

VOLUNTARY MILITARY EDUCATION PROGRAMS

HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS
FIRST SESSION

SPECIAL HEARING
JUNE 12, 2013—WASHINGTON, DC

Printed for the use of the Committee on Appropriations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/browse/committee.action?chamber=senate&committee=appropriations>

U.S. GOVERNMENT PRINTING OFFICE

81-611 PDF

WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
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VOLUNTARY MILITARY EDUCATION PROGRAMS

WEDNESDAY, JUNE 12, 2013

U.S. SENATE,
SUBCOMMITTEE ON DEPARTMENT OF DEFENSE,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:01 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Richard J. Durbin (chairman) presiding.

Present: Senators Durbin, Reed, and Cochran.

OPENING STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Good morning.

The subcommittee meets this morning to receive testimony on Voluntary Military Education Programs as part of its consideration of the fiscal year 2014 request for the Department of Defense (DOD) appropriation.

We will consider the issue with two panels. The first is Assistant Secretary of Defense for Readiness and Force Management, Mr. Frederick Vollrath. Thank you for being with us.

The second panel will be Mr. Terry Hartle, Senior Vice President of the American Council on Education (ACE); Mr. Steve Gundersen, President of the Association of Private Sector Colleges and Universities (APSCU); James Selbe, Senior Vice President for Partnership Marketing and Enrollment Management at the University of Maryland University College (UMUC); and Mr. Christopher Neiweem, a former DeVry recruiter and Iraqi Freedom Veteran. Thanks to all the witnesses for being here.

Now, we are aware of the important role that is played by the Voluntary Military Education programs for the men and women in uniform and their spouses. We also know these are extremely popular programs.

In fiscal year 2012, more than half a million individuals participated in these programs. In March, when the services proposed limiting the benefits because of the sequester, Congress heard immediately and clearly that education benefits are very important to our service men and women and their spouses.

The cost of the program to the Department and taxpayers is increasing because of its popularity. In fiscal year 2002, the Department spent \$243 million on voluntary education. By 2012, 10 years later, the number had doubled to \$568 million.

Our servicemembers sign-up to serve the Nation, they put their lives at-risk, and they protect our Nation and its interests. They

endure the chaos of multiple deployments and the stress of the challenge that they and their families face. When they can find a few precious hours amid those demands to further their education, servicemembers deserve the opportunity for that experience. But they deserve an educational experience that is worth their time and the taxpayers' money.

This subcommittee is concerned that for all its popularity, the Department has not been—and may not be—sufficiently focused on assuring that program dollars are going to high-quality, high-value education programs.

A study last year by the Senate Health, Education, Labor, and Pensions (HELP) Committee, led by Senator Tom Harkin, found that for-profit colleges dominate the military's voluntary education programs to an extent not seen anywhere else. His investigation found that 50 percent of tuition assistance, and a remarkable 60 percent of the spousal My Career Advancement Account (MyCAA) program, went to for-profit colleges. Just six for-profit schools received an astounding 41 percent of all tuition assistance money from the Department of Defense.

So what difference does it make? Well, this subcommittee is focused on assuring the American people know their taxpayers' dollars are being well-spent. And from what we know in general about for-profit colleges, I cannot, in good conscience, make that assertion generally about these programs.

Look at the numbers. Remember three numbers about for-profit schools: 12, 25, and 47. That will be on the final, and here is what they mean. Twelve percent of all college students attend for-profit schools. For-profit schools receive 25 percent of all Federal aid to education, and for-profit schools account for 47 percent of student loan defaults. For-profit colleges have a 3-year student loan cohort default rate of 22.7 percent compare that to public colleges: 11 percent. Private nonprofit colleges: 7.5 percent.

We also know that for-profits, on average, spend 22.7 percent of their revenue on marketing, advertising, recruiting, and admission staffing, and 19.4 percent for profit. Well, how much goes to instruction if 22 percent goes to marketing and 19 percent goes to profit? Seventeen percent goes to instruction, even though that is supposed to be their mission. We will get into some of these dynamics with the witnesses.

The President has shown leadership on this issue. In April 2012, he signed an Executive order on Principles of Excellence for Educational Institutions Serving Service Members and Veterans. It outlined a number of steps the Department and other agencies must take to protect servicemembers from exploitive practices and providing them the information they need to make good decisions. A little over a year from signing that order, I look forward to hearing from the Department on the progress that is being made.

Let me emphasize: Online learning can be a tremendous advantage for military families. In fact, it may be the only way that many servicemembers can go to school.

The subcommittee will have the opportunity to hear from a veteran performer in this particular theater, and that is the University of Maryland, an institution serving some 58,000 military and

veteran students, which was also ranked by the “Military Times” as “a best for vets college.” They aren’t alone.

Earlier this year, I was surprised at visiting Northern Illinois University to learn that they are also offering programs for veterans and servicemembers. The Military Student Services program has received numerous awards at Northern Illinois, including one of the top 50 best for vets 4-year colleges in the country according to “Military Times” in 2013. “G.I. Jobs” ranks Northern Illinois University programs among the top 15 percent nationwide.

I look forward to hearing from our witnesses about these programs, how they are working, what we can do to improve them. Since the beginning of this year, I have been raising with senior military leaders the basic question on how to deliver high quality education to men and women in uniform, and their spouses. To a person—to a person—every single leader in the military that I have spoken to has expressed concern about this program. Let me give you an example.

