TESTIMONY OF
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

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Veterans of America (SVA) to submit testimony on the legislation pending before you today.

With a mission focused on empowering student veterans, SVA is committed to providing an educational experience that goes beyond the classroom. Through a dedicated and expansive network of on-campus chapters across the country, SVA aims to inspire yesterday’s warriors by connecting student veterans with a community of like-minded chapter leaders. Every day these passionate leaders work to provide the necessary resources, network support, and advocacy to ensure student veterans can effectively connect, expand their skills, and ultimately achieve their greatest potential.

SVA thanks the Subcommittee for considering several pieces of legislation that would impact student veterans and other military-affiliated students in higher education.

H.R. 1767, Student Veteran Benefit Restoration Act – Discussion Draft: To amend title 38, United States Code, to provide that educational assistance paid under Department of Veterans Affairs educational assistance programs to an individual who pursued a program or course of education that was suspended or terminated by reason of a determination of fraud shall not be charged against the entitlement of the individual, and for other purposes.

SVA supports the intent of this bill which would restore VA education benefit entitlement to additional veterans who are unable to complete their program and are victims of institutional fraud. The legislation also mandates that institutions repay VA in certain circumstances. We offer several recommendations below to ensure the bill adequately addresses the full scope of the underlying issue.

Most institutions serving VA education beneficiaries do so without engaging in misconduct and aim to follow through on their promises to students. Unfortunately, student veterans and other military-affiliated students have and continue to be negatively impacted by fraud and other misconduct perpetrated by a relatively small number of bad-actor institutions in higher education.¹ In some cases, these institutions also end up shutting down, sometimes precipitously, leaving students stranded with depleted education benefits, student debt, non-transferable credits, and worthless degrees.²

The Higher Education Act provides federal student loan relief in cases where students are the victims of


institutional misconduct. This is known as Borrower Defense to Repayment. The Department of Education originally built out the Borrower Defense process in 2016 after an infamous batch of institutions underwent high-profile closures while being mired in allegations of fraud.

While relief exists for federal student loan borrowers impacted by fraud, the same is not true for VA education beneficiaries. The current version of VA education benefit restoration is extremely limited and more analogous to Closed School Discharge through the Department of Education (ED) rather than Borrower Defense. At this time, VA entitlement restoration is only available when a school closes or for programs disapproved due to a change in statute or regulation.

Congress has appropriately provided a pathway to relief for individuals who borrow federal student loans and are harmed by bad-actor institutions. It is time for Congress to do the same for veterans who put their lives on the line to earn their education benefits. This draft legislation is an important step in the right direction.

SVA supports the intent of this draft legislation, but there are several aspects that require further attention to ensure student veterans and other military-affiliated students have access to appropriate relief. First, entitlement restoration should be authorized when VA or State Approving Agencies (SAA) suspend or revoke program approval in addition to when institutions may suspend or terminate programs. As written, beneficiaries would only obtain relief under proposed subparagraph (C) if an institution voluntarily terminates or suspends its own program because of information collected through a risk-based survey. VA program suspension or revocation of approval is the more appropriate trigger, and like institutional program suspension or termination, it results in students being unable to continue their program of education at a particular institution.

Second, entitlement restoration should not be predicated on beneficiaries being unable to complete their program of education, which this bill does by nature of the location of the proposed statutory amendments. Restoration should simply be conditioned on detriment. The draft text does mirror Borrower Defense language about detriment, but in contrast, Borrower Defense claims may be granted irrespective of program completion.

The legislation severely restricts entitlement restoration for fraud by only authorizing it when a beneficiary’s program of education is cut short. The harmful effects of institutional fraud extend well beyond school closures and program interruption. Consider, for instance, how a beneficiary is harmed if an institution lies about employment outcomes and the individual struggles to find a job after completing their degree. Such

