

**STATEMENT FOR THE RECORD OF  
THE AMERICAN LEGION  
TO THE  
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**MARCH 17, 2015**

Chairman Flores, Ranking Member Takano and distinguished Members of the Subcommittee, on behalf of National Commander Mike Helm and the 2.3 million wartime veterans who make The American Legion our nation's largest veterans service organization, we thank you and your colleagues for the work you do in support of our service members and veterans as well as their families.

We thank you especially for holding this hearing that aims to examine higher education opportunities for the newest generation of veterans.

**Background**

Education is arguably even more important today than ever before. Those individuals who hold a credential generally have lower unemployment rates and greater earning power<sup>1</sup>. Since 2008, jobs in the workforce that require some postsecondary education or a degree have increased by 3.6 million, while jobs for people with a high school diploma or less have declined leading to higher unemployment rates. According to a U.S. Federal Reserve study titled, *Report on the Economic Well-Being of U.S. Households in 2013*<sup>2</sup>, 24 percent of people who started a postsecondary program dropped out before completion and 54 percent “had to cut back on their spending in order to service their student debt.”

The passage of the Post-9/11 Veterans Assistance Act of 2008, better known as the Post-9/11 GI Bill, was the most significant event for service member and veteran students since the passage of the original GI Bill of Rights of 1944, Title II, Chapter IV: Education of Veterans, sec. 400. The Post-9/11 GI Bill offers Post-9/11 veterans support for educational expenses towards, but not limited to, institutions of higher learning undergraduate and graduate degrees, flight training,

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<sup>1</sup> Credentials as defined here span a wide range in scope and cover the following, but not limited to this list: 2 and 4 year degrees, licensures, certifications, and certificates.

<sup>2</sup> Board of Governors The Federal Reserve System (2014, July). *Report on the Economic Well-Being of U.S. Households in 2013*, 22. <http://www.federalreserve.gov/econresdata/2013-report-economic-well-being-us-households-201407.pdf>.

licensing and certification reimbursement, on-the-job training, vocational/technical training, non-college degree programs; and national testing reimbursement<sup>3</sup>.

Institutions of higher learning (IHL) have not faced such an influx of student veterans since immediately after World War II. Student veterans are and have been a tremendous asset to institutions of higher learning long before the creation of the GI Bill of Rights of 1944. However, with this influx of student veterans, institutions of higher learning, along with other stakeholders (i.e.: Departments of Veterans Affairs, Defense, and Education, and Veterans Service Organizations (VSOs), State Approving Agencies (SAA), etc) need to begin reassessing their programs, policies, types of services, and how these current and future student-veterans have access to useful information that will ensure their success.

All of these stakeholders have an obligation to provide and inform these current and future student veterans about the financial cost of education, local resources available to them (i.e.: VA treatment facilities, veteran campus centers, child care, etc), to ensure quality programs are being delivered, and to ensure that educational institutions provide high-quality academic and student support services to service members, veterans, and families<sup>4</sup>.

How well prepared are institutions of higher learning, as well as the Departments of Veterans Affairs, Education, and Defense to serve these new student veterans who are currently using GI Bill benefits? What changes have these stakeholders made in response to the influx of these new students? Despite a long history of over 70 years of veterans' education benefits and presence of student veterans at institution of higher learning, current research and information gathering is still catching up with service member and veteran students.

Although this generation of veterans is the beneficiary of a new GI Bill of Rights, an education benefit that does its best to mitigate the financial burden of college attendance, some of these student veterans struggle to overcome bureaucratic, information, or enrollment hurdles as they transition into the higher education community. This testimony will highlight some of the barriers of this newest generation of student veterans, as well as recommendations and solutions to assist them in their transition into higher education and beyond.

### **Remedial Courses/Developmental Education:**

Student veterans are increasingly enrolling into institutions of higher learning without the necessary academic preparation to be successful once enrolled. In addition, service members and veteran students are spending their federal financial aid, GI Bill benefits, and taking on debt to take remedial courses as part of their reintegration into the education community, as well as to increase their chances of success at those institutions of higher learning.

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<sup>3</sup> Department of Veterans Affairs (2015, January 22). Post 9/11 GI Bill Education and Training website. [http://www.benefits.va.gov/gibill/post911\\_gibill.asp](http://www.benefits.va.gov/gibill/post911_gibill.asp)

<sup>4</sup> Executive order – establishing principles of excellence for educational institutions serving service members, veterans, spouses, and other family members. (2012, April 27). <http://www.whitehouse.gov/the-press-office/2012/04/27/executive-order-establishing-principles-excellence-educational-instituti>.

