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**TESTIMONY OF  
MR. WILLIAM HUBBARD  
CHIEF OF STAFF  
STUDENT VETERANS OF AMERICA**

**BEFORE THE**

**SUBCOMMITTEE ON ECONOMIC OPPORTUNITY  
OF THE  
COMMITTEE ON VETERANS' AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES**

**HEARING ON THE TOPIC OF:  
"PENDING LEGISLATION"**

**JULY 17, 2019**



Chairman Levin, Ranking Member Bilirakis, and Members of the Subcommittee:

Thank you for inviting Student Veterans of America (SVA) to submit testimony on the topic of pending legislation related to veteran transition and economic opportunity. Established in 2008, SVA is a national nonprofit founded with the mission of empowering student veterans as they transition to civilian life; we provide student veterans with the resources, network support, and advocacy needed to succeed in higher education.

With over 1,500 campus chapters across the United States, and in four countries overseas, we serve more than 750,000 student veterans and military-connected students. We establish a lifelong commitment to each student's success through local leadership workshops, national conferences, and top-tier employer relations. As the largest chapter-based student organization in America, we are a force and voice for the interests of veterans in higher education.

Edward Everett, our nation's 20th Secretary of State, and the former President of Harvard University was famously quoted as stating, "Education is a better safeguard of liberty than a standing army." While we have the finest military that the world has ever known, the sentiment remains; the importance of education to our nation's national security remains of paramount importance.

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### **Draft legislation, To extend the time period under which an election must be made for entitlement for educational assistance under the Montgomery GI Bill**

This bill proposes to extend the deadline new military recruits have to decide to opt-out of the Montgomery GI Bill (MGIB) Chapter 30 educational assistance program. SVA is in full support of this proposal.

The MGIB served our nation's veterans well for many years. However, with the advent of the Chapter 33 Post-9/11 GI Bill, the MGIB is now little more than a superfluous tax on our troops. Except for a few niche scenarios, the Post-9/11 GI Bill provides more generous resources and better overall value than the MGIB. Despite this, the MGIB lingers on through the automatic enrollment of new servicemembers who are not fully informed of the differences between the two programs. Indeed, many of the drill instructors counseling recruits on these programs are unclear about the differences themselves. These new servicemembers bear the brunt of the cost—twelve months of reduced pay—for a benefit the vast majority will never use or be refunded. Taken in the context of the recently implemented Blended Retirement System, new members of our military are facing multiple competing financial strains.<sup>1</sup>

When presented time to review information on the options, servicemembers quickly discern which benefit is better for them. Between FY2014 and FY2018, 94 percent of veterans made the understandable choice to use the Post-9/11 GI Bill over the MGIB.<sup>2</sup> Yet due to current service-level policies, new servicemembers are often automatically enrolled in the MGIB unless they submit a written request to opt-out within a few days of entering initial training. In the Navy, that deadline is two days, and in the Army they get three days.<sup>3, 4</sup> Statutory requirements suggest a short period of time after entering the military to pay into the MGIB fund or not, though there is no requirement dictating that new enlistees are mandated to pay into this program as a matter of policy.<sup>5</sup> For example, the Army

<sup>1</sup> U.S. Department of Defense, Uniformed Services Blended Retirement System. <https://militarypay.defense.gov/blendedretirement/>

<sup>2</sup> U.S. Department of Veterans Affairs, Veterans Benefits Administration. Annual Benefits Reports. (FY2014-FY2018) <https://www.benefits.va.gov/REPORTS/abr/>

<sup>3</sup> Gross, Natalie. Military Times. "Wasting money? Most new recruits pay \$1,200 for lesser education benefit." December 22, 2017. <https://rebootcamp.militarytimes.com/education-transition/education/2017/12/22/wasting-money-most-new-recruits-pay-1200-for-lesser-education-benefit/>

<sup>4</sup> U.S. Army Human Resources Command. Montgomery GI Bill – Active Duty. Accessed July 2019. <https://www.hrc.army.mil/content/Montgomery%20GI%20Bill%20--%20Active%20Duty>

<sup>5</sup> Cornell Law School, Legal Information Institute. 38 U.S.C. § 3011. <https://www.law.cornell.edu/uscode/text/38/3011>



does not automatically enroll new officers, who are otherwise given a similar timeframe, though with the option to opt-in versus opt-out requirements.<sup>6</sup> Given the importance of this decision for the service member's future, it is imperative to provide all new servicemembers with adequate time to weigh the costs and benefits.

