rule. In their view, it is a sign of quality that state and local governments are willing to fund these institutions and so that money should be judged the same as a students' contribution in the 90/10 rule. Such reasoning, however, creates a rigged rule by which public colleges can always meet a hypothetical 90/10 rule simply by being heavily subsidized by state and local funding. And they can meet the rule without regard to any actual measures of quality.

To help illustrate this concept, suppose a community college incurs $5,000 a year in costs per student. Also

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assume that the community college receives no state funding and passes the full cost on to students in their tuition price. If the 90/10 rule applied to public colleges, it would not allow students on average to cover any more than $4,500 of those expenses with federal aid (90%), even if they qualify for enough grants and loans to fully cover the $5,000. In principle, the 90/10 rule requires students to commit $500 of their own money to signal that the college offers real value.

Now suppose the same community college receives $3,000 per student in funding from the state government to offset each student's tuition, leaving students to pay just $2,000 instead of the original $5,000. The student can now use her federal aid to cover 100% of the tuition that remains without causing the college to violate the 90/10 rule. That is because non-federal sources (state funding, in this case) count for well over half the college's revenue, meaning it cannot fail 90/10. In this scenario, the student puts none of her own money toward the education (no skin in the game), finances her share of costs fully with federal aid, and the school still meets the 90/10 rule due to the state funding it receives. Put another way, if the 90/10 rule applied to public colleges, many would comply with the rule no matter how little skin in the game their students had in the transaction; state funding guarantees such an outcome.

That helps illustrate why the 90/10 rule is a problematic accountability policy. Funding, not student outcomes, dictates compliance. In other words, if policymakers applied the 90/10 rule to measure educational quality at public institutions, a public institution with weak outcomes where students rarely graduate, default on their student loans at high rates, and earn little more than the minimum wage after attending could easily pass 90/10 by virtue of receiving state funding.

Now consider what would happen if public institutions could not count funding from state and local governments only in the denominator of a hypothetical 90/10 rule but also had to treat it as another source of government revenue (i.e. counted in the numerator of the rule along with federal revenues). In other words, suppose the 90/10 rule applied to public institutions but the amount of funding they received from state governments to help reduce prices for students would not aid in their compliance with the rule; their students would be required to pay tuition out-of-pocket to cover at least 10% of the institutions' total revenues no matter how much the institutions received in state funding. Federal, state, and local funding would all be counted in the numerator of the 90/10 rule.

According to research by Adam Looney and Vivien Lee of the Brookings Institution, 17 percent of public institutions would not pass such a hypothetical "skin in the game" test in a given year.[13] That is, students at these institutions do not make enough out-of-pocket payments toward tuition to cover 10% of the institution's revenue. These public colleges—which as a group are about as large as the entire for-profit sector—are effectively violating the spirit of the 90/10 requirement.[14] They receive more than 90% of their financing from government sources.

Few policymakers would argue, however, that these public institutions should automatically be deemed low quality or lose eligibility for federal programs when policymakers have not assessed student outcomes at these institutions (beyond the existing cohort default rate test). The Brookings Institution study does not make such an argument either when it comes to the many public institutions failing the skin-in-the-game test, and unfortunately the authors do not provide any information about student outcomes at these institutions. That is a missed opportunity given that the premise of the study was to examine correlations between 90/10 compliance and student outcomes.

Suppose that most of these public institutions reported strong student outcomes despite failing the hypothetical 90/10 rule. Such a risk certainly exists with an inputs based accountability test like the 90/10 rule. It is an imprecise tool that cannot distinguish between institutions with strong or weak student outcomes. More and more policymakers and consumer advocates recognize this fact, and it is why they are increasingly arguing for institutions to be judged based on the outcomes of their students, measured in multiple ways.

> The reform movement to collect and publish more student outcomes data—and hold colleges accountable for weak student outcomes—stands in stark contrast to efforts to maintain and modify the 90/10 rule covering for-profit institutions.

THE STUDENT OUTCOME DATA MOVEMENT

Over the past decade, policymakers and consumer advocates have built a major reform movement that aims to hold institutions of higher education accountable for student outcomes.[15] These reformers have argued that the federal government should collect and publish more data on student outcomes at every institution of higher education. The reformers also argue that the federal government should link eligibility for student aid programs to outcome measures.

The Obama administration's gainful employment rule is perhaps the most notable reform within this movement.[16] That policy, which the Trump administration repealed, linked eligibility for student aid programs directly to the earnings of former students within each program of study, mainly at for-profit institutions.[17] Another related (proposed) reform was the Obama administration's effort to rate colleges on student outcome data, which was abandoned and then evolved into today's *College Scorecard*, a project continued and expanded on by the Trump Administration.[18] Other policies within the movement include those that would require accreditation agencies to use student outcome metrics to guide their decisions, and the College Transparency Act, which would repeal a 2008 ban on a federal student unit record system and thus allow the government to collect and publish data more comprehensively.[19]

Perhaps it made sense to use a proxy for student outcomes by assessing a college's sources of revenue in the early 1990s (i.e., the 90/10 rule) when data and information systems were far less advanced than they are today. But times have changed: Information on former students' earnings, loan repayment, and graduation rates are readily available. With lawmakers and advocacy groups arguing that accountability policies must be more precise and linked to actual student outcomes, the 90/10 rule is clearly outdated.

The reform movement to collect and publish more student outcomes data—and hold colleges accountable for weak student outcomes—stands in stark contrast to efforts to maintain and modify the 90/10 rule covering for-profit institutions. Whereas the reform movement aims to develop more precise policies to judge institutions based on actual student performance, the 90/10 rule is an overly-simplistic accounting rule that *ignores student outcomes*. Modifying the rule to include military benefits only doubles down on those flaws. In fact, as we will show in the subsequent section, a number of the for-profit institutions that would fail the 90/10 and 85/15 rules if military benefits were included produce student outcomes that meet or exceed those at many public institutions of higher education.

INSTITUTIONS THAT FAIL UNDER 90/10 REFORMS

As was discussed earlier, one of the arguments for amending the 90/10 rule and including military benefits in the numerator of the rule is that such a reform reduces the likelihood of a beneficiary enrolling in an institution with weak student outcomes. In this view, institutions that are overly reliant on federal aid will either turn these students away or go out of business. The assumption is that students deterred from enrolling in these low-performing for-profit institutions will then enroll in *better performing institutions*, namely public or nonprofit two-year or four-year institutions.

When military benefits are included, we aimed to test this assumption by first identifying for-profit institutions most likely to fail the modified 90/10 rule and the proposed modified 85/15 rule. Then we compare student outcomes at these institutions with those at less selective public institutions (inclusive of two-year and four-year institutions), which are, of course, not subject to the 90/10 rule. Our comparison group of less-selective public institutions excludes 100 of the most selective public institutions in the Integrated Postsecondary Education Data System (IPEDS) database.[20] We exclude these institutions to achieve a slightly more apples-to-apples comparison group with all for-profit institutions which are usually minimally selective in their admissions policies. We do not include non-profit institutions as an additional comparison group and instead focus only on public institutions in an effort to keep the analysis manageable in size and scope; moreover, non-profit institutions are less likely than public institutions to offer the types of programs or open-admission policies offered by for-profit institutions.

