Education And Transition

For-profit college's access to veteran education benefits the focus of new investigation

Leo Shane III

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Visiting scholars receive a briefing during their visit to Cypress College in California on Aug. 7, 2019, as part of a California National Guard program. (Staff Sgt. Crystal Housman/Air National Guard)

Included in the new federal budget bill adopted by Congress this week is the latest attempt by lawmakers to grapple with the issue of how much access for-profit colleges should have to veterans education benefits.

By next summer, officials from the Departments of Education, Veterans Affairs and Defense must submit new reports to Congress on how changing the "90/10 loophole" would affect those schools, with a specific focus on how many for-profits may be forced into financial problems if they lose access to the benefits.

Under current law, schools cannot receive more than 90 percent of their tuition dollars from federal sources. But military and veterans' education benefits are not counted against that cap, making those students potential targets for institutions looking to maximize stable revenue sources.

"For-profit colleges often target servicemembers and veterans with aggressive marketing and recruiting," the budget legislation states. Lawmakers need "an authoritative data set" on which to rely for future policy decisions regarding the benefits.



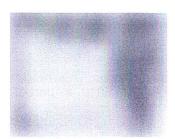
Push to limit for-profit college's access to GI Bill benefits gets new boost

A bipartisan bill to change the "90/10 rule" regarding federal education funding has advocates optimistic, despite lingering challenges.

By: Leo Shane III

The move comes just a few weeks after new bipartisan legislation that would close the loophole over a three-year period. The proposal has proven controversial in the past, with supporters of for-profit colleges arguing it unnecessarily targets their schools instead of mandating better education options for all veterans.

But at least 37 veterans groups have offered public support to changing the 90/10 rule, saying that steps need to be taken to protect veterans and their benefits.



Vet groups say this rule makes troops vulnerable to 'predatory schools.' Here's why.

Veteran-advocacy groups are asking Congress to change the 90-10 rule as part of its re-authorization of the Higher Education Act.

By: Joshua Axelrod

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An analysis by the Brookings Institution earlier this year found that based on 2015 data, colleges serving 24 percent of all for-profit students would have failed the 90/10 rule. They predicted a change in the law could produce significant financial distress for the for-profit education industry.

But Congress wants its own analysis of the potential effects, and also what shifting the requirements to an 85-15 split would mean for those institutions.

President Donald Trump is expected to sign the budget bill into law later today. The report on for-profit colleges is due to Congress by July.

About Leo Shane III

Leo covers Congress, Veterans Affairs and the White House for Military Times. He has covered Washington, D.C. since 2004, focusing on military personnel and veterans policies. His work has earned numerous honors, including a 2009 Polk award, a 2010 National Headliner Award, the IAVA Leadership in Journalism award and the VFW News Media award.

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