Remedial education is necessary to provide the opportunity for many service member and veteran students to improve their retention, graduation rates, and success when transitioning out into the workforce. Research has shown that some form of remediation might benefit the least-prepared students. The American Legion wants to see student veterans become as educated as possible in order to be productive in the economy and the workforce.

Some believe that the GI Bill should be extended towards the usage of remedial programs; however, with limited resources available for such a GI Bill expansion, The American Legion recommends further usage of the Department of Education Veterans Upward Bound (VUB) Program, one of eight TRIO programs, available to assist student veterans in their development of academic and other requisite skills necessary for acceptance and success in a program of postsecondary education.

The VUB program is derived from the US Department of Education Federal TRIO programs, which were created through the Higher Education Act of 1965. VUB was created in 1972 as a priority project to meet the academic needs of veterans returning from the Vietnam War. VUB was designed to provide an atmosphere at institutions of higher learning that was conducive to these veterans, thereby easing their transition back into civilian society. By the end of 1973, there were 68 VUB projects nationwide. As conflicts and population of veterans dwindled down over time, so did the amount of awardees. As of FY 2014, there are currently 49 VUB locations operational, providing program services to 6,566 student veterans from every war and peacetime era<sup>5</sup>. VUB also assists student veterans with an assessment and enhancement of basic skills through counseling, mentoring, tutoring and academic instruction in the core subject areas. These areas of instruction vary from instructions in mathematics through pre-calculus, laboratory science, composition and literature, as well as short-term remedial or refresher courses for those student veterans who are high school graduates, but have delayed pursuing postsecondary education, because of their service.

Upon successful completion of the VUB program, the veteran participants are not only familiar with services and resources available to them as students but more importantly they possess a renewed confidence in their academic abilities.

Using VUB is only one part of the equation. The Department of Veterans Affairs, Veterans Benefits Administration, Economic Opportunity Department, has to do a better job of coordinating with the Department of Education in their communication outreach to currently enroll student veterans as well as future student veterans. Another component is educating institutions of higher learning about the VUB program and application eligibility. There has to be data collection and sharing information on the impact and success, barriers, and evolution of the VUB program between the Departments of Veterans Affairs and Education to ensure its success and needs for the future.

The nation's ability to compete in the global economy depends on having an unprecedented workforce with postsecondary credentials, with that in mind, institutions of higher learning,

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<sup>5</sup> United States Department of Education (2014, December). *Veterans Upward Bound Program funding Status*. <http://www2.ed.gov/programs/triovub/funding.html>.

Departments of Veterans Affairs and Education, and congressional committees on Veterans' Affairs and Education, all have an important role to play in ensuring these student veterans have every opportunity in achieving their education goals, and ultimately, of contributing fully to society and the nation's economy.

### **ARTICULATION OF ACADEMIC CREDIT**

There is growing concern over the lack of standardized terminology in how institutions of higher learning communicate transfer value in terms of credits awarded and their implications for advanced standing and reducing time and cost to degrees. Institutions of higher learning have acknowledged the challenges in determining the amount of applicable transfer credit and how it should be transferred (elective versus core courses), using partial credit recommendations, and/or differentiating credit acceptance versus degree requirement reduction.

The American Legion very much supports the recommendations on military credit that have been developed by the American Council on Education (ACE). ACE has a long history of evaluating military courses and occupations and formulating credit recommendations, and we believe these recommendations have integrity in their assessment. However, not allowing state colleges and universities systems or higher education compact, like the Midwestern Higher Education Compact<sup>6</sup> (MHEC) Multi-State Collaborative on Military Credit (MCMC), the opportunity to receive access to the ACE Guide Stakeholders site for purposes of providing information to service member and veteran students on the potential academic credit available for military training and learning through their respective higher education institution is detrimental. Access to this site would enable colleges and universities to review ACE credit recommendations en masse while corresponding increases in work efficiency would allow greater information to be available to veterans and service members as to which courses they don't have to take because of their military training and service.

Access to this information would assist higher education faculty in awarding academic credit for military training and learning, as well as assist current and future service members and veteran students in accessing information on higher education opportunities available at those institutions of higher learning participating in such a program. However, The American Legion does ask that the integrity of the data stay intact so that it is not altered, sold, modified or used for financial gain by any institution of higher learning.

