



VETERANS EDUCATION SUCCESS

Testimony to the House Appropriations Committee

HB 470: For-Profit Institutions of Higher Education and Private Career Schools - Instructional Spending - Requirements

Position: Favorable

February 18, 2020

The Honorable Maggie McIntosh, Chair
House Appropriations Committee
Maryland General Assembly—House
Legislative Services Building
90 State Circle
Annapolis, MD 221401

Chair McIntosh and Members of the Committee:

My name is Ramond Curtis, and I am the State Policy Manager for Veterans Education Success, a nonprofit veterans service organization that advocates for public policy to ensure veterans' higher education success and to protect and defend the integrity and promise of the GI Bill. I am writing today in support of HB 470 which will require for-profit schools to spend at least fifty percent of their tuition revenue on instruction or reduce how much they charge students in tuition to meet the amount spent on instruction.

In Maryland, twenty-four for-profit schools spend less than fifty percent of tuition revenue on instruction. With billions of GI Bill dollars going to the private for-profit industry each year, it is essential that we ensure veterans' hard-earned benefits are used to improve their education. We know that institutions that spend more on instruction have higher completion rates, and their students earn more after graduating.

Last year Veterans Education Success published a report analyzing the outcomes and earnings of students from institutions that spend the least on instruction. We found that schools spending the least on instruction appeared concentrated among the 10 colleges charging taxpayers the most overall Post-9/11 GI Bill tuition and fee payments from FY 2009- 17, totaling \$5.4 billion: Seven of these 10 spent less than one-third of students' gross tuition and fees on instruction in 2017 and struggled with outcomes: Less than 28% of their students completed an award or degree and only half (52%) earned more than a high school graduate. In contrast, students who attended top-10-grossing GI Bill schools that spent more than one- third of gross



tuition on instruction had a 60% completion rate, and two-thirds earned more than the average high school graduate.¹

School spending on instruction and student support plays an important role in students' college completion and career success. Colleges and universities that spend more on instruction are investing in students' success by providing them with more resources, quality advisors, and smaller class sizes.

When taxpayers honor veterans' sacrifice and service with the GI Bill, both the taxpayer and the veteran believe the veteran's hard-earned GI Bill will go towards his or her education, enabling a smooth transition to a successful civilian career. While most colleges are honoring veterans' service, taxpayers' investment, and Congress' intent, many of the colleges taking the most GI Bill funds are instead diverting billions of GI Bill dollars away from veterans' education and instead spending it on TV ads and massive recruiting call centers – much of it deemed predatory by state and federal law enforcement.²

By requiring for-profit schools to spend at least fifty percent of tuition revenue on instruction, the state of Maryland is ensuring that veterans attending for-profit schools are receiving high quality education.

We hope you take this opportunity to ensure that for-profit schools are investing in Maryland students. We urge you to move favorably on HB 470.

Sincerely,

Ramond Curtis

¹ See Veterans Education Success, "Should Colleges Spend the GI Bill on Veterans' Education or Late Night TV Ads? And Which Colleges Offer the Best Instructional Bang for the GI Bill Buck?" (April, 2019), available at <https://vetsedsuccess.org/should-colleges-spend-the-gi-bill-on-veterans-education-or-late-night-tv-ads-and-which-colleges-offer-the-best-instructional-bang-for-the-gi-bill-buck/>

² See Veterans Education Success, "Law Enforcement Actions Against Predatory Colleges," (updated Feb. 2019), available at <https://static1.squarespace.com/static/556718b2e4b02e470eb1b186/t/5c5f5823a4222fa3c7d4c20d/1549752355856/Law+Enforcement+Actions+Ag+Predatory+Colleges.Jan2018.pdf>