To identify for-profit institutions likely to fail the modified 90/10 rule we use the revenue and student aid data reported by the U.S. Department of Education that details each institution's current compliance with the rule.[21] Then we adjust the revenue statistics by adding in data from the Department of Veterans Affairs that lists educational benefits distributions by each institution of higher education. We also add in revenue under the Department of Defense Tuition Assistance program using data from the IPEDS database.[22] We can then estimate a new 90/10 or 85/15 ratio for each institution that now includes revenue from military benefits in the numerator of the rule.[23] Note that our estimate is based on a single year of data whereas institutions fail the official 90/10 rule when they are out of compliance for two consecutive years. Veterans Affairs data are for the 2016-17 academic year, which is the most recent year in which institution-level GI Bill information is available. Accordingly, in cases where we use IPEDS, we use data for the 2016-17 academic year to correspond with the Veterans Affairs data.

To obtain information on student outcomes at each institution (for-profit institutions and the less-selective public institution comparison group) we rely on the U.S. Department of Education's *College Scorecard*.[24] These outcome data are worth detailing further as they are a central part of the points we make throughout this section.

We use four student outcomes metrics in our analysis for the 2018-19 academic year that are reported in the College Scorecard: the student loan cohort default rate, the 3-year student loan repayment rate, median earnings of former students six years after enrolling in the institution, and the student completion rate. All of these outcome measures have limitations, and we include four different indicators to minimize the effect any single measure could have on our conclusions. Note that the outcome measures we use in our analysis are not specific to military students, as such data are not currently available. The data reflect the general student population.

The cohort default rate measures the share of students who borrowed a federal student loan and began repayment at the same time after leaving the institution and defaulted on those loans.[25] (Institutions must report default rates below 30% annually over a 3-year period and below 40% in a one-year period to remain eligible for U.S. Department of Education financial aid programs.[26]) The 3-year student loan repayment rate is the share of former students who entered repayment on a federal student loan at the same time after leaving an institution and have paid down the original balance on their loans.[27] Median earnings reflect Internal Revenue Service records for former students of an institution six years after they first enrolled and includes only those students who used U.S. Department of Education financial aid programs while attending.[28] The completion rate is the share of first-time, full-time students in a cohort who finish their program within 150% of the normal time frame needed to earn the credential.[29]

Comparing Student Outcomes with Public Institutions

We estimate that adding military benefits to the numerator of the 90/10 rule would cause an additional 87 for-profit institutions in compliance with the 90/10 rule to fail the test in a single-year test; however, that does not necessarily mean these institutions would fail the test for two consecutive years, which would cause them to lose eligibility for federal aid.[30] These institutions enroll about 127,000 students in total; they enroll about 34,000 students who use GI Bill benefits and about 55,000 students who use Department of Defense Tuition Assistance Program benefits (we are unable to observe overlap among recipients due to data limitations).[31] The number of for-profit institutions failing the modified rule increases to 333 (an additional 246 institutions) under an 85/15 ratio that includes military benefits in the numerator. These institutions enroll approximately 299,000 students in total; they enroll about 55,000 students who use GI Bill benefits and about 61,000 who use Department of Defense Tuition Assistance Program benefits (we are unable to observe overlap among recipients due to data limitations).[32]

The students at institutions failing a modified 90/10 rule make up about 5 percent of the total population of students receiving GI Bill benefits.[33] The students at institutions failing a modified 85/15 rule make up about 8 percent of the total population of students receiving GI Bill benefits.[34] The students at these institutions who receive Department of Defense Tuition Assistance Program benefits make up about 22 percent and 24 percent of all students receiving such benefits, respectively.[35] Relative to the size of the entire for-profit sector, the number of failing institutions is small under the modified 90/10 rule, but substantial under a modified 85/15 rule. That means about 5 percent of for-profit institutions would fail a modified 90/10 rule, but nearly 20 percent would fail a modified 85/15 test.[36]

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Figure 1: Comparing Average Student Outcomes at For-Profit Institutions Passing or Failing a Modified 90/10 Rule with Less-Selective Public Institutions

