Fix the New G.I. Bill

By Tim Hsia and Anna Ivey

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THIS Veterans Day there will be over a million students on college campuses in the United States who are using their G.I. Bill benefits. The Department of Veterans Affairs forecasts that the number of student veterans will increase by 20 percent in the next few years.

These student veterans are unlike the vast majority of their student counterparts, as more than 60 percent are first-generation students and almost half have children of their own. Much more needs to be done to ensure that they are getting the education they need to succeed in the modern economy.

After 9/11, Congress passed a new G.I. Bill modeled after the post-World War II legislation that so powerfully expressed America’s gratitude to its veterans. The original G.I. Bill of 1944 lifted up thousands of veterans and their families, and the Post-9/11 G.I. Bill, enacted in 2008, attempts to do the same. Yet higher education today is far more complicated than it was in the 1940s.

Perhaps the most troubling phenomenon returning veterans face right now is this: predatory for-profit schools that exploit their G.I. Bill funding and offer them — and taxpayers — very little in return. The schools in question are eager to access our veterans’ grants and loans, but they employ deceptive recruiting practices and achieve low graduation rates.

For-profit schools have received over $4 billion — over a third of all benefits — under the new G.I. Bill, even though they educate only one-quarter of veterans, and even though their graduation rate is less than half of the graduation rate at nonprofit schools. For-profits are also responsible for about half of all student-loan defaults.

Further, for-profit schools often charge more than the G.I. Bill covers, saddling veterans with high debt that is not dischargeable if they find themselves filing for bankruptcy. And since many for-profits are unaccredited, students often find it difficult or impossible to transfer credits to accredited colleges or to apply to graduate school. This trap exacerbates an already difficult transition from military to civilian life.
Last month, the Obama administration published new regulations that will impose sanctions — including the loss of eligibility for federal funding — on schools whose graduates earn too little income to carry their debt.

That is a good step, but much more can be done.

Congress should rally behind the Protecting Our Students and Taxpayers Act proposal. Currently, G.I. Bill funding is not classified as a federal source of revenue for for-profit companies. This act would remedy the existing misclassification, thereby reducing the amount of federal dollars that for-profit schools collect. (For-profits are currently prohibited from deriving more than 90 percent of their revenue from federal funds.)

And as the Department of Veterans Affairs investigates abuses of the G.I. Bill by for-profit schools, the military could also revisit its internal promotion policies, so as not to encourage service members to use the for-profit schools. Under the current system, for-profit schools can be a good (if misguided) deal for career military service members trying to climb the ladder, but are often a lousy deal for veterans who are transitioning out. Therefore, we suggest that the Department of Defense’s tuition assistance program should be used only at accredited, preapproved universities.

To meet the demand of service members who are striving for higher education and accreditation, the Pentagon should also establish a public-private partnership with the leading providers of massive open online courses. Companies like Coursera and edX use these courses to provide free education far outmatching that offered at typical for-profits, in both quality and scale. Through these partnerships, the Pentagon can reduce its costs, attain more tangible insights into veterans’ academic performance and completion rates, and begin to develop certification programs for online education.

The military should also be doing a much better job of focusing on the education piece of the transition from the military to the civilian sector. To their credit, the Marines have established a Leadership Scholars Program, which offers a pathway for Marines with a strong interest in higher education to gain entrance into top higher education institutions.

Unfortunately, the other service branches do not have a similar model. The military’s transition programs are all built around immediate employment — and not an acknowledgment that higher education from established, credentialed institutions provides essential skills, knowledge and networks for success in the economy.

The government should also require that elite schools devote additional funding to recruiting veterans. Even so, there is still a notable absence of undergraduate veterans at these institutions. Columbia University has already done an excellent job of reaching out to the veteran population, and other schools should follow its lead.
Lastly, the G.I. Bill should be amended to limit veterans to only two years at for-profit schools. Some veterans are not comfortable in traditional academic settings, and some of the for-profit schools do a decent job. But a major problem is the inability of students to transfer their credits to traditional schools. Limiting time at for-profit schools to two years and easing transfers would pressure the for-profit schools to raise their standards.

The modern G.I. Bill is proof of our nation’s commitment to help veterans help themselves. It is also an important investment in our country’s human capital, because veterans will contribute to our economy just as they did in the decades following World War II. These proposals would not just save taxpayers money, but would also empower veterans to fully participate in the new economy. They would help ensure that today’s G.I. Bill is as effective — indeed, as transformative — as the original one.

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