

STATEMENT OF
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FOR THE RECORD

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COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

WITH RESPECT TO

“Pending Legislation”

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Chairman Levin, Ranking Member Moore, and members of the subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to provide our remarks on legislation pending before this subcommittee.

H.R. 6458, to amend title 38, United States Code, to eliminate the requirement to specify an effective period of a transfer of Post-9/11 educational assistance to a dependent

The VFW supports this bill, which would eliminate the requirement to specify an effective period of a transfer of Post-9/11 educational assistance to a dependent. In cases where a service member dies before the educational assistance is used, unnecessary red tape is a hurtful barrier if the surviving family is unavailable to clarify clerical errors. The process of transferring education benefits to a dependent should be as transparent and seamless as possible and this bill would help eliminate a field which serves no real utility. This legislation would make it easier for all veteran and military families using Department of Veterans Affairs (VA) education benefits and would be of significant importance to Gold Star Families.

H.R. 6604, Veterans Eligible to Transfer School (VETS) Credit Act

The VFW supports this bill, which would improve the method by which the Secretary of Veterans Affairs determines the effects of a closure or disapproval of an educational institution on individuals who do not transfer credits from such institution.

All student veterans and military students are inherently transfer students. Once a service member completes any level of military training, this training is captured on their Joint Service Transcript (JST) and evaluated by the American Council on Education (ACE) for recommended

transfer of college credits. Upon completion of initial training or military bootcamp, an average service member may already have twelve credits available to transfer toward college coursework at the discretion of the institution of their choice. For open-enrollment institutions offering two- and four-year degrees, it is typical for JST credits to be broadly accepted as transfer credit toward open electives, with military service credits accepted upwards to 90 credits toward a degree. For individuals who are transferring to an institution that may count their JST credits toward transfer, it would be highly unfair to count their transfer credits earned outside of the closed institution toward a threshold that may prevent them from a reinstatement of their earned GI Bill entitlement.

In the case where the service member or veteran chooses an institution or program that ultimately fails them and closes, it is critical that the transfer credit they received from their military service not be a barrier to regaining their earned GI Bill benefits. The VFW recommends that the twelve-credit requirement preclude any credits that were earned through service, and the requirement reflect twelve credits that were earned directly through the closed institution.

Discussion Draft, to make permanent certain educational assistance benefits under the laws administered by the Secretary of Veterans Affairs in the case of changes to courses of education by reason of emergency situations, and for other purposes

The VFW supports this proposal, which would protect and give security to students using VA education benefits during times of national emergency. The COVID-19 pandemic's massive impact on higher education and training, including unforeseen closures and rapid changes to modalities, brought to the forefront the urgent need for permanent legislature that would direct VA in these times of crisis. In times of national emergency, students who rely on their housing and other allowances may be put in dire situations if, without warning, they are not able to receive these funds. Additionally, many veterans eligible for VA education benefits are still bound by delimitation dates tied to their discharge dates. Unforeseen institutional closures can even further restrict these veterans who are tied to delimitation dates and approaching the time limit for benefit use.

In many respects higher education institutions have been able to adapt to the COVID-19 pandemic conditions as we reach the end of its second year. Although conditions may have normalized to an extent, this must be a lesson learned so that VA may be adequately prepared with direction when we are faced with the next inevitable crisis.

Past national emergencies, such as Hurricane Harvey in 2017, cause widespread regional closures that can disrupt student payments. The VFW felt this impact all across the region that was affected. We delivered immediate aid through our national and local Unmet Needs programs to financially help those veterans who were struggling. A permanent policy, as proposed in this draft, is critical to ensure continuity and security for VA education benefits and allow students to persist to graduation.

Discussion Draft, Quality Education for Veterans Act of 2022

The VFW supports this proposal, which would provide additional criteria necessary for a State

Approving Agency (SAA) to approve programs for participation in VA education benefits. Too many students have been taken advantage of by institutions that were too easily approved for VA education benefits despite poor outcomes, inadequate staffing, and even violations of the law. It is critical to reform program approval for VA education funding to prevent veterans and those using VA education benefits from falling victim to failing institutions and training establishments. We strongly believe program approval must be designed to keep out objectively bad actors, while ensuring other institutions and training programs are readily available for veterans.