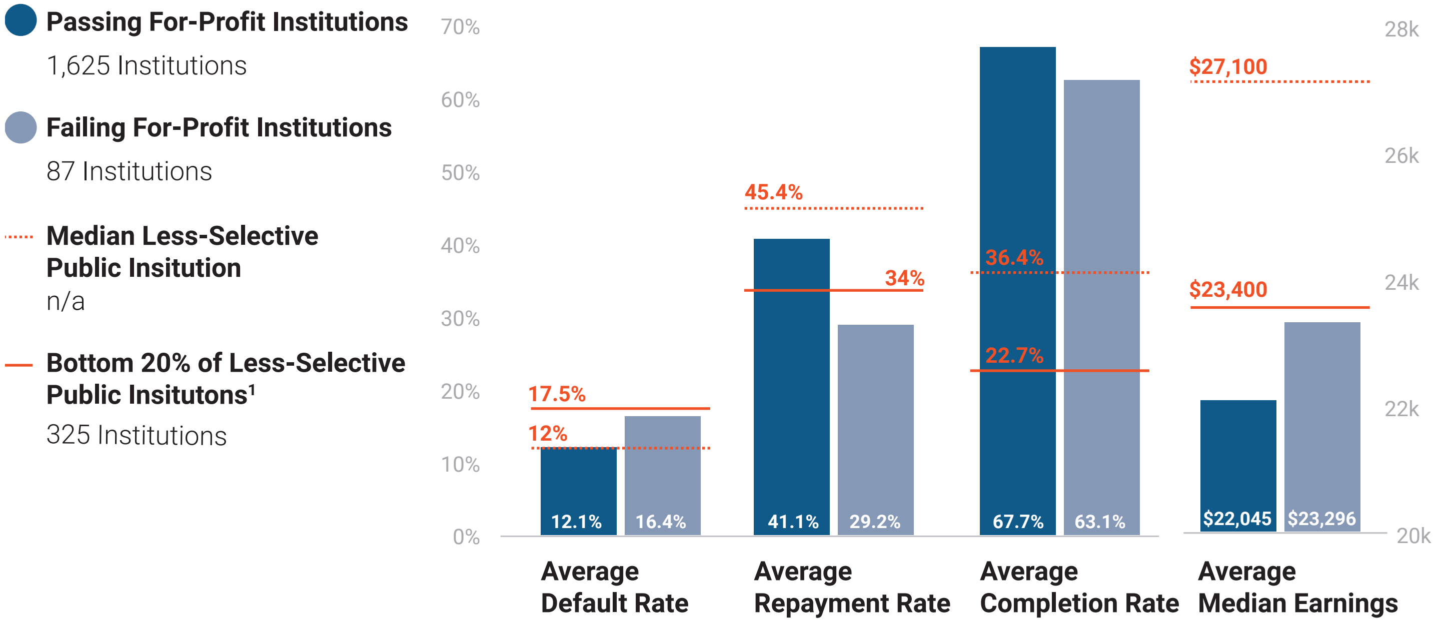
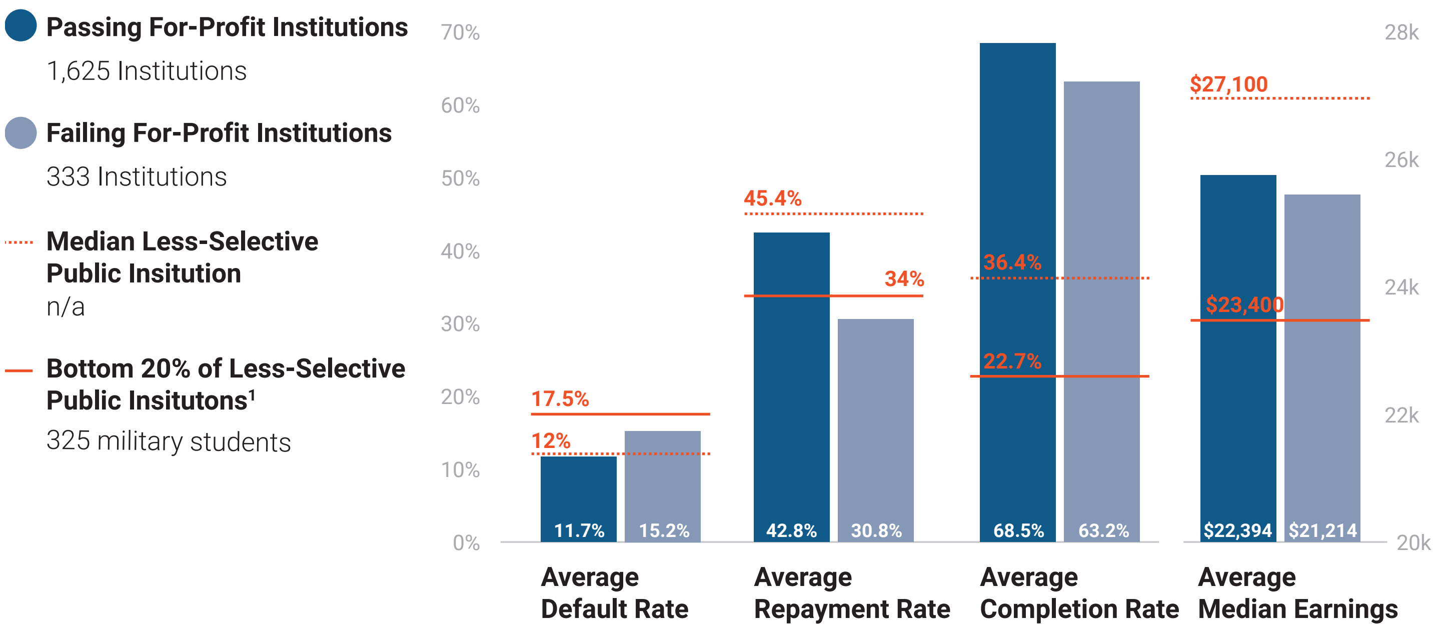


Figure 2: Comparing Average Student Outcomes at For-Profit Institutions Passing or Failing a Modified 85/15 Rule with Less-Selective Public Institutions



1. Bottom 20% reflects the statistic at the 20th percentile for less-selective public institutions; 20% of less selective public institutions, which is about 325 institutions, produce student outcomes at or below the statistic shown. The exact number of institutions varies because data are more complete for some metrics

Source: Authors' calculation using data from U.S. Department of Veterans Affairs; U.S. Department of Education Federal Student Aid, Integrated Postsecondary Education Data System, and College Scorecard. All outcomes data reflect the 2018-19 year as reported in the College Scorecard.

When looking at student outcomes among the for-profit institutions that would fail the modified 90/10 or 85/15 rules when military benefits are included, we reach two overarching conclusions. While for-profit institutions failing the modified rule tend to have weaker student outcomes than those that pass, outcomes at these institutions are on par with or even superior to those observed at a large number of public institutions. The student outcomes at these public institutions do not, however, jeopardize their access to federal aid programs. Student performance at these institutions is considered satisfactory in the eyes of federal student aid policies.

As shown in Figure 1, we estimate that for-profit institutions that fail the modified 90/10 rule have an average cohort default rate of 16.4% (15.2% under the modified 85/15 rule). While that is a slightly higher rate than the for-profit institutions that comply with the rule, over 300 public colleges report similarly high default rates. These public institutions may ultimately enroll students turned away from for-profit institutions affected by the 90/10 reforms. In fact, 20% of less-selective public institutions report a cohort default rate of 17.5% or higher, as shown in Figure 1 under the column "Bottom 20% of Less-Selective Public Institutions."