We strongly believe that servicemembers would choose to opt out of the MGIB in favor of the Post-9/11 GI Bill if given appropriate time to consider their options. In FY2017, the Department of Defense (DoD) reported 70 percent of new servicemembers enrolled in the MGIB program.<sup>7</sup> Department of Veterans Affairs (VA) data from that year shows of all VA education benefit recipients, only 4 percent used MGIB, while over 90 percent used Post-9/11.<sup>8</sup> That trend continued in the following year, with MGIB usage continuing to fall to just 3 percent.<sup>9</sup> When servicemembers have time to appropriately weigh the benefits available to them, the overwhelming majority choose to leave the MGIB behind.<sup>10</sup>

We consistently hear from SVA chapter members that information conveyed to servicemembers regarding their education benefits while in entry-level training is misleading or outright inaccurate. In some cases, new servicemembers learn about these programs from military leaders who use the MGIB and Post-9/11 GI Bill names interchangeably, further complicating the situation. As noted in a recent POLITICO article, it is clear that the \$1,200 fee is presented as a way to "buy into GI Bill benefits," though generally without clear guidance on various education programs differ.<sup>11</sup>

Public-facing websites of the different service branches also make it nearly impossible to get clear information about the nuances of the different options. One example pulled from the sparse information provided on the Navy's page on the MGIB reads, "If you sign up and do not want it, there are no refunds."<sup>12</sup> On the Army's Human Resources page, they state, "Monies reduced are not taxable and not refundable. The Soldier agrees to a reduction in pay. According to the law, it was money that was never in the control of the individual. The ruling is you cannot get a refund of money you never earned. Monies reduced cannot be stopped or suspended."<sup>13</sup>

Yet, in direct contradiction to these statements, acknowledgement forms new servicemembers sign regarding their enrollment in the MGIB state an individual may, "receive a refund of that pay reduction," and then go on to list the onerous criteria one must meet in order to receive that refund.<sup>14</sup> Uninformed servicemembers who wish to know whether a refund is available should be properly informed a refund is possible, but only under very specific conditions. Servicemembers who pay into the MGIB, but do not exhaust their benefits, are eligible for a refund of their original payment.<sup>15</sup> However, due to the high bar for refund eligibility, few veterans qualify.<sup>16,17,18</sup>

<sup>6</sup> U.S. Army Human Resources Command. Montgomery GI Bill – Active Duty. Accessed July 2019.

<https://www.hrc.army.mil/content/Montgomery%20GI%20Bill%20--%20Active%20Duty>

<sup>7</sup> Campbell, Patrick. Consumer Financial Protection Bureau. "What does the Coast Guard know about the GI Bill that the other services do not?" Dec. 12, 2017. <https://www.consumerfinance.gov/about-us/blog/what-does-coast-guard-know-about-gi-bill-other-services-do-not/>

<sup>8</sup> U.S. Department of Veterans Affairs, Veterans Benefits Administration. Annual Benefits Reports. <https://www.benefits.va.gov/REPORTS/abr/>

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Hefling, Kimberly. Politico. "Thousands in GI Bill fees paid by recruits 'for essentially no reason at all.'" July 7, 2019.

<https://www.politico.com/story/2019/07/10/thousands-in-gi-bill-fees-paid-by-recruits-for-essentially-no-reason-at-all-1561175>

<sup>12</sup> U.S. Navy Personnel Command. MGIB FAQs. <https://www.public.navy.mil/bupers-npc/career/education/GIBill/Pages/FAQs.aspx>

<sup>13</sup> U.S. Army Human Resources Command. Montgomery GI Bill – Active Duty. Accessed July 2019.

<https://www.hrc.army.mil/content/Montgomery%20GI%20Bill%20--%20Active%20Duty>

<sup>14</sup> Executive Services Directorate. Form DD-2366. <https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2366.pdf>

<sup>15</sup> U.S. Department of Veterans Affairs. "Refund of the Montgomery GI Bill \$1,200.00 buy-in for Post-9/11 GI Bill recipients?"