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3 20 U.S.C § 1087e(h), 34 C.F.R. § 685.206 (effective July 1, 2023).
6 Compare 38 U.S.C § 3699 with 34 C.F.R § 685.214 (showing both emphasize program interruption as opposed to misconduct).
7 38 U.S.C § 3699.
8 It is not clear whether lines 14-17 of the draft bill are referring to program suspension or termination by institutions or by VA and SAAs, though language in the institutional repayment section of the bill suggests the former. See page three of the draft bill, lines 10-12 specifically referencing when an “institution closes or suspends or terminates a course or program...” Lack of the term “disapproval,” as referenced elsewhere in current statute when addressing SAA decisions, also suggests this language refers to institutions and not VA or SAAs.
9 Borrower Defense does not require a school to have closed for relief to be granted. See 20 U.S.C § 1087e(h), 34 C.F.R. § 865.206 (effective July 1, 2023).
10 See generally, e.g., Education Department Approves $415 Million in Borrower Defense Claims Including for Former DeVry University Students, U.S. DEPT OF EDUCATION (Feb.16, 2022) (explaining how the Department of education granted Borrower Defense discharge to
circumstances may well warrant relief under Borrower Defense, which should trigger entitlement restoration under this bill, but current language prohibits it.

Third, while SVA certainly supports institutional repayment of funds in cases of fraud, we encourage the Subcommittee to ensure that relevant bill language appropriately complements the entitlement restoration provisions. The current language sets different standards for restoration of benefits and institutional repayment. Under the draft language, VA would only be reimbursed when a school closes or program is suspended or terminated “by reason of a determination of fraud” by the Federal Trade Commission or ED. Contrast that with the bill’s restoration provisions, which are triggered by decisions resulting from risk-based surveys or the granting of a Borrower Defense claim.

It is overly restrictive to condition institutional repayment on school closures or program suspension or termination. This is exacerbated further by requiring that the closure, suspension, or termination be caused specifically by “a determination of fraud.” The draft language would prevent VA from being repaid for fraud perpetrated by institutions that continue to operate and programs that continue to be offered. VA would also not be repaid for instances of fraud that take place at an institution if the school’s closure or a program’s suspension or termination cannot be directly tied to a determination of fraud by either ED or the FTC. For instance, it may be more likely that a closure would be attributed to financial difficulties due to ED imposing heightened financial scrutiny or prohibiting the enrollment of new students using Title IV financial aid. Schools can also close well before there are any formal determinations of fraud.

VA should be able to seek institutional reimbursement whenever education benefit entitlement is restored for a beneficiary, and if VA is recouping funds based on fraud, relevant beneficiaries should have their entitlement restored. The two go hand in hand. We recommend institutional repayment be triggered when beneficiaries have their VA education benefits restored similar to how ED attempts to recover funds from institutions after Borrower Defense claims are approved.

SVA thanks the Subcommittee for considering this essential, long-overdue legislation and our recommendations for improving it. We look forward to working with members to refine and advance the proposal.

H.R. XXXX, VET-TEC Authorization Act of 2023

SVA supports this draft legislation that would make a version of the current VET TEC pilot program permanent, and below we offer recommendations to refine the legislative text.


11 While we believe the bill’s recoupment provisions need revision broadly, we are curious why current language omits determinations by VA and SAAs in addition to ED and the FTC. Court decisions may also warrant consideration. Though, the extent to which any of these entities make determinations specifically attributing institutional closure to acts of fraud is unclear.

12 See generally, ITT Tech Shutting Down All Its Schools, NBC NEWS (Sept. 6, 2016), https://www.nbcnews.com/business/business-news/itt-tech-shutting-down-all-its-schools-n643401 (discussing how ITT was shutting down after “the government banned it from enrolling students receiving federal financial aid.”).

13 This is similar to how recovery from institutions will work under the new Borrower Defense rules that go into effect on July 1, 2023. 34 C.F.R § 685.409.
At SVA, we know not every veteran pursues a traditional higher education and that many are also interested in tech careers, like computer programming, data processing, computer software, and others. VET TEC was established in 2017 to assist veterans in securing high tech jobs through quality training programs. It has been well-received but expires next year.

VET TEC has been successful by several different measures. The program’s enrollees are diverse—much more so than working-age veterans generally—and nearly 90 percent report having a service-connected disability. Two-thirds of participants completed their programs, and 66 percent of completers found meaningful employment within half a year. Finally, salaries are relatively strong, with graduates earning an average of $62,491 per year.