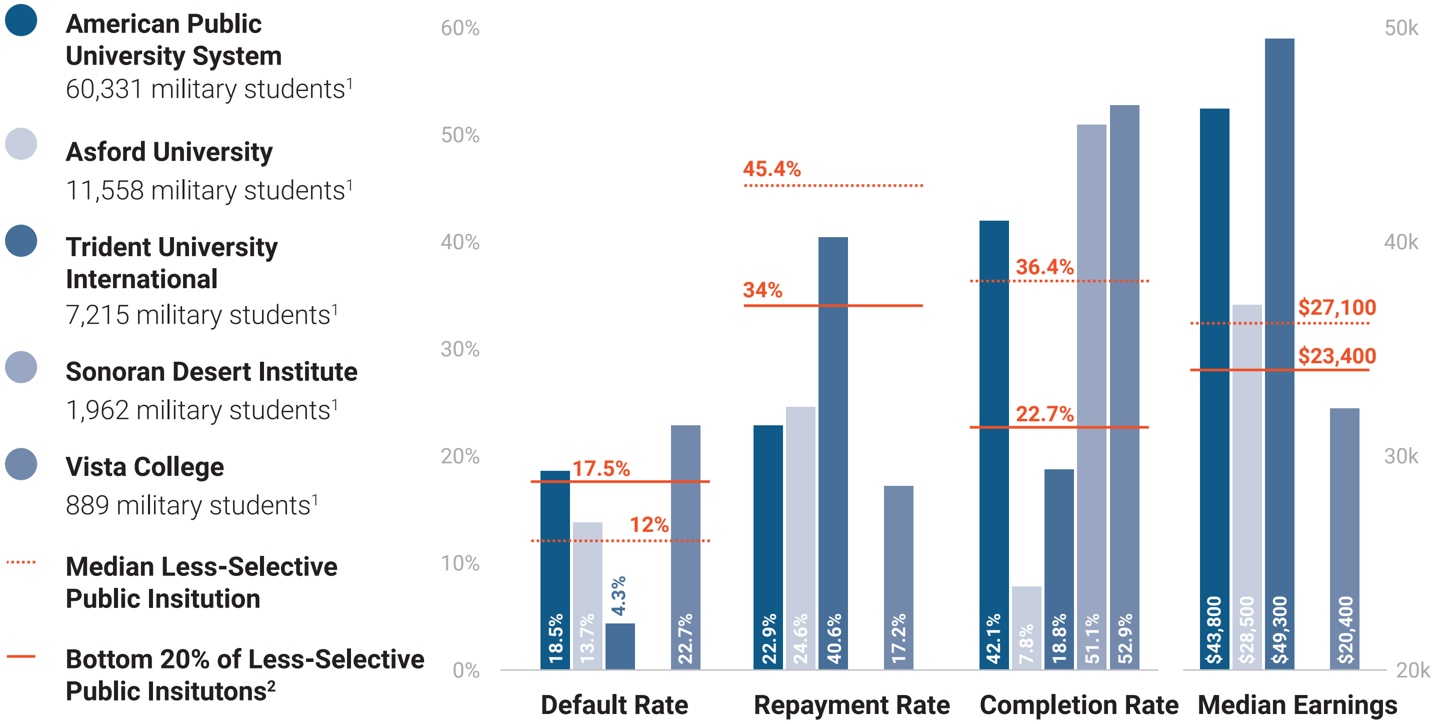
When looking at student loan repayment rates—a slightly different measure than default rates—the story changes. For-profit institutions that fail the modified 90/10 rules tend to have loan repayment rates that put them among the lowest scoring public colleges. Specifically, 29.2% of students at for-profit institutions failing the modified rule had paid down some of the principal on their loans three years into repayment. In other words, the two different loan repayment outcomes are showing different results. In the case of default rates, the outcomes appear better than for the 20% of public colleges with the weakest outcomes. But loan repayment rates among for-profits that fail the modified 90/10 rule are as weak as those among public institutions with the lowest repayment rates. This may reflect that students at for-profit institutions tend to borrow more to finance the higher price of attending these institutions and therefore pay down their loans at a slower rate. In other words, the repayment rates reflect price differences at the institutions. However, it may also reflect that more students at for-profit institutions negatively amortize on their debts (i.e. payments do not cover even the accruing interest) which is more concerning than slow repayment because it reflects an even greater mismatch between earnings and debt.

When looking at median earnings among former students, we find that the for-profit colleges that would fail the modified 90/10 rule show outcomes that are below those of the median less-selective public college but are comparable with about 20% less-selective public colleges. Median earnings of former students six years after enrolling at the for-profit institutions are $23,296 on average ($22,214 using an 85/15 rule). As shown in Figures 1 and 2, about 20 percent of less selective public colleges report earnings at or below those levels. Overall, we can conclude then that the earnings of former students from many for-profit institutions that would fail a modified 90/10 rule are no worse than those at many less-selective public institutions. This is evidence of a major inconsistency in the rationale for a modified 90/10 rule. Modifying the rule is supposed to protect military students from attending for-profit institutions with the weakest student outcomes, but in many cases the outcomes at the institutions it identifies are in line with those at numerous public institutions.

On the metric of completion rates, the for-profit colleges that would fail the modified 90/10 rule do exceedingly well relative to their public institution peers. These for-profit institutions report completion rates of 63.2% on average. That puts them among the ranks of public colleges with the highest completion rates. These for-profit institutions report completion rates higher than about four out of five less-selective public colleges. It is another indication that a modified 90/10 rule is not an effective policy for identifying institutions with weak student outcomes—particularly when those outcomes are compared with public institutions.

LARGEST FOR-PROFIT INSTITUTIONS FAILING A MODIFIED 90/10

Figure 3: Student Outcomes for the Five Largest For-Profit Institutions by Military Enrollment that Fail a Modified 90/10 rule

