On June 30, 2008, President George W. Bush signed into law the Post-9/11 Veterans Educational Assistance Act of 2008, otherwise known as the Post-9/11 G.I. Bill. The Act sought to replicate the success of the original G.I. Bill, which enabled 2.2 million returning World War II veterans to attend colleges and universities and contributed to the country’s post-war economic growth.

The Post-9/11 G.I. Bill provides generous education benefits to all servicemembers who serve a minimum of 90 days active duty after September 10, 2001: up to 36 months of funds for tuition and fees, including full tuition and fees for veterans attending public schools as in-state students.

Since the law went into effect in 2009, U.S. taxpayers have spent billions of dollars to fund the Post-9/11 G.I. Bill. Unfortunately, that well-deserved investment in our troops has failed to provide positive outcomes for thousands of veterans who have squandered their educational benefits at predatory for-profit schools.

The scope of the problem is alarming:

- Forty percent of Post-9/11 G.I. Bill benefits—more than $8 billion—has flowed to for-profit schools.
- Although for-profit colleges enroll only 8% of all U.S. students, they enroll 30% of the 1.4 million veterans who have used the Post-9/11 G.I. Bill benefits.
- In 2014, eight of the top 10 recipients of Post-9/11 G.I. Bill money were large, publicly-traded companies that operate for-profit colleges.
- Seven of those eight companies are under investigation or have been sued by state attorneys general or federal agencies for deceptive and misleading recruiting or other violations of federal law.
- Two of the eight companies (Corinthian Colleges and ITT Technical Institute) have completely shut down in the wake of federal and state lawsuits and regulatory actions and numerous allegations of fraud and predatory and deceptive practices.
- The University of Phoenix (operated by the Apollo Group), by far the largest recipient of Post-9/11 G.I. Bill funds, was investigated by the Department of Education and Justice Department and briefly barred from recruiting on military bases for alleged recruiting violations.

For-profit Schools Are a Bad Investment for Veterans and U.S. Taxpayers.

The goal of a for-profit school, like any for-profit business, is to make money. To maximize their profits, for-profit schools devote a considerable portion of their revenues to marketing and recruitment efforts in comparison to that spent on student instruction and services. So too, the lack of spending on instruction and services has not prevented for-profit schools from charging a premium to their students. A 2014 report by the U.S. Senate found that taxpayers pay twice as much on average to send a veteran to a for-profit college for a year compared to the cost at a public college or university ($7,972 versus $3,914).

The disparity in cost would not be as much of a concern if the performance of for-profit schools was not so dismal. A December 2017 report by the Center on Budget Policies and Priorities compiled the following list of damning reports on the performance of for-profit schools (Spiros Protopsaltis and Libby Masiuk, “Protecting Students and Taxpayers: Why the Trump Administration Should Heed History of Bipartisan Efforts,” Center for Budget Policies and Priorities, December 1, 2017, https://www.cbpp.org/sites/default/files/atoms/files/12-1-17bud.pdf):

- A 2011 Government Accountability Office report found that for-profit schools had lower student outcomes, compared to public and nonprofit schools, including that only 3 percent of low-income students who started at for-profit schools completed a bachelor’s degree, compared to 49 percent at four-year public schools and 13 percent at two-year public schools. (“Postsecondary Education: Student Outcomes Vary at For-Profit, Nonprofit, and Public Schools,” U.S. Government Accountability Office, December 2011, http://www.gao.gov/assets/590/586738.pdf)
- A 2016 National Bureau of Economic Research study of the impact of a for-profit college education on the employment and earnings of over 1.4 million students found that “associates and bachelor’s degree students experience a decline in earnings after attendance, relative to their own earnings in years prior to attendance,” while for certificate students, “despite the much higher costs of attendance, earnings effects are smaller in the for-profit sector relative to the effects for comparable students in public community colleges.” (Stephanie Riegg Cellini and Nicholas Turner, “Gainfully
Servicemembers and veterans are attractive targets for for-profit schools for a number of reasons. They are typically non-traditional students who are inpatient to get started with their careers—for-profit schools cater to these students by making it easy to enroll in degree programs throughout the year. In return, servicemembers and veterans provide for-profit schools with billions of dollars of G.I. Bill and Tuition Assistance funds and, even more critically, make it possible for for-profit schools to comply with the “90/10 Rule.” Under this Rule, schools must derive at least 10 percent of their revenues from sources other than federal financial aid funds in order to stay eligible for these funds. The rationale for the rule was that any institution that could only survive off the largesse of U.S. taxpayers was presumptively lacking in quality; a truly worthy institution could find students willing to pay the tuition from their own funds. For-profit schools, however, have exploited a giant loophole: Post-9/11 G.I. Bill funds (as well as other military educational benefits) are not treated as federal financial aid and thus count toward the 10 percent of funds that must derive from private sources. As a result of this loophole, for-profit schools have a huge incentive to enroll recipients of military educational benefits.

