



VETERANS EDUCATION SUCCESS

TO: Representative McIntosh and Representative Jackson
FROM: Veterans Education Success
SUBJECT: Support – Veterans Education Protection Act – HB593
DATE: February 3, 2020

We at Veterans Education Success are writing in support of House Bill 593, the Veterans Education Protection Act. This bill will protect veterans and servicemembers from fraud and abuse by predatory colleges that target them with aggressive and deceptive recruiting just to get their GI Bill.

Veterans Education Success was founded in 2013– in collaboration with the nation’s major veterans’ leaders, to advance higher education success for veterans, service members, and military families, and to protect the integrity and promise of the GI Bill and other federal education programs.

Due to a loophole in federal law known as the 90/10 loophole, for-profit college chains are inadvertently incentivized to aggressively target veterans for enrollment. Originally designed as a market-viability test, the federal Higher Education Act’s 90/10 rule stipulates that a for-profit education business must secure at least 10% of its revenues from sources other than federal student aid. The goal is to ensure federal funds are not used to prop up otherwise failing for-profit companies that are unable to attract private-paying students. As the U.S. Supreme Court explained in upholding the rule’s precursor, it is “a device intended by Congress to allow the free market mechanism to operate and weed out those institutions [which] could survive only by the heavy influx of Federal payments...” and “a way of protecting [students] by allowing the free market mechanism to operate.” We commend the Maryland House Appropriations Committee for recognizing the need for increased accountability in an industry that continues to receive taxpayer funded student aid, while failing to provide a quality education to students.

We are grateful that Maryland is focused on protecting students from predatory for-profit schools because we know how critical postsecondary education attainment is to economic success. We fully support House Bill 593 and look forward to seeing it pass into law.

Sincerely,

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