

May 16, 2022

Chairman Mike Levin  
Ranking Member Barry Moore  
House Committee on Veterans' Affairs  
Subcommittee on Economic Opportunity

Re: Modifications to VRRAP and VET TEC

On behalf of the undersigned group of currently approved VET TEC providers (VET TEC Working Group), we urge this committee to allow the VET TEC Pilot Program to operate for a year with full funding prior to expanding the pool of providers to IHLs. In the meantime, IHLs are eligible to participate in VRRAP, which could be expanded to 24 months. Allowing this distinction between VET TEC and VRRAP will provide this Committee and the GAO the opportunity to fully evaluate both programs and determine the best policy to serve Veterans.

### **Critical Need for Program Evaluation at Full Funding**

VET TEC funding has always been exhausted well before the end of its fiscal year (in Fiscal Year 2021, in as little as five weeks). Current providers have weathered the storm of losing funding days before a class starts, unable to enroll their Veteran students because the budget is exhausted. This has severely impacted the ability to fully evaluate this Pilot Program. It has eroded trust with Veterans and providers as they are unable to rely on using the program. Because the GI Bill cannot be used for remote programs, aside from IHLs, VET TEC is at times the only option for Veterans to attend these high tech training programs.

This will mean that when a Veteran wants to attend a high tech training program but VET TEC funding is exhausted, the Veteran may be forced into predatory or difficult financing situations (ISAs, personal loans, etc.) or into a 2- or 4-year degree that does not have the proven job placement rate of a high tech training program. This will be devastating to many, many Veterans. To correct this, Congress should consider whether to allow the GI Bill to be used for online programs at a high tech training program or programs with a demonstrably high job placement rate.

### **IHLs Already have Robust Funding Options Including Federal Financial Aid and Online Approval for the GI Bill**

In contrast, IHLs have access to many types of federal funding and students can use their GIB remotely to attend these schools. The GI Bill is essentially an unlimited pot of money - it is not limited to an annual budget like VET TEC and VRRAP. IHLs are currently eligible for VRRAP, which is funded at \$383 million. That amount overwhelms VET TEC's original \$15 million number and is more than triple VET TEC's increased funding level of \$125 million. Yet VRRAP's job placement numbers are vastly less than VET TEC's potentially due to the fact that VRRAP usage is primarily at IHL programs that do not have a business model that is focused on job

placement outcomes like VET TEC schools. IHL VRRAP providers should not be included in VET TEC until this disparity in job placement is understood. It seems some schools were approved for VRRAP too quickly, including schools that have a checkered past with the VA. It is unclear how the VA evaluated these schools' ability to fulfill the meaningful employment requirements. Under VRRAP, Veterans are enrolled in programs at IHLs that do not directly lead to a job (like a Spanish major at a 2 year university). Congress's goal of meaningful employment will never be met with such a program.

### **VET TEC's Success is Tied to the Inherent Focus of Code Schools**

- The VET TEC program has been successful primarily because the approved high tech training provider programs are short term in nature (typically 10 to 20 weeks) and focus strictly on job training in very high demand roles in technology. IHLs do neither. This has led to the high success rate overall for VET TEC providers in placing students in meaningful employment. Code Platoon's placement rate is 84%. VET TEC providers should all have a minimum meaningful employment placement rate to participate in the program.
- The VET TEC Working Group has built an incredible working relationship between the VA teams (mostly in Buffalo) and the relatively small group of providers. This allows issues to be handled proactively and ensures Veterans can access their benefits.
- Training providers are held to a high standard including instructor and program approval, allowing the VA to closely monitor the training Veterans receive.

### **Existing Challenges with VET TEC: One Full Year of Fully Funded Pilot Program**

The VET TEC Working Group is thrilled to have the increased funding available BUT we are running into some major issues preventing us from fully maximizing this increased budget. It is especially important to address these issues to allow the program to run for a full year with funding. This will provide Congress the data necessary to evaluate the Pilot Program.

Current challenges include:

- The approvals and compliance team (AC&L) assigned to VET TEC has essentially been gutted. The main ELR that was working VET TEC approvals and compliance left the team. While there should be a staff of 7, they are currently 2 + 1 temp and buried in VET TEC, foreign approvals and OJT work.
- There are at least 21 open approval requests from current providers that are severely delayed in being worked because there is actually no one to help. This means that currently approved VET TEC providers cannot add new instructors or programs. The current delay is 4-6 months.
- New providers who have submitted initial applications to become a VET TEC provider are being told it is a 4-6 month wait to be approved.

- There have been very few (if any) compliance audits conducted with current providers to understand what is working and what is not, as it relates to the current version of the VET TEC pilot program. Current providers have received little feedback on our success or opportunities for improvement from the VA to ensure that the VET TEC program, as a whole, stays successful and we, as providers, can stay approved.

If VET TEC is expanded to IHLs the following problems will happen:

- The meaningful employment placement rate for VET TEC will plummet because students will be enrolling in programs that do not have a sincere focus on training that leads immediately to a job (see VRRAP as a prime example).
- The AC&L team will be further buried in workload and new providers won't actually be approved. They cannot handle the current workload. We absolutely cannot add a new group of potential providers without seriously staffing this team up.
- The current budget of \$125 million will be gone in 30-60 days at best [if IHLs have access to VET TEC, in addition to their access to VRRAP and GI Bill]. The majority of funding will be quickly eaten up by IHLs who have the staff to process hordes of students and steal the funding from smaller providers, which would include all current VET TEC providers.
- If IHLs are eligible for VET TEC, the current budget will not last and there will be no record of the impact VET TEC can have as a fully funded pilot program for an entire fiscal year.
- The VA will end up essentially giving VET TEC eligible students 24 extra months of GIB eligibility, costing the government even more money without a solid plan to turn this eligibility into a career for the Veterans.

### **Next Steps for VET TEC Pilot Program**

VET TEC, as a Pilot Program, should be allowed to run for one fiscal year with full funding and the current group of approved providers. During this year, compliance audits need to happen on all VET TEC providers, in partnership with the AC&L team at the VA. These audits should not be punitive, but rather an opportunity to learn from providers and the VA about VET TEC during this Pilot Program. These findings will be instrumental in fine tuning the pilot program into a permanent program and expanding the eligible providers. The VET TEC Working Group can help facilitate these compliance efforts with the VA.

Sincerely,

Alicia Boddy, Chair, VET TEC Working Group; Chief Operations Officer, Code Platoon