July 25, 2019

The Honorable James Inhofe
Chairman
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, DC 20510

The Honorable Adam Smith
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable Jack Reed
Ranking Member
Senate Armed Services Committee
228 Russell Senate Office Building
Washington, DC 20510

The Honorable Mac Thornberry
Ranking Member
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Inhofe and Smith and Ranking Members Reed and Thornberry:

As you prepare to conference the National Defense Authorization Act for Fiscal Year 2020 (NDAA), the undersigned student, education, military, and veterans service organizations, strongly encourage you to include the Shalala amendment on DOD Tuition Assistance (TA) funds in the final conference bill. This bipartisan amendment puts forth an accountability system that prioritizes transparency, distinguishes bad actors from good actors, looks out for the American taxpayer, and protects our military community.

The Department of Education (ED) reports annually on for-profit schools’ reliance on Title IV revenue, but the extent of these schools’ dependency on military educational benefits has long been a matter of uncertainty. Regulatory policies such as the 90-10 Rule have helped students in general, but the loopholes in the policy have created incentives for for-profit universities to target active duty servicemembers because TA benefits are not considered “federal funds” under the calculation. In fact, recent academic research has shown that for-profit universities are sensitive to changes in TA reimbursement rates and respond by changing the sticker price to extract surpluses from active duty servicemembers.¹

Despite efforts by Congress, previous administrations, and state attorneys general to curtail aggressive recruiting tactics, many servicemembers continue to be targeted due to the lack of easily accessible information. The Shalala amendment seeks to correct this by requiring the Secretary of Defense to review the amount of TA funding institutions of higher education receive and publishing that data in a publicly accessible website. Too often, military students at for-profit schools encounter extremely high-costs, low-value instruction, a lack of appropriate support services, and degrees that aren’t taken seriously by potential employers. With increased

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transparency and accountability, we can better provide our military community the high-quality education they deserve, and the essential skills for military or civilian life.

The Department of Education’s (ED) Financial Responsibility Standards (Subpart L of 34 CFR 668) are intended to safeguard institutions that participate in the federal financial aid programs are able to meet their financial obligations and provide the resources necessary to offer educational programs and comply with ED rules. Examining trends in the higher education sector that fail to do this will provide insight into the financial stability of an institution. The process of ensuring servicemembers the colleges they attend have the financial resources necessary to protect against a sudden closure or tuition increase, is essential to distinguish good actors from bad actors.

More than 7,000 GI Bill and TA recipients had their education plans derailed when Corinthian Colleges and ITT Technical Institute closed in 2016. The more recent wave of closures surrounding Argosy University and the Art Institute affected over 1,700 GI Bill and TA recipients. Closures have created hardships for thousands of active duty servicemembers and come at a significant cost to taxpayers. The Shalala amendment will give our men and women in uniform enough time to plan accordingly and protect their educational benefits.

Those who oppose this amendment have tried to claim that it is an attempt to shutter for-profit institutions and limit educational opportunities for servicemembers. This is simply not true. This amendment is about transparency and disclosure. We want to give our American heroes the information they need so they can utilize their hard-earned benefits at educational institutions that will provide quality education and a degree or certificate that will help them reach their goals. We believe that a stronger and more transparent NDAA is one that prioritizes the men and women who have answered the call to serve. Supporting our veterans and active-duty servicemembers has historically drawn large, bipartisan support, as evident by this amendments’ overwhelming adoption on the House floor by members on both sides of the aisle.

We strongly urge you to support the Shalala amendment on DOD Tuition Assistance that prioritizes transparency and protects servicemembers, their families, and the taxpaying public from predatory colleges.

Signed,

CC: Speaker Pelosi, Majority Leader McConnell, Minority Leader Schumer, Minority Leader McCarthy, Members of the House Armed Services Committee and Members of the Senate Armed Services Committee
American College Personnel Association
American Federation of Teachers (AFT)
Army Aviation Association of America
Association of the United States Navy
Blue Water Navy Association
Coast Guard Chief Petty Officers Association
Council of Graduate Schools
High Ground Veterans Advocacy
Higher Learning Advocates
Iraq and Afghanistan Veterans of America
Military Child Education Coalition
Military Veterans Advocacy
National Association for College Admission Counseling
National Military Family Association
Naval Enlisted Reserve Association
New America Higher Education Initiative
Non-Commissioned Officers Association
Paralyzed Veterans of America
Project on Predatory Student Lending
Service Women’s Action Network
Student Veterans of America
The Institute for College Access & Success (TICAS)
TREA: The Enlisted Association
UAspire
United States Army Warrant Officers Association
Veterans Education Success