

## **Sens. Carper, Durbin, Blumenthal Introduce Legislation to Protect Veteran and Military Students**

*Legislation would close the "90/10 Loophole" to better align incentives so for-profit colleges better serve students and taxpayers*

WASHINGTON- Today, Sens. Tom Carper (D-Del.), Dick Durbin (D-Ill.) and Richard Blumenthal (D-Conn.) introduced the Military and Veterans Education Protection Act of 2015 to close a loophole that allows for-profit schools to avoid having to secure at least 10 percent of their revenue from non-federal sources. This is the third consecutive Congress in which Sen. Carper has introduced legislation to close the 90/10 loophole. Joining him this year, along with Sens. Durbin and Blumenthal, are more than two dozen cosponsors – the most in any year the legislation has been introduced.

Since 2009, more than one million service members, veterans, and their families have financed their higher education using the G.I. Bill, and millions more will take advantage of this benefit in the years to come. In the past five years, 40 percent of Post-9/11 G.I. Bill tuition benefits have gone to the for-profit sector, even as questions continue to be raised about these institutions' graduation, default, and job placement rates. The recent collapse of the for-profit chain Corinthian Colleges – which received \$186 million in Post-9/11 G.I. Bill dollars – due to financial problems is another glaring reminder that Congress must remain diligent to protect active-duty military, veterans, and taxpayers.

The 90-10 rule is an important safeguard that is intended to protect taxpayers by ensuring that for-profit schools obtain at least 10 percent of their revenues from sources other than taxpayers. However, current law leaves open a loophole that allows for-profit institutions to count military and veteran educational assistance, including the generous Post-9/11 G.I. Bill, as non-federal revenues. Some bad actors in the for-profit industry are exploiting this "90-10 loophole" by aggressively recruiting veterans and G.I. Bill tuition dollars, rather than obtaining 10 percent of their revenue from non-federal sources. This legislation would require GI Bill benefits that come from the Department of Veterans Affairs and military education benefits offered through the Department of Defense to count toward the 90-percent limit on the federal share of a school's revenue.

**"After serving our country, our nation's veterans have earned the right to attain a high-quality, affordable education here at home with the help of the Post-9/11 G.I. Bill," Sen. Carper said. "While not every for-profit college is a bad actor, one veteran mistreated is one veteran too many. We need to use common sense here. It doesn't make sense for taxpayers to send veterans to for-profit schools that can be 100 percent subsidized using taxpayers' dollars. Closing the 90/10 loophole is a common sense approach that demonstrates we're serious about improving education outcomes for our veterans and that we're serious about protecting taxpayers."**

**"This bill is one of many reforms we need to bring greater accountability to a for-profit industry that enrolls 10% of students, but accounts for 20% of Department of Education student financial aid and 44% of all student loan defaults," said Durbin. "It's time for Congress to get serious about addressing for-profit colleges in our higher education system. We've been bystanders for too long as our servicemembers and veterans are taken advantage of as a result of this loophole."**

**"As a former industry professional I know closing the 90-10 Loophole will allow the law to serve its intended purpose by not allowing for-profit colleges to depend entirely on the support of taxpayer funds," said Christopher Neiweem, an Iraq War veteran and legislative associate at the Iraq and Afghanistan Veterans of America (IAVA). "This legislation's passage will remove the incentive to target service members and veterans. This will allow for-profit colleges to prove their value to consumers through the free market under the 10%, and thus drive the industry to invest in the quality of its programs."**

The full list of Senate cosponsors includes: Sens. Patty Murray (D-Wash.), Sherrod Brown (D-Ohio), Chuck Schumer (D-N.Y.), Claire McCaskill (D-Mo.), Al Franken (D-Minn.), Debbie Stabenow (D-Mich.), Dianne Feinstein (D-Calif.), Barbara Boxer (D-Calif.), Tammy Baldwin (D-Wis.), Brian Schatz (D-Hawaii), Chris Murphy (D-Conn.), Robert Menendez (D-N.J.), Jack Reed (D-R.I.), Jeff Merkley (D-Ore), Edward Markey (D-Mass.), Chris Coons (D-Del.), Gary Peters (D-Mich.), Elizabeth Warren (D-Mass.), Amy Klobuchar (D-Minn.), Mazie Hirono (D-Hawaii), Jeanne Shaheen (D-N.H.).