[https://gibill.custhelp.va.gov/app/answers/detail/a\\_id/949/kw/refund](https://gibill.custhelp.va.gov/app/answers/detail/a_id/949/kw/refund)

<sup>16</sup> U.S. Department of Veterans Affairs. "Can I get a refund of the money that I paid into the Montgomery GI Bill?"

[https://gibill.custhelp.va.gov/app/answers/detail/a\\_id/180/related/1](https://gibill.custhelp.va.gov/app/answers/detail/a_id/180/related/1)

<sup>17</sup> U.S. Department of Veterans Affairs. "Refund of the Montgomery GI Bill \$1,200.00 buy-in for Post-9/11 GI Bill recipients?"

[https://gibill.custhelp.va.gov/app/answers/detail/a\\_id/949/~/refund-of-the-montgomery-gi-bill-%241%2C200.00-buy-in-for-post-9%2F11-gi-bill](https://gibill.custhelp.va.gov/app/answers/detail/a_id/949/~/refund-of-the-montgomery-gi-bill-%241%2C200.00-buy-in-for-post-9%2F11-gi-bill)

<sup>18</sup> Department of Veterans Affairs, Veterans Benefits Administration, Annual Benefits Reports. <https://www.benefits.va.gov/REPORTS/abr/>



FY2016-FY2018 VA data shows the agency averaged an annual total of 14,407 refunds at \$1,105 each, representing less than one in ten veterans who contributed to the MGIB. In the same timeframe, the DoD reported an average of over 136,000 new enrollments into the MGIB annually, resulting in more than \$160 million dollars of revenue. In effect, DoD generates approximately \$145 million dollars each year directly from our servicemembers' pockets.

We would also encourage the committee to consider changing the language of the MGIB to make it an “opt-in” decision instead of an “opt-out” option. An eventual 10-year sunset of the program will conclude this program in favor of the Forever GI Bill, the Forever GI Bill being a much more generous program with no expiration date.<sup>19</sup> Our servicemembers should have the ability to reach their education goals once they transition out of service. Making Chapter 33 the functional default GI Bill is not only consistent with current data on rates of use between the programs, but also the better option for the vast majority of individuals. It's time we finally end this tax on troops.

**Draft legislation, To increase the monthly housing stipend under the Post-9/11 GI Bill for individuals who pursue programs of education solely through distance learning on more than a half-time basis**

This bill proposes to eliminate the 50 percent limit on the monthly housing allowance (MHA) for student veterans attending an entirely online program at more than half-time. As a matter of policy, SVA supports affording veterans and their families the resources needed to succeed in higher education. We appreciate the intent behind this bill and hope to work with legislators and the committee on continuing to reduce barriers for student veterans. We maintain concerns that a change in this policy without appropriate safeguards would incentivize predatory schools to further target veterans and their families.

Removing this limit, coupled with the recent changes to the Post-9/11 GI Bill MHA calculation that base the payment rate on the zip code of the school provides a financial motivation for distance-learning programs in high-MHA areas to seek out and prey upon student veterans living in low-MHA areas.<sup>20</sup> In a practical sense, if a student veteran can enter similar online programs anywhere in the country, an outsized MHA would be an attractive reason to choose one program over another. Many low-quality distance-learning programs are likely to seize on this change as an opportunity to maximize their enrollments.

In the context of the existing higher education framework for student veterans, it is easy to see how the chain of abusive and predatory practices is given a new link. We will see distance-learning programs incentivizing higher-MHA to lower-MHA student veterans whose enrollment, resulting from the 90-10 loophole; this practice ultimately grants programs access to even greater Title IV funds. In turn, this will grow the bottom-line of these programs which, then provide further resources for targeted recruitment of student veterans. The end result is for bad actor programs having additional resources to repeat this predatory cycle. This cycle of abuse and predation is not beneficial for student veterans and their families, and we encourage the committee to investigate other ways to better serve our student veterans' housing needs.