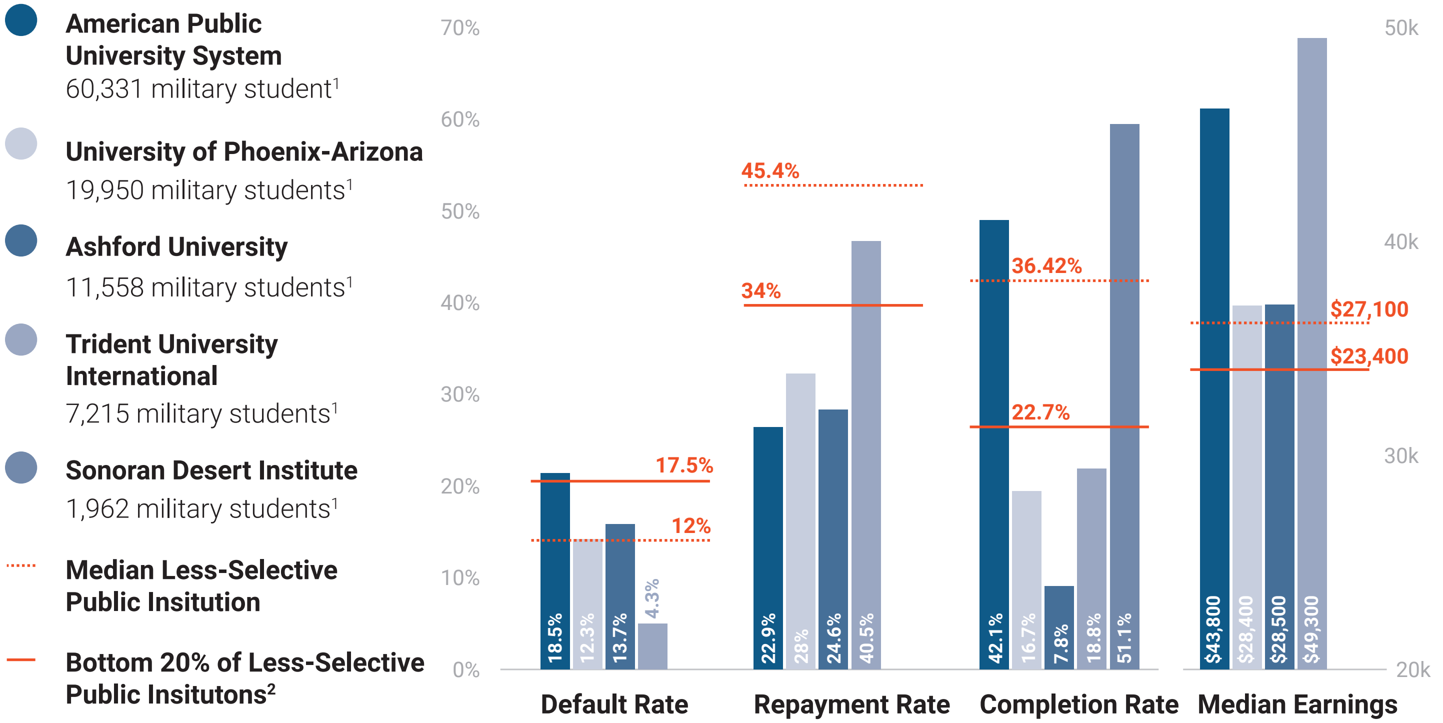


1. Reflects number of students receiving GI Bill benefits or Department of Defense Tuition Assistance Program benefits.

2. Bottom 20% reflects the statistic at the 20th percentile for less-selective public institutions; 20% of less selective public institutions, which is about 325 institutions, produce student outcomes at or below the statistic shown. The exact number of institutions varies because data are more complete for some metrics

Source: Authors' calculation using data from U.S. Department of Veterans Affairs; U.S. Department of Education Federal Student Aid, Integrated Postsecondary Education Data System, and College Scorecard. All outcomes data reflect the 2018-19 year as reported in the College Scorecard.

Figure 4: Student Outcomes for the Five Largest For-Profit Institutions by Military Enrollment that Fail a Modified 85/15 rule



1. Reflects number of students receiving GI Bill benefits or Department of Defense Tuition Assistance Program benefits.

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Source: Authors' calculation using data from U.S. Department of Veterans Affairs; U.S. Department of Education Federal Student Aid, Integrated Postsecondary Education Data System, and College Scorecard. All outcomes data reflect the 2018-19 year as reported in the College Scorecard.

In this section we take a slightly different approach to examining the effects of a modified 90/10 rule, one that focuses on individual institutions rather than averages for all for-profit institutions. Figures 3 and 4 show student outcomes for the five largest for-profit institutions that fail the modified 90/10 rule and the modified 85/15 rule by the number of students using military benefits, respectively.

One notable pattern is that earnings of former students at these large for-profit institutions tend to be as high or higher than those for students who attended less-selective public institutions. For example, at American Public University, the largest institution in terms of military student enrollment, median student earnings are well above those at the majority of less-selective public colleges. The University of Phoenix, the second largest institution in terms of military student enrollment that fails the modified 85/15 rule also reports slightly higher median student earnings ($28,500) than the less-selective public colleges in the middle of the distribution ($27,100). These large institutions that serve the most military students are thus reporting earnings among former students that are well within the range of those reported at less-selective public institutions. Yet they would fail a modified 90/10 rule. It is another indication that a modified 90/10 rule risks screening out popular institutions

> …a modified 90/10 rule risks screening out popular institutions among military students that on some outcome measures are superior to many public institutions.

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While most of the institutions on these lists show above-average student outcomes on some measures, but below-average outcomes on others, Trident University is notable for its strong outcomes on almost every metric. This for-profit online college enrolls over 7,000 students with military benefits annually and it produces student outcomes that place it comfortably within the ranks of most public institutions. Its default rate is a fraction of those at most public institutions; its loan repayment rates are better than almost half of all less-selective public institutions; and earnings among its former students place it among the best of all public institutions. A modified 90/10 rule, however, makes no exceptions for an institution with such strong student outcomes like Trident University International. The institution would violate the rule and thus lose eligibility for federal aid programs.

Overall, the findings in Figures 3 and 4 illustrate how including military benefits in the 90/10 and 85/15 rules tends to produce inconsistent results. That is, in the case of larger institutions, the modified rule is likely to identify institutions that have strong outcomes and institutions with weak outcomes relative to their peers among less-selective public institutions. And some institutions that would fail the modified rule, like Trident University International, perform better than most public institutions on nearly every measure. In short, adding military benefits to the 90/10 or 85/15 rule is hardly an accurate or precise way of identifying poorly-performing for-profit institutions relative to their public institution peers.

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SMALLER FOR-PROFIT INSTITUTIONS WITH ABOVE-AVERAGE OUTCOMES

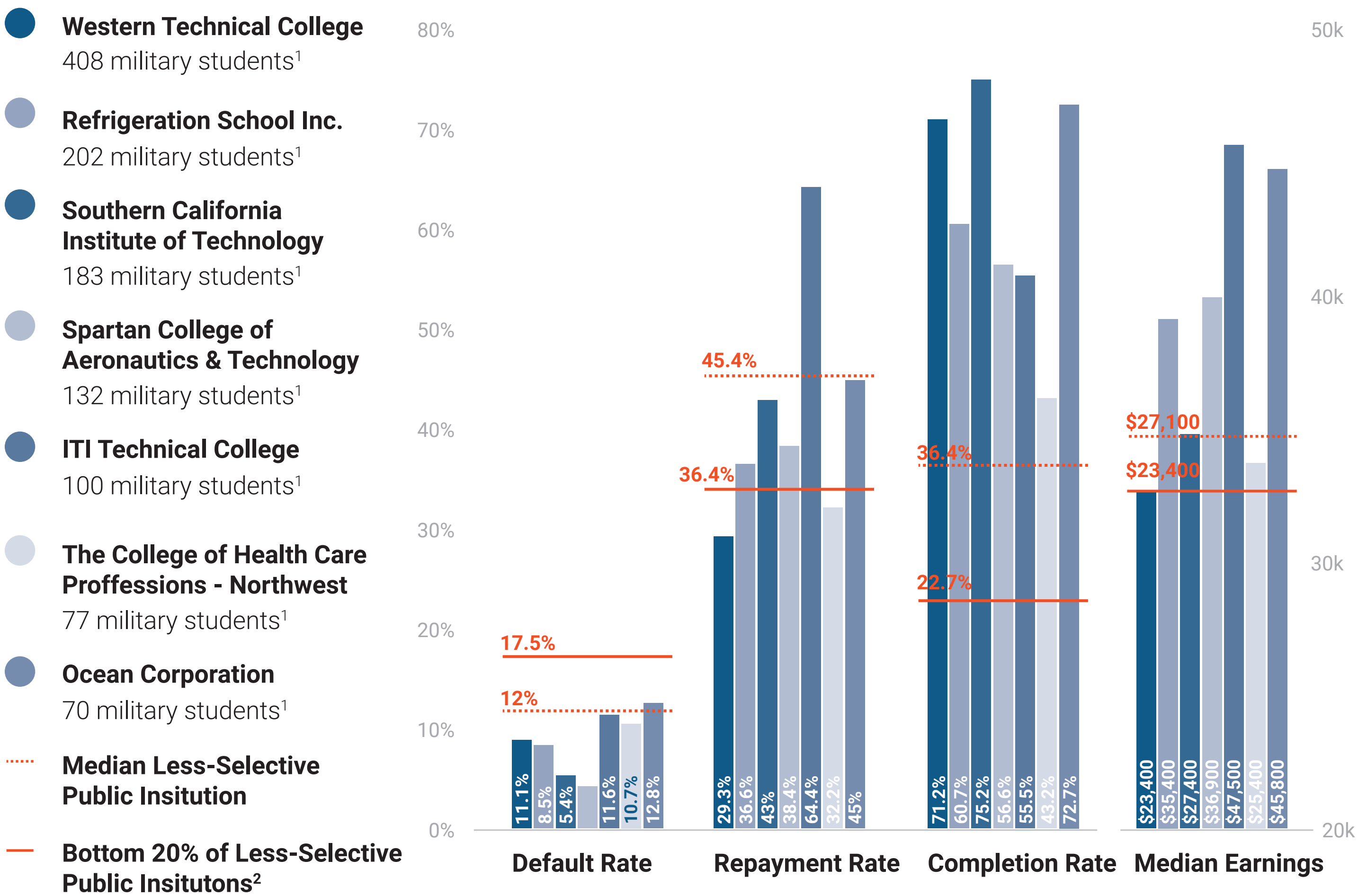
The shortcomings of a modified 90/10 rule are also evident when we screen the data for smaller institutions with above-average outcomes that still enroll at least 50 students with military benefits. Figure 5 details several of these institutions that produce student outcomes that are in a number of cases better than those at less-selective public colleges. It is hard to argue that students will be better off attending a below-average public institution than one of these for-profit institutions.