The current provisions allow flexibility for cases in which the institution may have reached a settlement by providing a dollar amount limit that would restrict VA education benefit access. However, in cases where a government entity reaches a verdict or definitive finding of an institution having violated the law, the VFW recommends language be added to disapprove VA education benefit eligibility regardless of the dollar amount of the penalty. Such cases occur when institutions are found by a court to have provided students false or misleading information about career outcomes, cost and financial aid, pace of degree programs, and transfer credits in order to persuade them to enroll at their institution.

We also support provisions in this proposal not only for the institution or training establishment applying for program approval, but also individuals or entities with which they may have a contract. In an increasing number of cases, parent companies or owners of institutions facing penalties seek to shift these institutions to online program managers, establishing revenue-sharing agreements with more reputable institutions while maintaining the same internal structure. In many of these cases, the failing institutions have a significant percentage of enrollment comprised of students using their VA education benefits. This legislation would prevent bad actors from continuing to have access to veterans following contracts with other institutions.

Discussion Draft, to direct the Secretary of Veterans Affairs to develop and implement a uniform application for use by any educational institution or training establishment seeking approval of a course of education under the laws administered by the Secretary

The VFW strongly opposes this proposal, which would provide additional criteria necessary for a SAA to approve programs for participation in VA education benefits that may not be an accurate measure of positive student outcomes. The additional criteria proposed in this draft would create unnecessary barriers and misleading requirements for programs to be approved and would not accomplish the goal of protecting students.

To require fifty percent of tuition to be spent on classroom instruction would be misguided and detrimental to student veterans at public, private non-profit, and private for-profit institutions alike. This proposal negates the other forms of revenue that vary between institutions, to include grants, state funding, and endowments. For institutions with revenue streams other than tuition, their percentage of tuition toward instruction would inevitably be skewed as to the actual institutional investment in instruction. While tuition revenue greatly ranges between institution types, the average percentage of revenue spent on instruction is within a much closer range. For example, recent Integrated Postsecondary Education Data System (IPEDS) data indicate the

average public schools receive eighty percent of their revenue from sources other than tuition, with for-profit institutions receiving nine percent. Average percentages of total revenue used for instruction are generally not over fifty percent, regardless of institution type. According to IPEDS, the average instructional spending across all institution types ranged from twenty-six to forty percent.

Additionally, the concept of using instructional spending as a metric for program approval can be problematic, especially as this language suggests an even narrower category of “classroom” instruction, not tracked by IPEDS. For program approval, instructional spending is not the only metric tied to outcomes and is not a universal metric across modalities or program and training types. Other types of spending that contribute to student veteran success are highly important and should not be discounted. In addition to instruction, many institutions invest in other forms of student support, including accessibility for disabled students, career services, curriculum design, and advanced learning management system platforms for online students. Negating these expenditures for programs seeking GI Bill approval is dangerous and would hurt student veterans who are inherently adult learners and benefit from student support investments beyond instruction.

A 2019 study by Veteran Education Success—with methodology that mirrors this proposal for percentage of tuition—revealed many schools popular among veterans would fail to meet an arbitrary fifty percent threshold of tuition directed toward instruction. Hundreds of failing schools include the University of San Diego and Point Loma Nazarene University, which are two Catholic institutions based in San Diego popular among the city’s large veteran population. Other large Catholic institutions, including Gonzaga University, Seton Hall University, Marquette University, Xavier University, and Loyola University of Maryland also fail this metric. American University in Washington, D.C., Southern New Hampshire University, and Norwich University, a private military college, also do not pass this arbitrary threshold.

Included in the large institutions that fail this metric is the University of Maryland Global Campus (UMGC), which is a public institution and one of the largest providers of both veteran and active-duty education with over 12,000 students using Post-9/11 GI Bill benefits. UMGC hosts satellite campuses on military installations in the United States and abroad, and was recently announced as a partner to provide cyber security degrees through the Department of the Navy’s newly established United States Naval Community College (USNCC). In the announcement, the president of USNCC shared, “It is important that we have a high-quality cybersecurity degree program that our Sailors, Marines, and Coast Guardsmen know will help them do their jobs better today and into the future.” Programs such as this would fail to meet approval based on this proposed legislation, barring our armed forces from training and improving certain skills necessary for today’s battlefields.