**Draft legislation, To require that certain educational institutions have letters of credit as a condition of approval for VA education benefits**

This bill proposes to require a letter of credit (LOCs) from institutions of higher learning (IHLs) as a condition of approval for participation in VA's educational assistance programs. SVA is in strong support of this concept, and recommend several improvements to strengthen the proposal. We believe VA should be afforded additional authority to safeguard student veterans from institutions that display poor financial health. VA seemingly lacks the

<sup>19</sup> Gross, Natalie. Military Times. “Trump signed the ‘Forever GI Bill.’ Here are 11 things you should know”. August 16, 2017.

<sup>20</sup> U.S. Department of Veterans Affairs, Veterans Benefits Administration, Education and Training. [https://www.benefits.va.gov/GIBILL/resources/benefits\\_resources/rates/ch33/ch33rates080118.asp#HOUSING](https://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch33/ch33rates080118.asp#HOUSING)



authority and funding to make all student veterans whole after a school closes, and is instead limited to providing restitution for the semester of closure.<sup>21</sup> This stands in stark contrast to the Department of Education's (ED) restitution authorities.<sup>22, 23, 24</sup> This bill would allow VA to collect funds from a failing institution, which is a time-tested model of fiscal stewardship that SVA would be glad to see properly implemented.

We acknowledge concerns related to the resource constraints as VA in the potential development and maintenance of a financial monitoring system for all schools participating in VA education programs. VA is presently focused on numerous, substantial reforms of outdated infrastructure and processes and adding this task onto the pile could set the agency up for failure. We see this as an opportunity to encourage greater collaboration between VA and ED. Instead of creating new policies and procedures, duplicative of the ones ED has employed effectively for years, we believe the agency would be better served by utilizing ED's system to trigger its own enforcement mechanisms.

ED currently requires a letter of credit from an institution for assorted reasons, including failing to meet financial benchmarks. The LOCs assure the availability of at least 10 percent of the federal student aid received by the school. Ten percent was meant to be the floor and not the benchmark. Schools operating under letters of credit can continue participating in Title IV programs, but the letters protect students and taxpayers if institutions are unable to cover federal student aid liabilities. ED may draw funds from the letter of credit for various reasons, including reimbursing the department for student refunds, loan cancellation costs, and teach-out expenses.

To achieve intent of this proposal, SVA believes it would be better to have VA establish automatic triggers based on decisions ED makes regarding a school's financial health. By acting alongside ED, VA's enforcement authority is increased without adding a duplicative monitoring requirement for VA, an agency that has little experience in this area.

VA would have the option of expanding the list of automatic triggers to include instances beyond LOCs, including federal or state law enforcement investigation or penalties against the school, financial instability, low student graduation rate, high student indebtedness, failure to obey VA reporting requirements, defaults on lines of credit, and negative shareholder disclosures. If VA is required to develop their own monitoring and evaluation standards, we recommend that they include some of the recommendations from the GAO 2017 report on potential improvements to ED's financial monitoring processes.<sup>25</sup>

### **Draft legislation, GI Bill Access to Career Credentials Act**

This bill proposes authorizing GI Bill funding to be used for licensing preparation courses. SVA supports giving VA the authority to provide assistance for these tests, just as they currently do for higher education tests.<sup>26</sup> VA also requested this change in their FY2020 Budget Request.<sup>27</sup> We believe that bringing parity between vocational and higher education preparatory courses is a positive, commonsense step forward.

<sup>21</sup> U.S. Department of Veterans Affairs, Veterans Benefits Administration, Education and Training.

<https://www.benefits.va.gov/gibill/fgib/restoration.asp>

<sup>22</sup> U.S. Department of Veterans Affairs, Veterans Benefits Administration. Restoration of Benefits After School Closure of if a School is Disapproved for GI Bill Benefits. <https://www.benefits.va.gov/gibill/fgib/restoration.asp>

<sup>23</sup> U.S. Department of Education, Office of Federal Student Aid. In certain situations, you can have your federal student loan forgiven, canceled, or discharged. <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation#false-certification>

<sup>24</sup> U.S. Department of Education, Office of Federal Student Aid. Borrowers may be eligible for forgiveness of the federal student loans used to attend a school if that school misled them or engaged in other misconduct in violation of certain laws. <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/borrower-defense>