SVA supports this draft bill which represents an important first step toward making this popular and effective program permanent. We understand this legislation will undergo refinement in the weeks ahead, and we look forward to contributing to those conversations. For now, we offer a set of non-exhaustive comments on several aspects of the draft legislation.

- The draft bill generally retains the same 25-25-50 payment structure for training providers. SVA strongly supports this payment scheme and certain new but related provisions, including the addition of a 180-day employment option that would incentivize providers to train for both prompt employment and reasonable retention. Regarding payment being disbursed upon the enrollment of an individual in another program of education, we strongly recommend the Subcommittee retain the proposed requirement that such enrollment be with a different training provider to prevent abuse.
- The draft language would require VA to provide educational assistance to veterans to pursue another VET TEC program after their initial attempt if they had to withdraw due to military service. SVA supports this provision consistent with our ongoing efforts in other areas of the law to expand protections for activated and mobilized student service members.
- The draft text contains several requirements that programs must meet to be eligible for the receipt of VET TEC funds, including the appropriate tailoring of programs, the hiring of expert instructors, history as an established program, and fairness in tuition and fee rates, among other things. In general, SVA supports the inclusion of these types of conditions as essential safeguards against fraud, waste, and abuse while also ensuring participants receive high-quality training.
- The draft provides several specific requirements for program approval which we are also generally supportive of for the reasons mentioned immediately above.
- The proposal would require VA to give preference to providers who have at least 70 percent of their graduates find full-time employment within 180 days of completing their program or that refund tuition and fees if graduates do not find such employment. These are reasonable and valuable benchmarks for the Department to use in prioritizing training providers.
- The draft language proposes to charge participant’s entitlement for various VA education benefits if they have any remaining. This is a major deviation from the current pilot program. SVA recommends the Subcommittee remove language that would result in a charge to education benefit entitlement except, perhaps, in the limited instance where a participant chooses to pursue a second covered program as contemplated in subsection (b).
- The text requires VA to submit an annual report to Congress. We support the annual report requirement, but the draft text lacks necessary detail. We encourage the Subcommittee to include specific items the

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15 Id. at 11.

16 Id. at 16.
report must address such as those that were required for the pilot program’s interim report and to ensure the report addresses current data limitations highlighted by the Government Accountability Office.\(^\text{17}\)

- The draft bill restricts program eligibility to only those veterans who serve at least 36 months on active duty. The Current VET TEC program does not have an explicit service period requirement; it simply makes individuals eligible if they have as little as one day of unexpired VA education benefits.\(^\text{18}\) SVA asks the Subcommittee to consider a lower time-in-service threshold, or to simply mirror the current VET TEC language. This is particularly important for members of the National Guard and Reserve as many may not accrue a full 36 months active-duty time. Separately, this bill would also specifically allow veterans discharged under conditions other than dishonorable to access the program, which SVA supports.

- The text would allow veterans to pursue training at public and private educational institutions. SVA supports this, but we encourage the Subcommittee to consider that traditional institutions of higher learning (IHL) may have financial procedures and processes that do not easily allow them to receive payment pursuant to VET TEC’s 25-25-50, pay-for-performance model. SVA has heard reports that this very issue contributed to IHLs hesitancy to participate in the Veteran Rapid Retraining Assistance Program. We do not raise this to suggest a different payment model for IHLs, but simply to flag a potential friction point for the committee to explore further in consultation with stakeholders.

- The draft text changes statutory language concerning independent study courses to specifically allow VA to approve online learning programs in the context of VET TEC subject to several conditions, which we generally support.

SVA strongly supports a permanent VET TEC program. As such, we ask that the Subcommittee prioritize this bill. We look forward to working with staff to refine the legislative text.

**H.R. XXXX, Protect Military Dependents Act**

SVA supports this proposed legislation removing dependent liability for overpayments made by VA for transferred education benefits when the transferring individual does not complete the agreed upon service contract.