Many of these institutions provide valuable technical training, a fact that can be seen in the relatively high earnings among former students. For example, Southern California Institute of Technology offers programs to train electricians and a range of technology-focused engineering degrees. Median earnings of former students are on par with those among their public institution peers, and the loan default rate is lower than at the vast majority of public colleges. Completion rates, which stand at 75%, are more than double what they are at less-selective public institutions.

The story is similar at Spartan College of Aeronautics & Technology, the Refrigeration School, ITI Technical College and Ocean Corporation. These institutions are generating superior student outcomes relative to their public institution peers on nearly every metric. Students who attended these institutions go on to earn about $40,000 annually, which is $10,000 more than what students who attended most public institutions earn. In fact, fewer than 10% of less-selective public institutions boast median earnings as high as what the U.S. Department of Education reports for Spartan College of Aeronautics & Technology, the Refrigeration School, ITI Technical College, and Ocean Corporation.

While the institutions in Figure 5 may not be widely known, they collectively enroll over 1,000 military students each year, and many more students without such benefits. These institutions appear—at least according to student outcomes reported by the U.S. Department of Education—to be doing things right. Many of them are providing valuable technical training in local and national labor markets, a role that public institutions have often been unable to play due to capacity and cost constraints. (Students would be hard pressed to find a public community college with a comparable underwater welding program to the one provided by Ocean Corporation). A modified 90/10 rule would cause these successful for-profit institutions to close their doors to military students, needlessly raise their prices, or possibly go out of business altogether, which is the opposite effect that the rule is intended to produce. Supporters of a modified 90/10 rule say it is meant to ensure military students receive a high return on their educational investment. Clearly, steering students away from these institutions, which is what a modified 90/10 rule would do, is at odds with that goal. A modified 90/10 rule is simply too crude and blunt of a policy to ensure only institutions with weak outcomes are affected.

Figure 5: Smaller For-Profit Institutions that Fail a Modified 90/10 or 85/15 Rule Despite Better Student Outcomes than Many Public Institutions



1. Reflects number of students receiving GI Bill benefits or Department of Defense Tuition Assistance Program benefits.

2. Bottom 20% reflects the statistic at the 20th percentile for less-selective public institutions; 20% of less selective public institutions, which is about 325 institutions, produce student outcomes at or below the statistic shown. The exact number of institutions varies because data are more complete for some metrics

Source: Authors' calculation using data from U.S. Department of Veterans Affairs; U.S. Department of Education Federal Student Aid, Integrated Postsecondary Education Data System, and College Scorecard. All outcomes data reflect the 2018-19 year as reported in the College Scorecard.

> A modified 90/10 rule would cause these successful for-profit institutions to close their doors to military students, needlessly raise their prices, or possibly go out of business altogether, which is the opposite effect that the rule is intended to produce

CONCLUSION

Policymakers have an obligation to protect students and taxpayers from waste, fraud, and abuse when they make financial aid available for postsecondary education. Historically, the federal government and other oversight bodies have had to rely on imprecise proxies for quality to guard against students and taxpayers receiving a poor return on their investments. Information that would allow them to assess quality more directly was in short supply. Thus, in response to widespread abuses in the federal aid programs in the 1980s and early 1990s, lawmakers reached for accountability policies like the 90/10 rule, a blunt test that assumes a for-profit college's quality is linked to the share of revenue it derives from federal grants and loans.

Rather than move accountability policy into the modern age by assessing student outcomes directly, a group of vocal advocates and lawmakers want to double down on the 90/10 rule. They say it should be reformed to include student aid provided by the GI Bill and the Department of Defense Tuition Assistance program. In their view, this would protect veterans and military students from unscrupulous for-profit colleges that target these students to profit off their hard-earned and generous financial aid, but leave them with low-quality credentials.

Our analysis suggests that the 90/10 rule may indeed reduce the supply of seats for veterans and military students at for-profits with the weakest student outcomes, but these students may well end up at public institutions with even weaker student outcomes. We find that there are hundreds of public institutions that report student outcomes as weak, or weaker, than those of the for-profit colleges failing a 90/10 rule that includes GI Bill and Department of Defense benefits.

Even more concerning, we find evidence that a number of high-quality for-profit institutions will fail a 90/10 rule that includes GI Bill and Department of Defense benefits. Student outcomes at these schools, such as graduation rates, post-enrollment earnings, loan repayment, and student loan defaults make them indistinguishable from most public institutions. Collectively, these for-profit institutions enroll thousands of veteran and military students. The proposed changes to the 90/10 rule would force these schools to limit enrollment of military students, raise their tuition, needlessly recruit students who do not receive federal aid, or even go out of business. Such an outcome would be completely at odds with the purported goal of including military benefits in the 90/10 rule. This is because *the rule does not account for student outcomes; only revenue sources matter.*

The past decade has seen major advancements in the availability of data on student outcomes. Information on what students earn after leaving every institution, whether they earn a credential, and how quickly they pay down their student loans is now readily available—in many cases for individual programs at each institution. Quality assurance policies meant to protect veterans and military students should be based on these metrics, not blunt measures like sources of revenue. And they should apply equally to all types of institutions of higher education to ensure that veterans and military students do not risk enrolling in an institution, public or private, that does not provide a good return on their investment.