These are only a few examples of schools where thousands of military and veteran students would be negatively affected by this proposal. The VFW believes program approval is incredibly important in order to avoid past situations such as ITT Tech or Retail Ready. However, it should be the role of veterans advocates to promote and improve student veteran outcomes and not unnecessarily bar VA benefit eligibility at institutions that are not predatory.

In order to move forward using IPEDS spending category for regulation, it is important that its data be parsed in a way to make this data truly useful for policy. We urge the appropriate subcommittees on Veterans Affairs and Education to collaborate on reauthorization of the *Higher Education Act of 1965* to provide comprehensive improvements to IPEDS data collection to allow for better analysis of student support versus student acquisition spending. This breakdown would provide greater transparency of institutional spending and should be shared by College Navigator so students can be informed consumers.

The VFW is also concerned that duplicating requirements of the Department of Education (ED) such as incorporating gainful employment metrics into GI Bill program approval would cause unnecessary administrative tasks that would in turn hurt students. While we believe gainful employment requirements are important, we believe it is imprudent to include metrics for VA approval that may parallel but differ from ED requirements for other federal funding. This would ultimately create two separate requirements for institutions to accomplish the same goal and cause a needless burden that would detract from time spent serving students using VA education benefits. The VFW recommends any requirements that overlap with ED requirements must be stipulated only for institutions and programs not participating in federal funding.

The VFW was very pleased with provisions implemented through the *Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020*, which required the development of risk-based surveys to enhance oversight of educational institutions. As these pilot surveys begin, we hope the data collected leads to a better understanding of student outcomes to better formulate program approval policy. Several measures in this draft bill would not only convolute the intent to establish risk-based surveys but would create duplicative responsibilities for the SAAs conducting risk-based surveys.

We also find the requirement to make certain institutional employees fiduciaries to be abstract, unnecessarily burdensome for good actors, and a means for bad actors to simply leverage authority. By creating new program approval regulations in a vacuum for students using VA benefits, institutions may choose to opt out of GI Bill eligibility if participation is viewed as too difficult to support for only a small percentage of their students. Over the past several months, we have heard from multiple SAAs about public institutions withdrawing programs—primarily non-college degree programs—from GI Bill eligibility due to the excessive burden of new requirements. Program approval guidance and regulation is critical, and we believe the provisions necessary must be decided with prudence to truly protect students using VA education benefits from predatory and financially unstable institutions. This draft bill will not accomplish that goal.

We must ensure policies that are enacted by this body are ultimately in the best interest of veterans pursuing their educational or employment goals. This draft bill has too many objectives that negatively affect institutions and do not have direct positive impact on student veterans. In recent years there have been incredibly transformative changes made pertaining to veteran education. We believe this proposal, while well intended, is misguided. The consequences of these proposed changes are not thoroughly thought out and will have a major negative impact on student veterans, and we oppose any efforts to advance the agenda of groups that seek to overregulate higher education at the expense of veterans.

Draft to direct the Secretary of Veterans Affairs to update the payment system of the Department of Veterans Affairs to allow for electronic fund transfer of educational assistance, administered by the Secretary, to a foreign institution of higher education

The VFW supports this bill, which would make it easier for veterans or those using VA education benefits to attend foreign institutions. There has been concern from overseas universities that the inability of VA to send payments to foreign institutions creates a barrier for their participation. It is unclear if the issue of VA making these electronic payments is regulatory or technical in nature. We urge Congress to not only pass legislation that would allow VA to make electronic payments to foreign institutions, but also fund VA in the event this would require a technological upgrade. We also urge policy changes and potential technological upgrades to be comprehensive of all ways in which VA benefits may more efficiently be transferred, including directly to veterans and their dependents living overseas. These veterans, who may be receiving Monthly Housing Allowance, disability compensation, or other VA benefits, rely on these payments and often are forced to make costly and burdensome bank transfers to pay their monthly bills overseas.

