

STATEMENT OF
RYAN M. GALLUCCI, DEPUTY DIRECTOR
NATIONAL VETERANS SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE
VETERANS' AFFAIRS SUBCOMMITTEE
ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

The Role of the State Approving Agencies in Ensuring Quality Education Programs for Veterans

WASHINGTON, D.C.

November 19, 2014

Chairman Flores, Ranking Member Takano and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, I want to thank you for the opportunity to present the VFW's thoughts on the role that State Approving Agencies (SAAs) can play in ensuring quality in education for today's student veterans. As advocates for the success of student veterans in higher education, the VFW has long been concerned about the role the SAAs can play as the front-line quality assurance resource for GI Bill programs. This committee, along with partners in the veterans' advocacy community, played a major role in commissioning the Post-9/11 GI Bill, and the VFW has always been willing to serve as an advisor on ways to ensure success for our student veterans in higher education.

Together we have made significant progress over the years, not just by commissioning landmark benefit programs, but also by ensuring resources are in place to help college-bound veterans make informed educational choices; ensuring veterans have access to quality, unbiased pre-enrollment counseling options; affording veterans recourse should they become victims of fraud, waste, and abuse; and most recently, ensuring that no public institution of higher learning can hold a veterans' military service against them when determining eligibility for in-state tuition. This Subcommittee and my fellow panelists should be proud of these recent accomplishments, but we must also acknowledge that we are not done yet.

The SAAs were designed under the original Veterans Readjustment Act of 1944 to serve as each state's steward of quality educational programs for veterans. The VFW credits both the Department of Veterans Affairs (VA) and the SAAs with fostering a boom in higher education

for America's middle class, ultimately leading to further investment in civilian higher education opportunities. With this in mind, the VFW believes it is important that we consistently revisit the SAAs' role in providing for the quality education our veterans have earned, like we are doing today.

However, I must also remind the Subcommittee that today's hearing, and any resultant legislative changes, should only serve as a starting point for the broader discussion on the future role of SAAs. Some in today's higher education space insist that SAAs only duplicate the modern role of independent accreditors and the Department of Education. The VFW refutes this notion, and must remind the Subcommittee that the SAAs' scope of responsibilities is well beyond the kinds of programs approved for participation in the Department of Education. SAAs also serve as the gatekeepers of quality for non-degree programs eligible for GI Bill participation, as well as VA On-the-Job Training and Apprenticeship programs – two GI Bill programs that are currently underutilized, but can serve as gateways to quality careers for veterans who do not want to pursue a traditional college education.

The VFW also understands that it is responsible governance to periodically revisit oversight mechanisms and at times change roles and responsibilities to suit the needs of an ever-changing veterans' community, which is why we encourage this committee to host future hearings to candidly discuss new and innovative ways to leverage a strong network of SAAs to foster quality outcomes for student veterans.

The VFW proudly serves as a constructive partner with the National Association of State Approving Agencies (NASAA) as well as VA in ensuring student veterans have access to quality educational and vocational training programs. With this in mind, much of our testimony will focus on NASAA's recommendations to the Subcommittee on ways to improve the effectiveness of today's SAAs.

Statutory Authority on Non-College Degree Program Approval

For the past few years, NASAA has expressed frustration at the inability for SAAs to inspect and approve non-college degree (NCD) programs at not-for-profit institutions of higher learning which became "deemed approved" through the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377). Through PL 111-377, all programs at not-for-profit schools accredited by a Department of Education-recognized accreditor were to be "deemed approved" for GI Bill purposes. However, what the SAAs found in subsequent years was that not-for-profit schools started to develop NCD programs of questionable value. When SAAs started to question the marketplace validity of these programs, SAAs were denied access to inspect them. In the subsequent years, NASAA caught the attention of VA's Office of Economic Opportunity, which issued guidance allowing the SAAs to once again inspect NCD programs.

However, SAAs still lack the statutory authority to properly approve NCD programs at non-profit schools – meaning some programs continue to operate under the "deemed approved" umbrella, unless SAAs learn about them and inspect them for validity. The VFW supports extending the statutory authority to the SAAs to inspect these kinds of programs to validate their quality.

NASAA also requested that the SAAs once again retain primary approval authority for GI Bill programs – another change ushered in through PL 111-377, through which the Secretary of Veterans Affairs was also given the authority to approve or disapprove programs. One goal of this initiative is to ensure that every state fully staffs its SAA, as four currently have eliminated their SAA position. While the VFW understands the intent of this provision, we believe that as the fiduciary of the benefit, VA must retain some authority over the approval and disapproval of programs.