In addition, allowing for faculty to reference the ACE Guide data will enable them to better serve service members and student veterans in ways that have been highlighted at meetings sponsored by the American Council on Education, the Council on College and Military Educators, and the United States Department of Defense through its Worldwide Education Symposiums.

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<sup>6</sup> Disclosure: The American Legion is a sitting member of the Multi-State Collaborative on Military Credit military advisory committee. The Midwestern Higher Education Compact is an interstate partnership of 13 states with the purpose to translate competencies acquired by veterans through military training and experience toward college credentials. States will exchange information and share best practices in the areas of articulation of credit, certification/licensure, communications, and technology. See:<http://www.mhec.org/multi-state-collaborative-on-military-credit>

## **Service Members Civil Relief Act:**

In May 2014, the Department of Justice (DOJ) reached a \$60 million settlement with Navient Solution regarding violations of the Servicemembers Civil Relief Act regarding private loans, U.S. Department of Education Direct Loans, and student loans originated under the Federal Family Education Loan Program. However, the Department of Education's (DOE) Federal Student Aid (FSA) has since found no wrongdoing by any of the other student loan servicers<sup>7</sup>. Further, DOE officials found few service members had been improperly denied their benefits under federal law.

Accordingly to a Huffington Post article, *Education Department Investigation Clears Student Loan Companies, Sources Say*<sup>8</sup>, DOE assigned investigators from the FSA Financial Institution Oversight Service Group<sup>9</sup> to conduct a broader review of student loan files, as well as the possibility of hiring an outside private-sector auditor to conduct a separate probe.

As of today, the Department of Education has failed to meet the deadline for completion of its investigation within a 120 day window, and has recently hired Ernst & Young to review Navient's compliance with the law.

The American Legion has found the current situation of investigation after investigation, differences in investigation outcomes, and lack of trust among federal agencies concerning. This concern has also led to more questions than answers such as:

- What was the scope of the FSA investigation?
- Was that scope aligned with the Department of Justice investigation that resulted in the \$60 million settlement?
- For service members' not serviced by Navient, what relief, if any, was applied to those individuals through the same application of the law as applied to those serviced by Navient?
- Is the Department of Justice investigation into Navient or other violators of SCRA not sufficient enough for the Department of Education? Is the DOE investigation setting a bad precedent where other agencies might seek to undermine Department of Justice and SCRA, thus, watering down the law?

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<sup>7</sup> These are the other student loan servicers investigated by the Department of Education: Nelnet, Inc., Great Lakes Higher Education Corp. & Affiliates, and the Pennsylvania Higher Education Assistance Agency.

<sup>8</sup> Shahien Nasiripour (2014). *Education Department Investigation Clears Student Loan Companies, Sources Say*. [http://www.huffingtonpost.com/2014/10/29/education-department-student-loan\\_n\\_6070218.html](http://www.huffingtonpost.com/2014/10/29/education-department-student-loan_n_6070218.html).

<sup>9</sup> United States Department of Education (2014, July). *US Department of Education Principal Office Functional Statements*. [http://www2.ed.gov/about/offices/list/om/fs\\_po/fsa/program.html#fiog](http://www2.ed.gov/about/offices/list/om/fs_po/fsa/program.html#fiog).

The American Legion would like to see more cooperation between all of the present stakeholders. We live in an era where back-to-back deployments are a reality of life for service members. Due to deployments, financial ramifications for many service members are also a reality of life. These financial ramifications can have a lasting negative impact while the veteran is in service, as well as during their post service life. Laws, like SCRA, were designed to allow service members the ability to devote their energy to the defense needs of the nation. The Departments of Justice and Education, with the jurisdictional powers of the Senate and House Committees on Veterans' Affairs, need to ensure that SCRA is being properly enforced for the betterment of America's service members.

## **Credentials**

### **Ensuring the Quality of Credentials for Service Members and Veterans**

The American Legion has long promoted facilitating the ability of service members and veterans to attain civilian certifications and licenses. The benefits of doing so have been found to enhance military recruiting, retention, and professionalization of the force. Promoting credentialing also contributes directly to the ability of a service member to make a successful transition to the civilian workforce by helping employers understand that the skills acquired by service members through military training and experience are on par with those trained through more traditional methods.

The American Legion strongly supports the recent credentialing initiatives that have been developed and implemented by a variety of local, state, and federal government agencies, as well as industry stakeholders. In the past several years, a variety of federal and state legislation, administration initiatives, and new Department of Defense programs have been developed to reduce barriers to credentialing for service members and veterans. We applaud these efforts, but remain concerned about how to ensure the quality of the credentials that are paid for by the Department of Veterans Affairs.

