



# Examining Executive Order #13607 and Its Impact on Schools and Veterans

May 16, 2012

STATEMENT OF  
RYAN M. GALLUCCI, DEPUTY DIRECTOR  
NATIONAL LEGISLATIVE SERVICE  
VETERANS OF FOREIGN WARS OF THE UNITED STATES  
BEFORE THE  
VETERANS' AFFAIRS SUBCOMMITTEE  
ON ECONOMIC OPPORTUNITY  
UNITED STATES HOUSE OF REPRESENTATIVES  
WITH RESPECT TO

## Examining Executive Order #13607 and Its Impact on Schools and Veterans

WASHINGTON, D.C.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 2 million men and women of the Veterans of Foreign Wars of the U.S. (VFW) and our Auxiliaries, I would like to thank you for the opportunity to testify on the President's recent executive order, "Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses and Other Family

### NATIONAL HEADQUARTERS

406 W. 34th Street  
Kansas City, MO 64111  
Office 816.756.3390  
Fax 816.968.1157

### WASHINGTON OFFICE

200 Maryland Ave., N.E.  
Washington, D.C. 20002  
Office 202.543.2239  
Fax 202.543.6719

info@vfw.org  
www.vfw.org

Members.” The VFW has been one of the leading voices on Capitol Hill working to ensure that our service members and student-veterans receive the educational opportunities they have been promised, and we are happy to see that this subcommittee takes this issue seriously.

A recent Senate investigation and a series of GAO reports have indicated that certain institutions of higher learning make a concerted effort to recruit military and veteran students into their programs with no intention of conferring relevant educational credentials. While arguments can be made as to the validity of these claims, the fact remains that these reports have created a perception in Washington that taxpayer dollars used to fund military and veterans’ education programs have gone to waste and veterans are not receiving the education we promised to them. During these difficult fiscal times, deficit hawks in Washington have seized on this opportunity, looking for ways to scale back these critical programs designed to mold a new generation of American leaders. Last fall, both the House and Senate Veterans Affairs Committees asked the Congressional Budget Office to score a series of scenarios to scale back the Post-9/11 G.I. Bill, and included one such scenario as a potential cost-savings measure in a “Four Points” letter to the Joint Select Committee on Deficit Reduction. The U.S. Marine Corps also announced that it would pare down its Tuition Assistance program – a decision that Marine Corps leaders later rescinded. To the VFW, threats to the continued viability of the Post-9/11 G.I. Bill and military tuition assistance programs are very real, which is why we have encouraged the House, Senate and Administration to take quick, decisive action.

On April 27, the Administration took a bold first step in ensuring our veterans receive the quality education we promised by signing Executive Order #13607, and the VFW vocally supported this effort. Now, we encourage Congress to follow the Administration’s lead and pass the education protection bills now before the committees of jurisdiction.

Since late last year, the VFW has consistently worked to build consensus among the veterans’ community and various sectors of higher education to better understand the educational landscape encountered by our student-veterans and to improve the information with which potential student-veterans make academic decisions. In January, the VFW spearheaded an effort calling on the House, Senate and the Administration to improve front-end consumer education for student-veterans and to codify complaint processes for student-veterans who believe they were victims of fraud, waste or abuse. The letter, which was co-signed by many of today’s key witnesses, served as one of the building blocks of the executive order and has been submitted as an appendix to our testimony today.

As a direct result of this effort, bills have been drafted in both the House and Senate that seek to codify exactly how VA can improve its consumer education and consumer protection practices. Executive Order #13607 reflects many of the ideas included in these bills, and the VFW believes it offers VA, Department of Defense and Department of Education the

opportunity to jump start their collaborative efforts to better serve our nation's student-veterans in advance of these potential new laws. Some in Congress and in the media balked at the executive order, but the VFW unequivocally supports the President's efforts to exert his authority over his executive agencies within the current limits of the law.

From conversations with VA and educational leaders leading up to April 27, the VFW believes that many of the policy recommendations and principles outlined in Executive Order #13607 are already in the works. The President's message will now serve as the impetus for agencies to act now.

Executive action, by nature, can be very limited in scope and progress can be difficult to assess. With this in mind, the VFW concurs with many of our veterans' service organization partners that we must establish a formal advisory committee among veterans' advocates to routinely monitor progress on implementation and hold agency officials accountable for shortcomings, similar to the Advisory Committee on Veterans' Entrepreneurship. We also encourage this committee to host a subsequent hearing on Executive Order #13607 at the 90-day mark from implementation, at which time VA, DOD and Department of Education can provide specific details on progress.

