December 3, 2019

Members of The Military Coalition:

I thank the coalition’s president, Chief Jack Du Teil, for circulating this “dear colleague” letter to our members in advance of any consideration of TMC’s position on education funding, such as 90/10.

ROA has previously offered an opinion regarding the issue of DoD and VA education funding and the associated issue of ratio-setting. For the record, ROA is receiving and will receive no compensation, reward, or consideration of any kind in connection with our position on this issue.

We applaud any efforts made by members of Congress to work together in a bipartisan fashion. We may not, however, applaud the outcome of every effort. The present effort has produced a bill tentatively entitled the “Protect Veterans’ Education and Taxpayer Spending Act of 2019.”

Upon reading the bill, I am struck by its attempt to remedy a problem whose extent and effect merit no such action.

Everyone knows that the for-profit “proprietary” education sector has produced some bad conduct. It has also produced many good schools and programs that are serving GI Bill beneficiaries well.

The traditional education sector also has a less-than-perfect record.

This bill does something we in the military are taught is poor leadership. In the military from day one we are taught not to punish the group for the errors of the individual, but to correct the individual.

Yet, this proposed legislation would do just that. In applying standards only to the proprietary sector, this bill would correct (punish) the proprietary educational sector for the “sins” of a few institutions, some of which occurred years ago, and were addressed.

The bill includes moving GI Bill and other military tuition assistance from the 10 percent of the 90/10 ratio to the 90 percent, making it harder on proprietary schools – and their students. This is called “closing the loophole.” ROA opposes that effort as well.

Some argue that military tuition assistance such as the GI Bill is federal funding and belongs with other federal funding in the 90 percent. Yet, a GI Bill check is not a loan or a grant. It is an earned benefit and not intended for repayment – once it’s earned, it is the beneficiary’s to be spent within law and regulation as the beneficiary chooses, similar to a government paycheck.

Seen in that light, there simply is no “loophole”: GI Bill money didn’t slip undetected into the 10 percent; it belongs there.
The Military Coalition
Page 2 of 4:

The VA testified before Congress that this “loophole closing” would cost some 66,000 GI Bill beneficiaries their educational options – their schools would shutter or close programs or raise tuition, etc.¹ That’s more than the size of the Coast Guard, and almost exactly the Army’s annual recruiting goal. It’s also about 10 percent of GI Bill beneficiaries. Where else would we as veterans’ advocates support a reduction in earned benefits that hurts 10 percent of beneficiaries?

The argument for “closing the loophole,” founded in a paternalistic belief that government knows best, includes justifications such as charges of “predatory” behavior by these schools.

Aggressive marketing is by no means limited to for-profits: a member of ROA’s staff recently queried admissions at a prestigious public university in Indiana and began receiving up to a dozen calls a day; he was forced to block the institution. This type of marketing, done by a proprietary school, would be labeled “predatory” or “aggressive” by some advocates and used as rationale for “closing the loophole,” and so forth.

While it may have its problems, the for-profit sector is not a bad actor. It is not the enemy.

Yet, this legislation suggests an anti-market bias and a bias toward protecting the traditional sector. Its phasing in of targeted standards and the offer of an appeals process do not change the fundamental bias.

ROA does not oppose standards; indeed, the state approving agency process itself imposes standards. We think good standards make sense and any programs that don’t meet them should not be approved. If, as some reports suggest, state approving agency standards are weak or poorly implemented, fix that problem, rather than over-layering new (potentially biased) rules. We also support “truth in advertising” – robust consumer information on any institution and program approved for GI Bill benefits, so beneficiaries can make their own informed decisions.

We say that if you are going to apply a standard whose intended effect is quality education, that standard should be applied to all providers, public and private. It was revealing that when I said this to one advocate on the Hill, the response was, “Well, that’ll sink the bill.”

¹ Testimony at https://www.youtube.com/watch?v=7mAJftMk7A&feature=youtu.be&t=2180.
ROA did some research: based on a May 2019 Congressional Budget Office report, five of the 10 most popular institutions under the Post 9/11 GI Bill were private for-profit, with more than 72,000 veterans who likely would be affected by a 90/10 rule change.
The Military Coalition
Page 3 of 4:

Well-meaning though I think it is, such legislation comes at the cost of options for GI Bill users who served to secure the American ideals of liberty and fair dealing. Proprietary schools are increasingly showing their value in helping GI Bill beneficiaries get a useful, quality education – often in disciplines few universities offer, such as technical training and other vocational education. Isn’t it conceivable that a veteran (or member of the Reserve or National Guard) may not want or need a two- or four-year degree?

Legislation or policy that makes it tougher for proprietary schools to operate will reduce options for veterans: if such schools must achieve standards or contend with an altered funding ratio applicable only to them, they are hobbled. As VA and others predict, some programs may shut down – without regard to how well they’re serving students. That deprives students of options.

If changing a funding ratio reduces revenue, the piper must still be paid – tuition increases will likely be among the results.

And who among GI Bill beneficiaries is least able to come up with the extra money for higher tuition? Who has the least ability to travel farther for another program, if one is even available? In effect, if not by intent, the outcome will be discriminatory.

Bias against certain programs is effectively, if unintentionally, another form of discrimination: Programs such as cosmetology have been called unworthy recipients of “taxpayer money.” Set aside the misperception that an earned benefit is the government’s and not “my” money. Many of us, I am certain, know people whose success was enriched by forming a perfectly legitimate, honorable small business, such as barbering or cosmetics or an automotive repair shop. The enterprise launched them, employed others, added to the tax base, and helped their community.

To count as unworthy vocational training that may help someone start a new life in small business seems like elitism and is unworthy of us in the military community.

We have seen – or at least I hope anyone taking a position on this issue has seen – first-person accounts of veterans whose “for-profit” education helped them succeed in their civilian work.

In fact, I am exploring a nearby culinary arts night school diploma program – offered by an accredited, proprietary school, credentialled by the prestigious American Culinary Federation, and approved for GI Bill benefits. While I’m not thinking of changing careers, and my own GI Bill reservoir is about dry from graduate school years ago, the process has given me a useful perspective on the situation.

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On my drive home the other day, it occurred to me that among the four proprietary schools I’d queried (all of which know I may have GI Bill funds), I’ve had just a handful of courteous follow-up calls or emails, all of which I had invited by giving my consent to follow-ups. No one has harassed me, and no one has promised me a job.

ROA’s position is that any standards established in connection with the receipt of DoD or VA education funds be applied “across the board,” and not just to the proprietary sector. Further we oppose “closing the loophole” (we don’t agree that there is one).

We urge our fellow members of The Military Coalition to join us in preserving fairness, options, and choice for GI Bill beneficiaries, present and future.

Colleagues, are we willing – to correct or exclude the occasional bad actor – to punish an entire sector, create government-designated winners in the market, and reduce the value of GI Bill benefits to the very people we represent and who earned the right to make their own choice?

ROA is not.

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