Unlike in higher education where accreditation is used as a means of ensuring quality, credentialing is a relatively new form of establishing workplace competency. Accreditation of credential programs is only recently being recognized by industry as important for ensuring credential quality. Thus, accreditation of credentialing programs is not as pervasive as in higher education and cannot currently be relied upon as a means of ensuring the quality of all credentials. Since 2000 when the payment of certification and licensure exam fees was approved for payment under the GI Bill education section, the Department of Veterans Affairs has been charged with monitoring the quality of approved certifications and licenses. As the Department of Defense responds to Congressional requirements to pay for credentials for service members, DOD is looking to the VA as a means of vetting credentials that meet quality standards. However, The American Legion is concerned that the vetting mechanisms used by the VA are not always effective.

Public Law 106-419, the Veterans Benefits and Health Care Improvement Act of 2000, mandates that VA ensure that the credentials approved for the GI Bill meet specific criteria specified by

Congressional legislation. These criteria were developed to ensure that the credentials approved are quality credentials that attest to the competency of the individual and therefore have value in the civilian workplace. These criteria are very different than the criteria that might be applied to a training or education program. However, a review of the credentials approved by the VA suggests that some may not meet these stringent requirements. As a result, eligible service members and veterans may be led to believe that a credential approved by the VA has value when in fact it does not.

The American Legion recommends that VA's credential program approval process be reviewed by the Government Accountability Office (GAO) to ensure that the credentials approved meet legislative and other standards for legitimate credentialing programs. GAO should also assess whether additional criteria should be added either by legislation or regulation to improve the review process. For example, the VA currently does not require periodic re-approval of certification programs. Certification tests and organizations are currently only approved once and there are no requirements for re-approval. However, certification requirements are adapted and changes to exams are made by the certifying agencies on a regular basis. A re-approval process would ensure that the tests and organizations continue to meet the legislative criteria for payment.

### **Entitlement Payments vs. Cost of Credential**

In addition, The American Legion encourages this committee to eliminate the requirement that Post-9/11 GI Bill recipients use an entire month's worth of entitlement for a certification or licensing test fee - even when the fee amounts to far less than the full month's entitlement. Under 38 USC § 3315 - Licensure and certification tests, Post-9/11 GI Bill recipients are charged one full month's of entitlement, which may amount to over \$1,000 even if the licensing or certification test fee is significantly less than that. Since the average licensing and certification test fee is approximately \$200, this can result in a loss of a significant amount of entitlement per recipient. The Montgomery GI Bill does not have this requirement. For the Montgomery GI Bill, the monthly entitlement is reduced proportionate to the cost of the license or exam fee.

The American Legion is recommending that Congress change 38 U.S. Code Chapter 33, subchapter II – Educational Assistance (§§ 3311 – 3319), section § 3315 (c) that states the following:

*“The charge against an individual’s entitlement under this chapter for payment for a licensing or certification test shall be determined at the rate of one month (rounded to the nearest whole month) for each amount paid that equals”*

The change to chapter 33 should mirror previous public law 106-419: Veteran Benefits and Health Care Improvement Act of 2000, section 122 that outlined licensing and certification, and read as follows:

*“The number of months of entitlement charged in the case of any individual for such licensing or certification test is equal to the number (including any fraction) determined by dividing the total amount of educational assistance paid such individual for such test*

*by the full time monthly institutional rate of educational assistance which, except for paragraph (1), such individual would otherwise be paid under subsection (a)(1), (b)(1), (d), or (e)(1) of section 3015 of this title, as the case may be.”*

The American Legion proposes that a scale be created based on the cost of the exams and that the veteran is charged their entitlement at a pro-rated number of days or the actually cost of the exam and materials.

This is a fair solution for our nation’s heroes.

### **Department of Veterans Affairs (VA) GI Bill Feedback System:**

In 2012 Congress, working with The American Legion and other stakeholders, passed Public Law 112-249, the “*Improving Transparency of Education Opportunities for Veterans Act of 2012*”, to develop a comprehensive system to deliver higher education information to service member and veteran students that would allow those individuals to assess their academic preparedness to pursue postsecondary education and training opportunities, and provide those veterans with a list of institutions that match the criteria selected by the service member or Veteran student.