As VA, DOD, and Department of Education now must lay the groundwork for carrying out Executive Order #13607, the VFW would like to explain the rationale behind certain provisions of the executive order and how we believe the agencies and schools should go about implementing them

First, the VFW has heard concerns from schools over potential administrative hurdles to comply with new "Principles of Excellence" established in the executive order. Fortunately, the VFW believes that many of these principles will be explicitly codified in the DOD Memorandum of Understanding now required for schools to participate in the military's tuition assistance program. With schools already agreeing to comply with these new standards, the VFW recommends that VA adopt similar principles and establish information-sharing protocols with DOD to minimize the administrative burden for schools and ensure that quality information is available across all departments. The VFW recognizes that a failure to adhere to these new standards will not preclude schools from their eligibility to receive G.I. Bill dollars. The role of State Approving Agencies to inspect and approve academic programs must remain intact, and schools will still be listed in the WEAMS database. However, VA will now have the leverage to offer comprehensive information on schools and programs that see the value in participating, offering better information with which student-veterans can make a data-driven educational decision.

Second, the executive order calls on VA to provide data comparison tools to student-veterans prior to accessing G.I. Bill benefits through the eBenefits portal. This is the direct result of a VFW recommendation. The VFW understands that VA seeks to ensure that all beneficiaries will be enrolled in eBenefits; meaning access to VONAPP and all benefit

services will be conducted through the secure server. This offers VA a unique opportunity to ensure that veterans have access to quality information before they even start to fill out their online application. However, the VFW must clarify that a simple link to the 200-plus data points on College Navigator is insufficient to satisfy this data comparison requirement. We argue that College Navigator is too difficult to understand and most of the information available is completely irrelevant for a potential student-veteran. The VFW recommends that VA identify at least five, but no more than 10, specific data points with which veterans can compare educational programs. We look forward to engaging with VA on exactly which data points would be most beneficial to a potential student-veteran, and continuing our discussions on how to best implement this provision of the executive order.

Third, the VFW has heard concerns from schools about the proposed anonymous complaint process for student-veterans, which we must address. The genesis of this concept came from a meeting last fall where VA administrators admitted that the agency lacked a formal complaint process for student-veterans who believed they were victims of fraud, waste and abuse; and that VA lacked the ability to formally track and resolve any such complaints. As a result, the VFW and our partners in the veterans' community called for a formal complaint process and responsible redress mechanisms for student-veterans administered by VA. The VFW believes this new complaint process can be easily integrated into the current 1-800-GIBILL-1 hotline and the eBenefits portal. To the VFW, the "anonymous" process only means that a student's personally-identifiable information (PII) must be protected to ensure students will not face retribution from their school. This is similar to Department of Education policies, which must, by law, similarly protect student PII. However, the VFW believes that the VA must be able to verify a complainant's G.I. Bill status and enrollment status at an institution before taking action on behalf of a veteran. The VFW also believes that the formal complaint process must be conducted in a responsible manner, ensuring that students have properly exercised other available avenues of recourse before seeking VA intervention. The VFW suggests that VA establish a threshold question asking student-veterans who seek to file a complaint whether or not they have already sought to resolve their issue with their school administrators. The VFW does not want to see a witch hunt against schools, but we do believe that student-veterans are entitled to proper recourse through the fiduciary of their benefit – VA.

Finally, the VFW must address the issues facing State Approving Agencies (SAAs), who are responsible for ensuring that only quality programs are approved for G.I. Bill participation. This has been a sore point for the VFW since the implementation of the Post-9/11 G.I. Bill and the subsequent changes to the traditional roles of the SAAs. While the executive order calls for the role of SAAs to be codified within the complaint process, the VFW believes more must be done to ensure that the front-line troops in education accountability have the policies and resources in place to do their jobs. The VFW calls on this committee to host a subsequent hearing on the role of the SAAs to ensure that policies are clear and relevant, to formally evaluate the SAAs' relationship with VA, and to ensure that proper resources are

allocated to responsibly fulfill the mission of the SAAs.