A service member may transfer their Post-9/11 GI Bill to a spouse or dependent if they agree to serve an additional four years. If the individual fails to complete this four-year contract, any used education benefit is considered an overpayment, and under current law, the service member and transferee are jointly and severally liable for the debt. This flies in the face of basic fairness. There is no reason a dependent should be held responsible for the consequences flowing from the transferring veteran’s failure to complete their agreed-upon term of service. The debt should lie solely with the individual who failed to complete the contract on which the transfer was conditioned. This bill would make that important, common-sense fix.

According to our conversations with VA, technical corrections to the bill’s draft language are necessary for the bill to have its desired effect. VA has also shared with us that corresponding changes should be made to the statute requiring that tuition and fee debts lie with the educational institution. VA maintains, that in the context of this bill, those debts should remain with the veteran because, the institution would likely still seek to recoup from the dependent even if the veteran technically has sole liability. We agree with VA on these matters and encourage the Subcommittee to heed their respective recommendations.


SVA thanks the Subcommittee for its attention to this issue, and we look forward to working with members to advance this draft legislation.

**H.R. XXXX, the Filipino Education Fairness Act**

SVA supports this draft legislation which eliminates an unfair cap on Chapter 35 Survivors’ and Dependents’ Education Assistance (DEA) for those who utilize the benefit to attend an institution in the Philippines.

Statute currently limits DEA for individuals using the benefit to attend institutions in the Philippines to half the normal dollar amount.19 This benefit reduction is apparently a decades-old statutory relic from an effort to reduce benefit abuse by cutting survivors and dependents DEA benefits in the Philippines even while others abroad faced no similar limitations.20 This is an inequitable limitation on benefits and should be repealed as soon as possible.

We strongly encourage the Subcommittee to swiftly advance this draft legislation in the basic interest of fairness.

**H.R. 1169, VA E-Notification Enhancement Act**

SVA supports this legislation which would require VA to provide electronic certificates of eligibility or award letters to VA education beneficiaries.

Modernizing, and more specifically, digitizing the GI Bill is critical to ensure that the benefit can efficiently and effectively serve current and future generations of student veterans and military-affiliated students. Unfortunately, VA’s education benefits technology systems have been woefully outdated for years, but the Department’s recent Digital GI Bill (DGIB) initiative is changing that.21 SVA supports this modernization effort and will continue working with the Department and Congress to see it through.

This legislation addresses the antiquated manner by which beneficiaries have historically received their certificates of eligibility or award letters for education benefits. The proposal is fully consistent with VA’s ongoing DGIB effort. In fact, it is SVA’s understanding that VA is already providing electronic notifications about education benefit awards.22 SVA nevertheless supports this legislation, because it would cement in law the Department’s current process that increases the efficiency with which these notices are disseminated and the convenience for beneficiaries.

Beyond this bill, we ask members of the Subcommittee to consider additional, creative ways for the federal government to expedite the VA education benefit award determination process. For instance, the Department of Defense and VA could coordinate to automate the benefit determination process for transitioning service members and provide them with either a provisional or final certificate of eligibility or award letter for their VA education benefits during the transition process or immediately after. DOD knows when an individual has or will separate from the armed forces and can provide that information to VA. Presumably, VA should then be able to

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determine the veteran’s eligibility for education benefits and automatically provide them with an award determination. At that point, all the beneficiary needs to do is decide if and how they will use their benefits.

SVA encourages the Subcommittee to advance this common-sense legislation that fits neatly within VA’s current efforts to modernize its education benefits systems and processes.

H.R. 746, Streamlining Aviation for Eligible Veterans Act

At this time, SVA neither supports nor opposes this draft legislation which would allow Veterans Readiness and Employment (VR&E) benefits to be used for non-degree flight programs. We encourage the Subcommittee to give the proposal additional scrutiny.

Currently, veterans and other military-affiliated students may use the Post-9/11 GI Bill to pursue non-degree flight programs, but only up to a set monetary amount and only if they meet specific requirements. Those using certain other benefits, like VR&E and DEA, are not eligible to pursue vocational flight programs.