Draft bill to amend title 38, United States Code, to ensure that a member of the Armed Forces, granted a general discharge under honorable conditions on the sole basis that such member failed to obey a lawful order to receive a vaccine for COVID-19, is eligible for certain educational assistance administered by the Secretary of Veterans Affairs

The VFW does not have a resolution on expanding GI Bill eligibility for veterans with a general discharge under honorable conditions. We believe any substantive discussion surrounding changes to the discharge conditions eligible for educational assistance must be done broadly and without special exception, specifically for those failing to obey a lawful order to receive a vaccine for COVID-19.

Draft bill to amend title 38, United States Code, to expand the eligibility of veterans who may receive self-employment assistance under the Veteran Readiness and Employment (VR&E) program of the Department of Veterans Affairs

The VFW supports this bill, which would expand VA's ability to support veterans pursuing self-employment through the Veteran Readiness and Employment (VR&E) program, while still allowing the most severely disabled and homebound veterans to receive priority. Despite the rise in overall veteran entrepreneurship, the "self-employment" track within VR&E continues to be drastically underutilized, with less than two hundred individuals approved for this track annually. A recent Small Business Administration study found that military service exhibits one of the largest marginal effects on self-employment, with veterans forty-five percent more likely to be self-employed than non-veterans. Expanding eligibility for more VR&E veterans to pursue this path would not only benefit the veterans approved for the self-employment tracks but would also raise awareness of the VR&E program overall.

Discussion Draft to amend title 38, United States Code, and the United States Housing Act of 1937, to make certain improvements to the supported housing program for veterans commonly known as “HUD-VASH”

The VFW supports this bill, which would expand rental assistance programs from only veterans with chronic mental illnesses or chronic substance use disorders to veterans who are homeless, formerly homeless, or at risk of homelessness. The VFW also supports tying case management to this assistance as needed. There has been an unprecedented housing crisis as a result of the COVID-19 pandemic, and in turn the subset of veterans and their families impacted by housing insecurity is also unprecedented. It is critical for policy to flex to the current needs of veterans and their families who are now facing unforeseen financial hardships.

Discussion Draft to amend title 38, United States Code, to permanently authorize the use of certain funds to improve flexibility in the provision of assistance to homeless veterans, and for other purposes

The VFW supports this bill, which would expand support for services for veterans receiving rental assistance to include grants, per diem, mental health services, and treatment for those with special needs. The COVID-19 pandemic proved that flexibility in spending for homeless veteran programs is not only necessary, but critical, as the needs and costs for supporting these programs is constantly shifting amid the changing health protocols and economy.

Draft Bill, VA Home Loan Transparency and Consumer Protection Act of 2022

The VFW supports the intent of this bill, which would enhance transparency and consumer protection oversight with respect to the housing loan activities of the Department of Veterans Affairs. While we are concerned about predatory practices among lenders and believe greater transparency and outreach is critical to combat these practices, we believe it must be done holistically to ensure veterans are not dissuaded from the VA Home Loan Guaranty program. In the current housing market, veterans are being told VA-guaranteed loans are not as competitive as conventional loans and cash offers. As VA continues to combat negative stereotypes of the ease and speed of VA-guaranteed loans, transparency and outreach must happen in tandem to ensure veterans are not discouraged to leverage this transformative benefit.

Draft bill to amend title 10, United States Code, to make certain improvement to the Transition Assistance Program (TAP) of the Department of Defense, and for other purposes

The VFW supports this bill, which would more greatly tailor the Transition Assistance Program to support individual needs. We support creating individualized tracks, similar to those for economic opportunity, to support both individual health and community resource counseling. We encourage these tracks to be available in modalities that would allow for participation in multiple tracks as appropriate, as individuals may require resources across definitions.

We also support the addition of counseling that considers the families of transitioning service members. For service members with families, child care and spousal employment are

tremendous considerations that impact their ability to transition smoothly. Including these factors in counseling discussions is critical in ensuring the service member is assessed at the appropriate tier level of readiness.

Chairman Levin, Ranking Member Moore, this concludes my testimony. I am prepared to answer any questions you or the subcommittee members 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, the VFW has not received any federal grants in Fiscal Year 2022, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.