The complaint system was meant to allow service member and veteran students to file a complaint and allow the Department of Veterans Affairs, as well as other federal stakeholders to monitor its progress towards resolution. In addition, the Department of Veterans Affairs was expected to use that data/information from the complaint system to other agencies. According to a Joint Higher Education Memorandum of Understanding (MOU) among the United States Departments of Defense, Education, and Veterans Affairs, and Consumer Financial Protection Bureau on July 16 2014<sup>10</sup>, it outlined the relationship among the agencies, articulated the intent, and purpose regarding information sharing in order to:

- *Provide meaningful information to service members, veterans, and their family members about the financial cost and performance outcomes for educational institutions to assist those who are prospective students in making choices about how to use their Federal, veteran, and military educational benefits;*
- *Prevent abusive and deceptive recruiting practices that target the recipients of Federal, military, and veterans educational benefits; and*
- *Ensure that educational institutions provide high-quality academic and student support services to service members, veterans, and their family members.*

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<sup>10</sup> Joint Higher Education Memorandum of Understanding among the United States Departments of Defense, Education, Veterans Affairs, and Consumer Financial Protection Bureau (2014, July). [http://files.consumerfinance.gov/f/201408\\_cfpb\\_joint-higher-education-mou.pdf](http://files.consumerfinance.gov/f/201408_cfpb_joint-higher-education-mou.pdf).



The MOU<sup>11</sup> goes further in outlining the Department of Veterans Affairs (VA), Veterans Benefits Administration, Education Service section responsibilities as part of their commitment to the other agencies, and are as follows:

- *Provide information as described in the attached document to each agency represented in this agreement regarding potential significant areas of noncompliance identified in ongoing oversight activities.*
- *Provide complaint data to the Federal Trade Commission's Consumer Sentinel.*
- *Refer complaint data to the relevant agencies represented in this agreement.*
- *Provide as described in the attached document information on the following with each agency represented in this agreement:*
  - *Planned risk-based reviews of educational institutions suspected of erroneous, deceptive, and misleading practices; and*
  - *Final report for risk based review assessments.*
  - *Administrative actions and/or eligibility determinations based on proceedings involving institutions of higher learning.*

The Department of Veterans Affairs, VBA, Education service section lacks of transparency with the public in regards to administrative and/or eligibility determination action taken against higher education institutions due to noncompliance or failed risk-based review. The American Legion encourages this committee to commission a review by the Government Accountability Office (GAO) to ensure the Department of Veterans Affairs, VBA, Education service is abiding by P.L. 112-249 and the MOU signed by representatives of the Department of Veterans Affairs.

### **The Department of Veterans Affairs Outcome Measure Collection**

The Department of Veterans Affairs will begin to post graduation, retention and persistence rates using data collected through VA-Once on the GI Bill Comparison Tool. Currently, the only data being collected is that of Post 9/11 GI Bill beneficiaries when they complete their program. Student veterans who have exhausted their benefits before completion will not be reported as completing for this data collection. By narrowing the scope of the data collection to Post 9/11 users, the Department of Veterans Affairs will significantly underestimate the percentage of student-veterans graduation rates, retention, and persistence as a cohort.

As a result, the GI Bill comparison tool will not provide accurate data regarding the success of student veterans at any higher education institution. In fact, the information being provided will be misleading to those individuals. The Department of Veterans Affairs should work with higher

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<sup>11</sup> *ibid*

education institutions to create a standard set of data points, measures, and definitions to ensure that the data provided is comparable.

Measuring student success must be consistent for all veterans, not just those collecting the Post 9/11 GI Bill. Current outcomes are based on incomplete data. The American Legion recommends redefining the VA data points and measuring success indicators across the population, and creating a means to easily submit data on a standard timeline.

In an effort to accurately represent our respective veteran populations, the Department of Veterans Affairs working alongside Institutional Research Departments should be encouraged to provide at a minimum, an aggregate report of persistence, retention, and graduation rates reflecting the entire student veteran population including students using transferred benefits irrespective of financial support received (or lack thereof).

### **Conclusion**

Education is a tremendous asset to the future of service members and student veterans. However, the complexities of higher education programs, federal education benefits, and barriers faced by service members and student veterans are very wide and diverse.

The American Legion believes it the duty, the responsibility, and the desire of our grateful nation, to see to it that those who serve the armed services in this war, not only shall not be penalized as a result of their service, but also that, upon their return to civil life, they should be aided in reaching that place, position, or status, which they normally had expected to achieve, if not for their patriotic duty to serve their country during wartime.

Chairman Flores, Ranking Member Takano, we thank the Subcommittee for looking into this issue that is crucial to the newest generations of veterans.