Policymakers and advocates are right to want to safeguard the quality of educational options available to military students. But changing the way GI Bill and Department of Defense benefits are treated in the 90/10 rule is unlikely to accomplish such a goal. It may also harm many of these students in cases where they would be prevented from attending institutions that deliver above-average student outcomes. The policy may even steer them into the worst-performing public institutions. Fortunately, policymakers don't have to settle for an outdated policy that will produce such severe and unintended consequences. They can identify institutions directly—public, nonprofit and for-profit alike—that aren't serving students well by using data that is now readily available.

END NOTES

1. For loans and grant aid see: U.S. Department of Education, "Fiscal Year 2021 Budget Summary," February 12, 2020, https://www2.ed.gov/about/overview/budget/budget21/summary/21summary.pdf. Also see the Analytical Perspectives for amounts issued in the form of tuition tax credits: The White House, "Tax Expenditures: Analytical Perspectives," February 2020, https://www.whitehouse.gov/wp-content/uploads/2020/02/ap_13_expenditures_fy21.pdf

2. U.S. Department of Veterans Affairs, "VA Releases Data of Educational Organizations Receiving GI Bill Payments," VAntage Point, March 12, 2018, https://www.blogs.va.gov/VAntage/46298/va-releases-data-educational-organizations-receiving-gi-bill-payments/. For the Department of Defense Tuition Assistance program spending see: Brenda S. Farrell, "DOD Education Benefits: Data on Officer Participation in and Views on Proposed Changes to the Tuition Assistance Program," U.S. Government Accountability Office, September 16, 2019, https://www.gao.gov/assets/710/701388.pdf

3. Pub. L. No. 102-325, 102nd Congress (1992)

4. It was originally 15% but changed to 10% in 1998. Pub. L. No. 105-244, 105th Congress (1998); and 20 U.S.C. § 1094(a)(24).

5. Veterans Education Success, "What Is the 90/10 Loophole?" n.d., https://veteranseducationsuccess.org/90-10-loophole

6. The 90/10 rule is a limit on the percentage of revenue from U.S. Department of Education programs that an institution can receive. If the percentage is higher than 10%, the institution has violated the rule. To calculate this percentage, federal aid is counted in the numerator and total revenue from all sources is counted in the denominator. For example, an institution that receives $80 million in revenue through federal Title IV (i.e., Department of Education) aid programs (numerator) and $100 million in total revenue (denominator) then the institution earns 80% of revenue from federal aid programs ($80 divided by $100) and is in compliance with the 90/10 rule.

7. Veterans Education Success, "*What is the 90/10 Loophole?*", https://veteranseducationsuccess.org/90-10-loophole

8. These proposals would also include additional forms of federal funds in the test that are currently excluded. See: U.S. Congress, Senate, *Preventing Risky Operations from Threatening the Education and Career Trajectories of Students Act of 2019*, S.867, 116th Congress, https://www.congress.gov/bill/116th-congress/senate-bill/867/text#toc-id18ca49e91d624a9891c80fe701622d85.

9. Author's calculation using U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, "National Postsecondary Student Aid Study (NPSAS)," 2015-16 https://nces.ed.gov/datalab/index.aspx?ps_x=bkncaa29

10. About 40% of undergraduates come from families with EFC's of $0. At public four-year institutions, about 30% of students have $0 EFC's. At community colleges the figure is 42%. At for-profit institutions, 62% of students are from families with $0 EFC's. Author's calculation using U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, "National Postsecondary Student Aid Study (NPSAS)," 2015-16 https://nces.ed.gov/datalab/index.aspx?ps_x=bkncaa29

11. Mark Kantrowitz, "Consequences of the 90/10 Rule," Edvisors, August 19, 2013, https://www.edvisors.com/ask/student-aid-policy/90-10-rule/~/media/d16fabde2fdb4134932cb0fd3e620683.ashx

12. Jason Delisle, "Evidence Against the Free-College Agenda: An Analysis of Prices, Financial Aid, and Affordability at Public Universities," American Enterprise Institute, May 2020, https://www.aei.org/wp-content/uploads/2020/05/Evidence-Against-the-Free-College-Agenda.pdf

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13. Vivien Lee and Adam Looney, "Understanding the 90/10 Rule: How Reliant are Public, Private, and For-Profit Institutions on Federal Aid?" Brookings Institution, January 2019, https://www.brookings.edu/research/does-the-90-10-rule-unfairly-target-proprietary-institutions-or-under-resourced-schools/. Note that this study over-identifies hundreds of for-profit institutions estimated to fail the 90/10 relative to the actual data on 90/10 compliance reported by the U.S. Department of Education. It may therefore also over-identify public institutions that fail the "skin-in-the-game" test.

14. Author's calculations using U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, "National Postsecondary Student Aid Study (NPSAS)," 2015-16 https://nces.ed.gov/datalab/index.aspx?ps_x=bkncaa29. About 75% of undergraduates are enrolled at public institutions (2-year and 4-year). If 17% of these institutions are estimated in the Brookings Institution study to fail a skin-in-the-game test, then we can approximate that these institutions likely enroll about 13% of undergraduates. For-profit institutions enroll about 10% of all undergraduates.

15. Institute for Higher Education Policy, "The Postsecondary Data Collaborative (PostsecData)," n.d., http://www.ihep.org/postsecdata; and New America, "Student Unit Record Data System (SUR)," n.d., https://www.newamerica.org/education-policy/topics/higher-education-data-and-transparency/higher-education-data/student-unit-record-data-system/

16. Department of Education, "Program Integrity: Gainful Employment; Final Rule," https://ifap.ed.gov/federal-registers/10-31-2014-final-rule-gainful-employment; and Student Assistance General Provisions, 34 CFR § 668 (2014),

17. The rule also applied to certificate programs at all types of institutions, including public and private non-profit colleges.

18. Michael D. Shear, "With Website to Research Colleges, Obama Abandons Ranking System, *The New York Times*, September 12, 2015, https://www.nytimes.com/2015/09/13/us/with-website-to-research-colleges-obama-abandons-ranking-system.html

19. Antoinette Flores, "How College Accreditors Miss the Mark on Student Outcomes," Center for American Progress, April 15, 2018, https://www.americanprogress.org/issues/education-postsecondary/reports/2018/04/25/449937/college-accreditors-miss-mark-student-outcomes/; and College Transparency Act, S.800, 116th Congress, (2019-2020) https://www.congress.gov/bill/116th-congress/senate-bill/800

20. We defined "less-selective" in our analysis by excluding from the group of public institutions those that required standardized test scores for admissions and where student test scores at the 75th percentile on the SAT (or ACT equivalent) were 1,260 or higher and 1020 or higher at the 25th percentile. This methodology corresponds to the definition of a very selective institution used in the U.S. Department of Education's National Postsecondary Student Aid Study, 2016. (That approach also incorporates an institution's admissions rate, which we do not use in our screening approach.) That screening approach effectively excludes the 100 most selective public institutions from our analysis. The remaining institutions (approx. 1,400) we consider to be "less selective", which includes all 2-year community colleges and all but the 100 most selective four-year institutions by the aforementioned criteria. While we define this group as "less selective", these institutions as a group are still more selective than for-profit institutions on average. This is because the group includes many four-year institutions that are still selective in that they require above-average test scores for admissions, but their standards do not put them among the 100 most elite public four-year institutions like the University of California - Berkeley, or the University of Virginia.