The history of VA benefits and flight programs has been fraught with concerns about fraud, waste, and abuse—so much so that Congress has had to intervene. In tackling these issues over the years, Congress crafted unique rules for benefit use with flight programs. Regulation prohibited the use of VR&E with vocational flight programs years before Congress expanded the ban to VA education benefits. At one point, Congress cut off all VA education benefits for flight programs, regardless of whether they resulted in a degree. Congress later reopened the GI Bill to flight programs, including those that did not lead to a degree, initially on a test basis, and with several guardrails. It chose not to do the same for VR&E, despite having the opportunity.

Whether it is prudent for VR&E benefits to be authorized for non-degree flight programs depends, in part, on whether there are appropriate protections in place to prevent fraud, waste, and abuse. While we can support the general concept of parity between the two benefits, that parity must extend to relevant safeguards as well. If the Subcommittee opens VR&E benefits to vocational flight training, we strongly recommend it ensure appropriate guardrails are in place to protect taxpayer dollars and ensure VR&E appropriately assists disabled veterans in finding and maintaining a flight career.


25 See generally Clarke v. Brown, 10 Vet. App. 20, 23–25 (1997) (citations omitted) (summarizing the history of GI Bill and VR&E benefits being used for flight training, including non-degree flight programs, in ruling against the appellant who argued, among other things, that the prohibition on use of VR&E benefits with non-degree flight programs was inconsistent with underlying statute and deprived him of due process).


30 It is not clear that GI Bill flight training safeguards would necessarily extend to VR&E if the current version of this bill passed. Programs must be approved by VA to be paid for by VR&E, but GI Bill and VR&E approval is different. It is unclear whether GI Bill approval requirements for these courses, like those found in 38 U.S.C. 3034, would necessarily apply in the context of VR&E as the two benefits exist in separate chapters, and there is no language clearly incorporating the relevant GI Bill conditions into VR&E statutes or regulations. Compare 38 U.S.C § 3034 with 38 § C.F.R. 21.292. The relevant GI Bill payment restrictions would also appear to not apply to the use of VR&E benefits for
SVA encourages the Subcommittee to give this bill additional, careful consideration.

**H.R. 291, Vaccine Discharge Parity Act**

SVA testified on this legislation last Congress, and our position remains the same.  

As a general matter, SVA welcomes the Subcommittee's openness to discussing GI Bill eligibility discharge status issues. However, SVA has heard from few, if any, veterans about losing their GI Bill due to the insubordinate act of willfully disobeying the lawful order to get a COVID-19 vaccine. Still, we appreciate the matter being raised, because it draws attention to a bigger issue that must be addressed.

The GI Bill is the only VA education benefit that requires an honorable discharge. This has been the subject of much attention, particularly given that many service members received less than honorable discharges for conduct stemming from underlying mental health conditions related to their service, military sexual trauma, or their sexual orientation. We believe Congress must explore options to ensure more of these individuals are made eligible for the Post-9/11 GI Bill if they otherwise qualify.

SVA thanks the members sponsoring this legislation for opening the door to a much-needed, more expansive conversation about GI Bill eligibility and discharge status, including issues more pervasive and long-standing than the one this bill seeks to address.

**Additional Legislation**

SVA also supports the intent of the following legislation:

- H.R. 645, Healthy Foundations for Homeless Veterans Act
- H.R. XXXX, Ensure Military Personnel Learn Opportunities Yielding Vocations that Employ Transitioning Servicemembers Act
- H.R. XXXX, Get Rewarding Outdoor Work for our Veterans Act
- H.R. 728, To direct the Assistant Secretary of Labor for Veterans’ Employment and Training to carry out a pilot program on short-term programs for veterans

The continued success of veterans in higher education in the Post-9/11 era is no mistake or coincidence. In our Nation's history, educated veterans have always been the best of a generation and the key to solving our most complex challenges. Today’s student veterans carry this legacy forward.

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31 The language in this section mirrors substantially that which we offered on a similar bill considered during a legislative hearing before this Subcommittee on March 16, 2022. See Hearing on Pending Legislation Before the H. Subcomm. on Veterans’ Affairs, 117th Cong. (March 16, 2022), written testimony of Justin Hauschild, Policy Counsel, Student Veterans of America).


We thank the Chairman, Ranking Member, and the Subcommittee Members for your time, attention, and devotion to the cause of veterans in higher education. As always, we welcome your feedback and questions.