<sup>25</sup> U.S. Government Accountability Office. "Education Should Address Oversight and Communication Gaps in Its Monitoring of the Financial Condition of Schools." August 2017. <https://www.gao.gov/assets/690/686709.pdf>

<sup>26</sup> Cornell Law School, Legal Information Institute. 38 U.S. Code § 3002. <https://www.law.cornell.edu/uscode/text/38/3002>

<sup>27</sup> U.S. Department of Veterans Affairs, Veterans Benefits Administration, Office of Budget, Annual Budget Submission FY2020. <https://www.va.gov/budget/docs/summary/fy2020VAbudgetVolumelsupplementalInformationAndAppendices.pdf>



To protect student veterans and be faithful stewards of GI Bill resources, we also suggest adding guardrails around which preparatory courses qualify under this new authority. Specifically, we recommend adding language that requires qualifying preparatory courses to meet the standards of state designated licensing boards or agencies that seek to protect students from bad-actor schools. This is critical to protecting our student veterans and we encourage this Committee to adopt this small, but important adjustment.

**Draft legislation, To amend title 38 United States Code to require proprietary for-profit educational institutions to comply with Federal revenue limits to participate in educational assistance programs at VA**

This proposed legislation would prohibit for-profit educational institutions from participating in VA's educational assistance programs unless more than ten percent of their revenue is generated from non-federal sources. SVA, along with 36 other Veteran Service Organizations (VSOs), sent a letter to congress earlier this year outlining our policy priorities.<sup>28</sup> Chief among them was closing the 90-10 loophole in the Higher Education Reauthorization (HEA).

The 90-10 rule is intended to prevent a proprietary institution from receiving more than 90 percent of their revenue from the federal government. Essentially, it is a market viability test; if an institution is providing a high-quality education it should be able to recruit students willing to spend their own money to attend. This rule is rooted in what was originally the 85-15 rule, a response to rife predatory abuse of the Servicemen's Readjustment Act of 1944.<sup>29</sup> However, a loophole exists in the rule: it does not count funds from VA or DoD educational benefits as federal funds. The predatory practices this loophole incentivizes are well-documented and unacceptable. Veterans and other American taxpayers deserve better than allowing the bottom lines of institutions to prevail.<sup>30</sup>

In the spirit of the original intent of the 90-10 rule, SVA strongly supports all VA and DoD education benefit funds be considered federal funds under the 90-10 rule. GI Bill funds are paid for by the federal government and should be considered as such. SVA supports the intent of this proposal, but we believe there may be more effective approaches to closing this loophole. The past few months have seen significant progress on a bipartisan solution to the 90-10 loophole through the HEA and we are hopeful that this encouraging progress continues.

Creating and closing the loophole exclusively through VA jeopardizes that. Also, we maintain concern about closing the loophole solely through Title 38. As currently written, the bill appears to offer a simple, clean fix for the 90-10 loophole. However, it affords the risk of repeating the same mistake that led to the loophole in the first place; a failure to bring all relevant stakeholders to the table to produce a holistic solution. To strengthen the proposal, there should be additional procedural detail addressing how the language would function in application.

It is unclear whether the proposal applies only to new programs and how currently approved programs will be reviewed for compliance, how it will be enforced, and exactly when and how funding is shut off. By contrast, the current system used at ED is much more explicit on these topics. SVA remains open to creative solutions that seek to close the 90-10 loophole and we encourage congress to continue investigating ways to make this happen while minimizing the risk of creating similar issues in the future.

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<sup>28</sup> Letter from Thirty-Seven VSOs to Congress sharing priorities for Higher Education Act reauthorization, May 2, 2019. <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5cca11f91905f41be87648f5/1556746746801/VSO+MSO+HEA+Priorities.FINAL.2May2019.pdf>

<sup>29</sup> Skinner, Rebecca. "Institutional Eligibility and the Higher Education Act: Legislative History of the 90/10 Rule and Its Current Status." January 2005. Congressional Research Service: Washington, D.C., Retrieved from: <http://www.policyarchive.org/handle/10207/1904>.

<sup>30</sup> U.S. Senate Committee on Health, Education, Labor, and Pensions. "For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success." July 2012. Washington D.C. Retrieved from: <https://www.govinfo.gov/content/pkg/CPRT112SPRT74931/pdf/CPRT-112SPRT74931.pdf>.