END NOTES

21. Federal Student Aid, "Proprietary School 90/10 Revenue Percentages," n.d., https://studentaid.gov/data-center/school/proprietary; and U.S. Department of Veterans Affairs, "VA Releases Data of Educational Organizations Receiving GI Bill Payments," VAntage Point, March 12, 2018, https://www.blogs.va.gov/VAntage/46298/va-releases-data-educational-organizations-receiving-gi-bill-payments/

22. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), n.d., https://nces.ed.gov/ipeds/

23. This methodology differs from a widely-cited 2019 Brookings Institution study that recreates the entire 90/10 ratio for each institution using multiple federal data sources. The Brookings methodology was designed largely with the goal of comparing institutions with larger relative sources of revenue from federal aid programs, including public institutions, and for identifying public institutions that might fail the 90/10 rule if it applied to them. The methodology is well-suited for that purpose. However, it overestimates non-compliance with 90/10 by a significant degree. For example, the paper states that about 18% of for-profit institutions fail the 90/10 rule when in reality these institutions pass it based on the official tally provided by the U.S. Department of Education. For that reason, we do not use the Brookings methodology to identify institutions that would fail the 90/10 or 85/15 rules when military benefits are included in the rule. See: Vivien Lee and Adam Looney, "Understanding the 90/10 Rule: How Reliant are Public, Private, and For-Profit Institutions on Federal Aid?" Brookings Institution, January 2019, pp. 6-7, https://www.brookings.edu/wp-content/uploads/2019/01/ES_20190116_Looney-90-10.p

24. U.S. Department of Education, College Scorecard, https://collegescorecard.ed.gov/

25. The federal government defines a default as a borrower failing to make a single on-time payment for 270 consecutive days.

26. United States, U.S. Department of Education, Cohort Default Rates, Federal Register §668.206 and §668.208, Printed on October 28, 2009, https://www.ecfr.gov/cgi-bin/text-idx?SID=a997002748237448f50358c7f83e6a7b&mc=true&node=pt34.3.668&rgn=div5#sp34.3.668.n

27. The original balance here is defined as the balance the borrower held when he entered repayment, which is not necessarily the amount he borrowed as it usually includes loan fees added to the balance and interest that accrues while he is in school and is capitalized once he is no longer enrolled. The loan repayment rate excludes borrowers who defaulted. According to the College Scorecard, "Repayment rates are generally considered more sensitive than default rates, which measure only the worst-case scenario for repayment outcomes, and which can be manipulated through the use of allowable non-repayment options like deferments and forbearances." See College Scorecard, "Technical Documentation: College Scorecard Institution-Level Data," December 2020, https://collegescorecard.ed.gov/assets/FullDataDocumentation.pdf

28. College Scorecard, "Technical Documentation: College Scorecard Institution-Level Data," December 2020, https://collegescorecard.ed.gov/assets/FullDataDocumentation.pdf

29. College Scorecard, "Technical Documentation: College Scorecard Institution-level Data," December 2020, https://collegescorecard.ed.gov/assets/FullDataDocumentation.pdf

30. In the 2016-17 academic year, ten for-profit institutions violated the 90/10 rule, meaning that more than 90% of their revenue came from federal financial aid programs administered by the U.S. Department of Education.

END NOTES

31. Total student enrollment is based on 12-month full-time equivalency. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), n.d., https://nces.ed.gov/ipeds/

32. Total student enrollment is based on 12-month full-time equivalency. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), n.d., https://nces.ed.gov/ipeds/

33. In the data we use for our analysis, there are 727,018 total students using GI Bill benefits across all institution types. U.S. Department of Veterans Affairs, "VA Releases Data of Educational Organizations Receiving GI Bill Payments," VAntage Point, March 12, 2018, http://www.va.gov/transparency/Post-9-11-GI-Bill-Data.xlsx. Among the institutions included in the data for our analysis (those that participate in U.S. Department of Education programs), there are 638,178 students receiving GI Bill benefits.

34. In the data we use for our analysis, there are 727,018 total students using GI Bill benefits across all institution types. U.S. Department of Veterans Affairs, "VA Releases Data of Educational Organizations Receiving GI Bill Payments," VAntage Point, March 12, 2018, http://www.va.gov/transparency/Post-9-11-GI-Bill-Data.xlsx. Among the institutions included in the data for our analysis (those that participate in U.S. Department of Education programs), there are 638,178 students receiving GI Bill benefits.

35. The total number of students receiving Department of Defense Tuition Assistance Program benefits is 255,729. Department of Defense Inspector General, "Audit of Controls at Military Installations for Schools Participating in the DoD Tuition Assistance Program", September 10, 2019, https://media.defense.gov/2019/Sep/12/2002181692/-1/-1/1/DODIG-2019-122.PDF. However, for the institutions included in the data used for our analysis, there are 246,590 students receiving these benefits.

36. There are about 1,700 for-profit institutions participating in the federal student aid programs. Federal Student Aid, "Proprietary School 90/10 Revenue Percentages," n.d., https://studentaid.gov/data-center/school/proprietary A 2019 Brookings Institution study also suggests that a small number of for-profit institutions would be affected by a modified 90/10 rule—only about 3% of for-profit institutions. Specifically, the study states, "We see that the largest reduction in compliance due to adding DOD benefits is in the for-profit sector, where compliance declines from 82.4 percent to 79.2 percent." The effect can thus be calculated by the change in those two statistics—82.4 percent pass in the base case analysis and 79.2 percent pass when military benefits are added, a difference of 3.2 percent. Those figures are weighted by enrollment; our methodology treats each institution as a unit of one. See Vivien Lee and Adam Looney, "Understanding the 90/10 Rule: How Reliant Are Public, Private, and For-Profit Institutions in Federal Aid?" Brookings Institution, January 2019, https://www.brookings.edu/wp-content/uploads/2019/01/ES_20190116_Looney-90-10.pdf

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The Veterans Education Project (VEP) is a Veteran Service Organization in Washington, D.C. that regularly engages with Congress, the White House, the Departments of Veterans Affairs, Defense, and Education, as well as with institutions of higher education in order to advocate for student veterans, servicemembers, and their families. As veterans serving veterans, VEP is committed to nonpartisan research, engagement, and policy implementation in our efforts to support institutions that meet the needs of student veterans, and guarantee the benefits and support systems necessary for veteran and military students to succeed.

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