As United States Senator Tom Harkin put it, “For-profit schools see our active-duty military and veterans as a cash cow, an untapped profit resource. It is both a rip-off of the taxpayer and a slap in the face to the people who have risked their lives for our country.”

Protecting Veterans From Misleading and Deceptive Ads and Recruiters

The best way we can help protect servicemembers and veterans from falling prey to predatory for-profit schools is to encourage them to look into other, lower-priced and higher-quality options before they make the costly decision to enroll. The following resources can be used to research schools and compare options:

- “College Scorecard” by the U.S. Education Department (https://collegescorecard.ed.gov/) (allows comparison of colleges and searches by the program you want or region of the country; includes information regarding average earnings after graduation and average debt load)

For those students who believe they have been deceived by a for-profit school, the nonprofit Veterans Education Success (https://veteranseducationsuccess.org/) encourages them to take action by reporting the school’s misconduct to the Department of Veterans Affairs (or to the Defense Department if they used Tuition Assistance or MyCAA), by calling the VA Office of the Inspector General hotline (1-800-488-8244), and by submitting complaints to the Department of Education and North Carolina Attorney General. Veterans Education Success also attempts to match servicemembers and veterans with free legal assistance.

Unfortunately, the problem of for-profit schools commandeering the educational benefits of our country’s troops will get worse before it gets better. The Obama Administration had begun to imple-
ment standards and protections—including "gainful employment" rules—that the Trump Administration is systemically dismantling. This means that the VA and Defense Department, state regulators, and private attorneys—not to mention servicemembers and veterans themselves—will need to be even more vigilant if the Post-9/11 G.I. Bill is going to have its intended effect—to arm our nation's troops with higher degrees and vocational skills, rather than saddling them with student debt.

Jason Pikler has been a Staff Attorney at the North Carolina Justice Center in Raleigh since 2014, focusing on consumer rights and housing issues. Jason helped to create the North Carolina Justice Center’s Predatory For-Profit School Project, which has worked to educate students and the general public about deceptive and predatory practices in the for-profit school industry and to provide legal assistance to affected individuals in North Carolina. Jason has presented on issues regarding for-profit schools and student-loan debt to various audiences across the state.

Prior to joining the Justice Center, Jason obtained extensive complex litigation experience at private law firms in San Francisco. Jason received his BA from Haverford College, an MA in English literature from the University of Virginia, and his law degree from the University of Texas School of Law.

The TOP 10 REASONS to join the NCBA’s Military & Veterans Law (MVL) Section

1. **Professional Camaraderie** | MVL presents one of the best forums for North Carolina military and veteran affiliated attorneys, law students and professionals to come together under the common purpose of serving veterans and coordinating advocacy to the benefit of North Carolina’s veterans and servicemembers.

2. **Networking** | You will meet other professionals who are veterans or currently serving or who seek to advocate for North Carolina servicemembers and veterans.

3. **CLE** | MVL tailors its CLE to meet the needs of attorneys who serve veterans and servicemembers as clients. CLE participants may be trained to represent clients before the U.S. Department of Veterans Affairs or become trained to navigate Veterans Treatment Courts.

4. **Newsletter** | The MVL newsletter, Reveille, enables attorneys and professionals to stay current with veteran- and military-focused legal issues.

5. **Legislative Contribution** | MVL serves as a liaison with the NCBA Office of Governmental Affairs, which enables section members to contribute to legislation regarding veterans and servicemembers of North Carolina.

6. **ListManager** | The ListManager provides section members a direct and exclusive opportunity to discuss questions or concerns with other members.

7. **Website** | The MVL Section maintains a website (ncbar.org/members/sections/military-veterans-law), which informs members of major events, upcoming meetings and facilitates client referral.

8. **NCBA** | Membership allows a connection with your bar association while also concentrating on military and veteran issues.

9. **Participation** | MVL members are on the front lines of the fight to serve veterans and increase benefits to service members.

10. **Leadership** | The MVL Section provides opportunities to lead North Carolina in its effort to remain the most military-friendly state in the country.

Whether you seek to represent veteran clients, to refer veteran clients or to contribute to veterans issues generally, the NCBA Military & Veterans Law Section is a great way to meet other professionals in your field!

Who is eligible to join the MVL Section?
Any member of the NCBA who wishes to advocate for North Carolina’s service members and veterans. Affiliate membership is open to non-lawyers active in the field of military and veterans law and may serve on the MVL leadership council. Affiliate members only pay the section dues; they are not required to pay the NCBA dues.

What if I am already a member of another section of the North Carolina Bar Association?
You will find that membership in the Military & Veterans Law Section complements involvement in related sections such as Administrative Law or Family Law. An NCBA member may find that his or her individual practice needs are best served by membership in two or more sections, and as annual dues are modest, this can be beneficial.

For more information about or to join the Military & Veterans Law Section, please call 1.800.662.7407 or visit ncbar.org/members/sections/military-veterans-law