## **Draft legislation, Forever GI Bill Class Evaluation Act**

This legislation proposes to delay GI Bill payments to schools until fourteen days before a school term. As this bill makes clear in Section 2, VA has an ongoing issue with overpayments made on behalf of the GI Bill. The referenced Government Accountability Office (GAO) report makes clear that this problem is significant, directly impacts student veterans, and must be addressed.<sup>31</sup> VA's methods of correcting overpayments compounds the problem. VA claws back GI Bill overpayments directly from students, even though the school received the tuition money.<sup>32</sup> In previous testimony, we outlined the 200,000 overpayment notices VA sends out each year and the significant financial burden it places on veterans and their families.<sup>33</sup> SVA fully supports the structural and procedural changes that must take place within VA to prevent these overpayments from occurring.

While SVA supports this bill's intent, we believe that mandating a delay in GI Bill benefit payments might compound the VA's recent inability to make timely benefit payments to students. We encourage the Committee to continue having conversations with VA on the feasibility of implementing a batch payment model like ED has been using for decades. ED processes payments to schools prior to the start of the semester based on historical enrollment data from previous years. It is an effective process that allows schools and ED to operate without jeopardizing the financial situation of schools or students.

We suggest studying the feasibility of incorporating lessons learned from the Department and its use of batch payments as a potential way of alleviating some of the front-end work VA must do to certify both MHA payments and tuition payments. We acknowledge there are foundational differences between how the ED and VA function, and that batch payments may not be the correct solution, but greater cross-agency communication and collaboration can still provide valuable insight. Overpayments are a significant issue with the current model of payment VA employs and SVA encourages congress and VA to continue discussions on how best to serve our student veterans and educational institutions while still meeting the needs of VA.

## **Draft legislation, To require that educational institutions abide by Principles of Excellence as a condition of approval for purposes of the educational assistance programs of the Department of Veterans Affairs**

This legislation proposes a requirement that educational institutions adhere to Executive Order (EO) 13607, also known as the Principles of Excellence (POE), in order to participate in VA's educational assistance programs.<sup>34</sup> SVA supports giving VA enforcement authority to act when schools are not meeting standards that are meant to protect student veterans. As adherence to POE is voluntary, VA lacks sufficient authority to terminate educational benefits for bad actor schools in violation of the principles. This proposal brings VA into parity with ED and provides VA another tool to protect student veterans when educational institutions are not up to standard.<sup>35</sup>

Of particular importance in executive order, it states that the POE should "allow service members and reservists to be readmitted to a program if they are temporarily unable to attend class or have to suspend their studies due to service requirements, and take additional steps to accommodate short absences due to service obligations, provided that satisfactory academic progress is being made by the service members and reservists prior to suspending their studies"<sup>36</sup>

<sup>31</sup> U.S. Government Accountability Office. "Post 9/11 GI Bill: Additional Actions Needed to Help Reduce Overpayments and Increase Collections." October 2015. <https://www.gao.gov/assets/680/673230.pdf>

<sup>32</sup> Cornell Law School, Legal Information Institute. 38 U.S. Code § 3680. <https://www.law.cornell.edu/uscode/text/38/3680>

<sup>33</sup> Student Veterans of America. Testimony for Legislative Hearing on the Topic of "Pending Legislation" May 22, 2019. Senate Committee on Veterans' Affairs. <https://www.veterans.senate.gov/imo/media/doc/5.22.19%20-%20SVA.pdf>

<sup>34</sup> Exec. Order No. 13607, 3 C.F.R. 248-252 (2013) <https://www.govinfo.gov/content/pkg/CFR-2013-title3-vol1/pdf/CFR-2013-title3-vol1.pdf>

<sup>35</sup> U.S. Department of Education, Office of Federal Student Aid, Sec. 668.14 Program participation agreement. December 31, 1999.

[https://ifap.ed.gov/regcomps/doc4072\\_bodyoftext.htm](https://ifap.ed.gov/regcomps/doc4072_bodyoftext.htm)

<sup>36</sup> Ibid.