Statutory Authority on Flight Program Approval at Public Institutions

NASAA also has reported that public institutions of higher learning have started to commission flight training programs or free electives specifically targeting veterans for enrollment. According to the SAAs, the reason schools are adding these programs is because of the uncapped reimbursement offered by VA for flight programs at public institutions through the Post-9/11 GI Bill. VA has corroborated this report, acknowledging that several flight programs at public institutions have been suspended for GI Bill eligibility for violating the long-standing 85/15 headcount rule, through which no more than 85 percent of students enrolled in an academic program can be receiving VA education benefits. In years past, the VFW believed that VA's 85/15 rule had become obsolete, since veterans comprised such a small cohort in the higher education population. We were surprised to learn that programs – particularly programs at public institutions – could violate this seemingly irrelevant rule by recruiting veterans for newly-commissioned flight programs.

However, the fact that these programs have sprouted up in the few years since the Post-9/11 GI Bill was signed into law are a clear indication that SAAs must have greater authority to inspect and approve flight programs at public institutions. Moreover, the VFW agrees with NASAA's recommendation to establish a tuition and fees cap for flight programs commensurate with the cap for private institutions of higher learning already established for the Post-9/11 GI Bill.

These new criteria are not an indictment of the quality of flight programs at public institutions, but instead are a quality control measure to ensure that the benefit is administered in a fair and equitable way for veterans who choose to enroll.

Consistency and Flexibility for Compliance Surveys

Finally, NASAA has also expressed serious concerns over current statutory requirements on how VA and the SAAs must conduct compliance surveys every year. Under current law, VA must conduct compliance surveys annually on all facilities reporting at least 300 enrolled GI Bill recipients. The VFW agrees with NASAA's assertion that this is an impossible mission, and one that neglects institutions that may face significant compliance issues.

The current statutory requirement can mean that some schools will go years without a compliance survey, as VA and the SAAs struggle to satisfy the requirement to survey schools with large veteran populations. Such a requirement can hinder both VA's and the SAAs' response to at-risk programs that may enroll far fewer veterans, while wasting significant time

and resources inspecting perennial top performers who happen to have large student veteran populations.

The VFW agrees with NASAA that the statutory requirements should change to ensure that VA can conduct compliance surveys on all institutions at least once every three years. VA and the SAAs should also be given flexibility in determining priorities in conducting annual compliance surveys.

In the past, this kind of collaboration may have been a difficult task, but thanks to the GI Bill Complaint System commissioned by this Committee through the *Improving Transparency in Education for Veterans Act of 2012*, the VFW is confident that VA and the SAAs now have access to a clearinghouse of information through which they can identify trends that would lead to risk-based program reviews.

Approval of Preparatory Courses

In the past year, the VFW has learned that no preparatory courses offered by institutions of higher learning have been approved for use by GI Bill beneficiaries for chapters 33, 30, 1606, 1607 and 35. The ability to use these benefits to prepare veterans for complex entrance exams, like the LSAT, GMAT or GRE, is a major selling point for veterans, and a benefit readily discussed on VA's GI Bill FAQ website. Unfortunately, we have found that some college administrators, VA employees and SAA officials are unaware that the GI Bill will pay for preparatory courses and, therefore, are denying veterans the ability to use their benefits for such programs. In fact, after shopping around, the VFW failed to identify a single preparatory course through which a veteran could use his or her benefits.

In discussions with VA and NASAA on the ability to approve preparatory courses, both VA and the SAAs have admitted that the law is unclear about how these programs are to be treated for GI Bill approval. The VFW seeks clarification on how VA should approve preparatory courses offered by institutions of higher learning to ensure that veterans can start taking advantage of this opportunity.

The VFW firmly believes that the SAAs remain a valuable partner in ensuring quality for veterans in higher education. We agree with many of NASAA's recommendations to change the current framework under which the SAAs operate to ensure they can continue serving in this role. However, we also reiterate our call for periodic discussions on how to better leverage the SAAs and their resources to ensure veteran success in higher education.

Chairman Flores, Ranking Member Takano, this concludes my testimony and I am happy to answer any questions you may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, VFW has not received any federal grants in Fiscal Year 2013, nor has it received any federal grants in the two previous Fiscal Years.