

February xx, 2020

The Honorable Rob Wagner
Oregon State Senate
900 Court St. NE, S-215, Salem, Oregon 97301

Senator Wagner:

On behalf of The American Legion Department of Oregon I write in support of Senate Bill 1544 relating to regulation of post-secondary institutions of education. This bill would protect veterans' hard-earned GI Bill benefits by forcing colleges to close the "90/10 loophole".


Veterans and military service organizations nationwide are calling for the closure of the 90/10 loophole. By exploiting this loophole, for-profit colleges count GI Bill benefits as private funds, offsetting the 90 percent cap they otherwise face on their access to federal student aid – an accounting practice that nearly two dozen state attorneys general have said "violates the intent of the law." As Holly Petraeus has written, the 90/10 loophole gives for-profit colleges "an incentive to see service members as nothing more than dollar signs in uniform, and to use aggressive marketing to draw them in." In December, a US Department of Veterans Affairs internal audit highlighted for-profit schools' deceptive advertising campaigns used to recruit veterans, and warned that the government will waste \$2.3 billion over the next five years if changes are not made to reel in the abuse.

Taxpayers also suffer. According to the US Education Department, hundreds of for-profit schools are almost entirely dependent on federal revenue, and, if the 90/10 loophole were closed, they would be in violation of the federal cap. Taxpayers, in other words, are propping up otherwise failing schools.

For-profit colleges can change this practice by improving their education and appealing to employers, as DeVry demonstrated when it voluntarily closed the 90/10 loophole and reduced its overall reliance on federal student aid.

We support SB 1544, and we look forward to seeing it pass into law.

Sincerely,


Legislative Chair American Legion