This is a significant point of contention and should be considered heavily. Clarification of the principles in tandem with this additional authority is necessary for the measure to be effective. We would also encourage consideration of better delineated enforcement options when an institution does not adhere to the Principles. Therefore, SVA supports this proposal with some reservations.

### **Draft legislation, Student Veteran Empowerment Act of 2019**

This legislation proposes several improvements to VA's educational assistance programs, such as requiring an agreement to abide by the POE, requiring monthly enrollment verification by student veterans, and extending the period of no charge for student veterans affected by school closure. SVA supports this bill, and we address additional specific points for consideration below.

*Section 2. Entitlement charge changes.* We support this provision and offer some additional feedback for consideration. Student veterans affected by school closures are not protected in the same way title IV students are, and this change is a positive step in the right direction.<sup>37</sup> Our recommendation would be to set a minimum number of transferred credits that disqualify student veterans from having their GI Bill benefits restored. This language sets that bar at a single credit which is unnecessarily restrictive.

*Section 3. Additional requirements for approval of institutions to participate in VA's educational assistance programs.* We support this provision as an idea but have reservations with the language as written. Similar to our comments on the POE, we have concerns with legislating towards an EO instead of codifying the exact standards that institutions should meet.

We believe there should be additional refinement with respect to defining the reviewers and enforcement of the principles. If that activity is delegated to State Approving Agencies (SAAs), we would like to see that codified along with a matching increase in funding to support such an important task. If SAAs are not intended to enforce the principles, the legislation should clearly state who is.

Finally, upon the original release of this EO in 2012, there were several issues raised by concerned groups, and it brought to light a concerning difference between good actors and bad actors in the veterans' education space.<sup>38</sup> Schools concerned with adhering to the letter and spirit of the EO had numerous clarifying questions to ask while those institutions who were less concerned with details and more concerned with signaling that they were complying rushed to sign up. This bill seems as if it would incorporate many of the same issues.

*Section 4. Oversight of educational institutions placed on heightened cash monitoring status by ED.* We support this section but encourage congress to increase resources for State Approving Agencies (SAAs) to match the increase in responsibilities. As we continue to add tasks to the SAAs workload, we encourage congress to be mindful of matching resources to responsibilities. Unfunded mandates cannot be achieved, and we risk setting SAAs up to fail by requiring too much of them without the financial undergirding they need for support.

*Section 5. Mandatory enrollment verification.* We support this provision and humbly offer an additional recommendation. Overpayments due to delays in VA updating a student's enrollment status are a significant portion of annual overages and lead to student veterans incurring debt unbeknownst to them which is later clawed back aggressively.<sup>39</sup> We fully support finding ways to improve the current system to prevent such burdens being

<sup>37</sup> U.S. Department of Education, Office of Federal Student Aid. If your school closes while you're enrolled or soon after you withdraw, you may be eligible for discharge of your federal student loan. <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/closed-school>

<sup>38</sup> American Council on Education. Letter to Congress Re: Executive Order 13607 – Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members. <https://www.acenet.edu/news-room/Documents/Letter-to-Obama-Administration-on-Principles-of-Excellence-for-Service-Members,-Veterans-Education.pdf>

<sup>39</sup> U.S. Government Accountability Office. "POST-9/11 GI BILL: Additional Actions Needed to Help Reduce Overpayments and Increase Collections." October 21, 2015. <https://www.gao.gov/products/GAO-16-42>



placed on our students. To this end, we encourage reworking the language so that the burden of verification lies on the institution and not the student. As VA pays the school directly under the Post-9/11 GI Bill, it only makes sense that tuition overpayments and verifications of enrollment should be handled directly between the two institutions, without the student veteran in the middle.

We are encouraged by this committee's interest in finding ways to improve the service and quality of benefits we offer to our veterans and hope that continued conversations around the bills today will provide avenues upon which to build consensus.