The VFW recognizes that Executive Order #13607 is just the first step in ensuring our student-veterans have the consumer education and consumer protection resources they need to succeed in higher education. Executive orders can go away. We still need protections outlined in code to ensure that we can best serve our student-veterans. The Post-9/11 G.I. Bill stands to be a transformative benefit for this generation of war-fighters, helping to mold our nation's Next Greatest Generation of leaders. We must protect this benefit at all costs. Unfortunately, over the last few months, the VFW and our partners in veterans' advocacy have felt hamstrung by an overwhelming lack of quality information on student-veterans to either confirm reports of fraud, waste and abuse, or to demonstrate student-veteran success in G.I. Bill programs. Many of the provisions of Executive Order #13607 and the bills currently before Congress will help to gather this kind of data to help ensure future viability of the program and continued student-veteran success in higher education. We hope that the executive order will motivate Congress to quickly move legislation through both the House and Senate to protect our nation's investment and ensure success for our student-veterans.

Mr. Chairman, this concludes my statement and I am happy to answer any questions the subcommittee may have.

**Appendix:**

President Barack Obama

1600 Pennsylvania Avenue

Washington, DC 20006

Dear Mr. President:

On behalf of the undersigned advocates in veterans' education, it has come to our attention that many veterans choosing to pursue higher education are actually becoming victims of institutions that fail to fulfill their obligations to educate veterans eligible for the Post-9/11 G.I. Bill. In an effort to rein in bad actors across all sectors of higher education, we urge your Administration and Congress to develop and reform two key areas that will foster responsible decision-making and protect veterans who seek to use their G.I. Bill benefits. At a minimum, we ask you to respectfully consider these two ideas: Mandating upfront counseling and developing a formal complaint process.

First, we believe VA has an obligation to ensure veterans receive all of the educational counseling to which they are entitled under Chapter 3697A of Title 38. VA must mandate this kind of up-front counseling to student-veterans who use any chapter of the G.I. Bill;

particularly the robust Chapter 33 benefit. Only with proper counseling can student-veterans make informed decisions about their benefits and how best to meet their educational goals. Mandatory counseling could be accomplished in a variety of ways, whether it is through the TAP program, VA's eBenefits portal or other available outlets; but the counseling must take place before veterans choose to enroll in an academic program. Veterans who wish to waive this counseling should still have this option through an "opt-out" system during the G.I. Bill application process, but the current "opt-in" system, which less than one percent of G.I. Bill beneficiaries utilized in 2010, leaves many student-veterans inadequately prepared for academic life.

Second, to better understand the scope of problems facing today's student-veterans, VA must establish a system to process and track student complaints through existing infrastructure at the VA call center, as well as an online portal, where student-veterans can formally file complaints about benefits and report fraud, waste, and abuse. Veteran complaints should be assigned a case file number and tracked as VA works with State Approving Agencies, accrediting agencies, individual schools, the Departments of Education, Justice, Defense, and other agencies to find resolutions to their problems. A clearing house for documented consumer complaints will allow VA and other stakeholders to take decisive action against fraud, waste, or abuse when necessary. Currently, student-veteran conflicts are resolved on an ad-hoc basis with little communication among stakeholders.

Our coalition thanks you for your attention to these issues, and we stand ready to assist, ensuring that our brave service members receive the educational opportunities they have earned. These two proposals are critical first steps in accomplishing this goal, while preserving student-veteran choice in the marketplace. Thank you for taking the lead on this initiative and for your continued support of our armed forces and veterans. We look forward to working with you.

Sincerely,

Jerome H. Sullivan

Executive Director

American Association of Collegiate Registrars and Admissions Officers

Terry W. Hartle

Senior Vice President

American Council on Education

Tim Tetz

Legislative Director

American Legion

Brian J. Moran

Interim President & CEO

General Counsel

Association of Private Sector Colleges and Universities

Tom Tarantino

Deputy Policy Director

Iraq and Afghanistan Veterans of America

Joyce E. Smith

Chief Executive Officer

National Association for College Admission Counseling

Chad Schatz

President

National Association of State Approving Agencies

Michael Dakduk

Executive Director

Student Veterans of America

William Pepicello Ph.D.

President

University of Phoenix

Raymond C. Kelly

Legislative Director

Veterans of Foreign Wars of the U.S.

**Information Required by Rule XI2(g)(4) of the House of Representatives**

Pursuant to Rule XI2(g)(4) of the House of Representatives, VFW has not received any federal grants in Fiscal Year 2012, nor has it received any federal grants in the two previous Fiscal Years.