**Draft legislation, To amend title 38, United States Code, to authorize State approving agencies to carry out outreach activities**

This legislation clarifies language in title 38 to allow State Approving Agencies (SAAs) to conduct outreach programs. In the roughly 70 years prior to 2016, SAAs routinely engaged in outreach programs to educate our veterans about the benefits available to them. In 2016, VA informed these agencies that outreach activities were not explicitly established in statute and could no longer be supported. Since then, SAAs have been limited in their ability to conduct outreach and awareness programs and create new outreach materials. Data from the National Association of State Approving Agencies (NASAA) shows 'outreach actions' declining by 90 percent since 2016 as result.<sup>40</sup>

SVA supports this bill, but within the context of SAAs maintaining a primary focus on program evaluation. SAAs play an important role in the approval and oversight of the higher education institutions that serve our nation's veterans. Their mission is to safeguard quality education and training opportunities for veterans through program evaluation and monitoring, compliance training and review, outreach and awareness, and more. And while the agencies' primary focus will always be the evaluation and approval of educational institutions, their value as liaisons to the broader public, military bases, educators, and employers on the benefits of using the GI Bill cannot be understated.

We must be cognizant of the need to provide them with adequate resources and authority to fully execute their mission. This is particularly important in light of recent legislation and programs, such as the Forever GI Bill, the VET TEC Program, and the VALOR Act. Expanding the oversight responsibilities of SAAs, and many of the draft bills under discussion today seeking to maintain a high level of program quality and integrity.

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The success of veterans in higher education is no coincidence or surprise. Research consistently demonstrates this unique population of non-traditional students is far outpacing their peers in many measures of academic performance.<sup>28</sup> Further, this success in higher education begets success in careers, in communities, and promotes family financial stability, holistic well-being, and provides the all-volunteer force with powerful tools for recruitment and retention when recruits know military service prepares them for success after service.

We thank the Chairman, Ranking Member, and the Committee Members for your time, attention, and devotion to the cause of veterans in higher education.<sup>41</sup> As always, we welcome your feedback and questions, and we look forward to continuing to work with this committee, the House Veterans' Affairs Committee, and the entire congress to ensure the success of all generations of veterans through education.

<sup>40</sup> National Association of State Approving Agencies, NASAA Annual Report 2018. <http://nasaa-vetseducation.com/getattachment/Home/NASAA-2018-Annual-Report.pdf.aspx>

<sup>41</sup> Cate, C.A., Lyon, J.S., Schmeling, J., & Bogue, B.Y. (2017). *National Veteran Education Success Tracker: A Report on the Academic Success of Student Veterans Using the Post-9/11 GI Bill*. Student Veterans of America, Washington, D.C., [http://nvest.studentveterans.org/wp-content/uploads/2017/03/NVEST-Report\\_FINAL.pdf](http://nvest.studentveterans.org/wp-content/uploads/2017/03/NVEST-Report_FINAL.pdf).



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

Pursuant to Rule XI2(g)(4) of the House of Representatives, Student Veterans of America received neither federal grants in Fiscal Year 2019, nor has it received any federal grants in the two previous fiscal years.



## **William Hubbard, Chief of Staff**

William Hubbard joined the professional staff of Student Veterans of America in February 2014. Mr. Hubbard has been frequently called to testify to Congress on a variety of topics related to higher education and veterans. He also regularly advises the White House and senior executives of the Administration on the interests of student veterans and higher education policy.

Mr. Hubbard received his Bachelors in International Studies from American University. After graduating, he spent several years serving government agencies to include the Department of the Navy, Department of State, and the State of Indiana Department of Revenue in his role as a Federal Strategy and Operations Consultant at Deloitte Consulting.

As a National Executive Committee Member of Deloitte's Armed Forces Business Resource Group, Mr. Hubbard was dedicated to the achievement of veterans, and led the successful proposal of two veteran-focused pro bono projects. Prior to his career in consulting, he co-founded a successful startup business in the snack food industry.

Most recently, Mr. Hubbard deployed to Kabul City, Afghanistan and served with the Special Operations Joint Task Force as a member of a small cell of intelligence professionals. Previously, Mr. Hubbard served in Southern Command (SOUTHCOM) to conduct force protection activities including threat assessments, review of the human terrain, and liaison with joint operations units as well as executive-level embassy personnel.

Mr. Hubbard joined the Marine Corps Reserve in 2006 and initially served with 2nd Battalion, 24th Marines. Today, he continues to serve at in an intelligence team Quantico, VA. He has served SVA at both the chapter and national levels, and has been passionate about veterans' issues since entering the armed services.