General Odierno said, and I quote, “Many of these for-profit organizations are taking advantage of maximizing the dollars they can get from tuition assistance. So they are driving the costs up and it is almost making it unaffordable for us.” General Odierno said, “So we have to go after this problem.”

Everyone else has pledged to work with this subcommittee to ensure the Department delivers quality education. I hope this hearing will help further our understanding of the steps now being taken and what more we need to do. I have some questions today, as I am sure my colleague, Senator Cochran, does.

Senator DURBIN. And at this point, I would like to turn it over to my colleague for his statement.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I am pleased to join you in welcoming our witnesses to this hearing on Voluntary Military Education programs in the Department of Defense.

The Department’s support of off-duty education opportunities has improved the quality of life and the capability of our defense forces and members of our defense team. Important changes, we understand, have been made in oversight of Voluntary Military Education programs to help ensure that both traditional and for-profit institutions have opportunities for service to servicemembers. Also, concomitant with that is the flexibility that they need and at a cost the servicemembers can afford.

I look forward to joining my colleague in reviewing these reforms and learning more about what educators are doing to help meet the needs of our servicemembers.

Thank you.

Senator DURBIN. Thank you very much, Senator Cochran.

Mr. Vollrath, from the Department of Defense, you are our first witness. Your written statement will be made part of the record. If you would summarize for it and open to questions, I would appreciate it very much.

**STATEMENT OF HON. FREDERICK VOLLRATH, ASSISTANT SECRETARY
OF DEFENSE, DEPARTMENT OF DEFENSE**

Mr. VOLLRATH. Thank you. Good morning, Chairman Durbin, Vice Chairman Cochran, and distinguished members of the subcommittee, should they arrive.

I appreciate the opportunity to appear before you today to discuss the efforts of the Department to provide lifelong learning opportunities through our off-duty, voluntary education programs.

Each year, a third of our servicemembers enroll in postsecondary education courses leading to associates, and bachelors, and advanced degrees. This past year alone, that is fiscal year 2012, there were more than 286,000 servicemembers enrolled in nearly 875,000 courses. And over 50,000 servicemembers earned degrees or certifications; a success.

All servicemembers enrolled in the voluntary education programs are nontraditional students. They attend school part time while they are off duty taking, on average, only three courses per year. Military missions, deployments, and transfers frequently impinge on the soldier's, or airman's ability to continue their education, which often results in breaks of months, or in some cases, years between taking courses and completing their degree.

To facilitate education in today's high paced environment, colleges and universities are delivering more classroom instruction online, as well as on military installations around the world. There are no geographical confines. In fact, courses are offered aboard ships, submarines, and at deployed locations such as Afghanistan. This is the kind of instruction our servicemembers want. Over 76 percent of the courses taken last year were delivered through distance learning.

To ensure that our education dollars are well-spent, whether at public or private schools, and that our servicemembers have a positive educational experience, DOD has developed a multifaceted, quality assurance program. Underpinning this effort is the requirement that all postsecondary education participating in the tuition assistance program, or TA, must be accredited by an accrediting body recognized by the U.S. Department of Education.

Additionally, it is DOD policy that all participating institutions sign a memorandum of understanding, an MOU, that requires them to adhere to the principles of excellence as enumerated by the President. This will help end fraudulent recruitment on our military installations and address other predatory practices by bad academic actors and provide students with personalized, standardized forms outlining costs, financial aid, and outcome measures.

The MOU also requires military students to be provided a streamlined tool to compare educational institutions using key measures of affordability and value through the Department of Veterans Affairs (VA) eBenefits portal. I am pleased to report that over 3,100 institutions with more than 1,050 sub-campuses have signed this MOU.

DOD is also part of an interagency team which is finalizing the development and implementation of a centralized complaint system to resolve concerns raised by students receiving Federal education benefits; in our case, tuition assistance. This team, which includes the Department of Veterans Affairs, the Department of Education

in collaboration with the Department of Justice, and the Consumer Financial Protection Bureau will have access to all complaints and their resolution through the Consumer Sentinel Network.

In addition to holding schools accountable, we also have strict requirements for our participating servicemembers. Prior to enrolling in courses using tuition assistance, servicemembers must establish an educational goal and a degree plan. When a servicemember subsequently requests tuition assistance for a course, outlined in their approved degree plan, an educational counselor reviews that request and must approve it.

Servicemembers who either fail, or do not complete the course, must reimburse the Department for the tuition assistance received for that course. Servicemembers failing to maintain a 2.0 undergraduate grade point average (GPA), or a 3.0 graduate grade point average, must pay for all courses until they raise their GPA sufficiently.

Our voluntary education program is a key component of the recruitment, readiness, and retention of the total force, an All-Volunteer Force.

PREPARED STATEMENT

Retired Air Force Senior Sgt. Eric Combs is an excellent example of the value of the voluntary education program for servicemembers. He entered the military with a General Educational Development (GED) and earned his community college degree at the Air Force, and then his bachelor's degree with tuition assistance while on Active Duty. Upon his retirement, he participated in the Troops to Teachers program, was subsequently selected as the Ohio Teacher of the Year, and now serves as a principal in the public school system. The skills he learned, and the education he received while serving in the Air Force ultimately benefitted both him, the Air Force, and the Nation.

Mr. Chairman, this concludes my statement. And I thank you, and the other members of the subcommittee for the opportunity to appear before you today.

I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF HON. FREDERICK VOLLRATH

Chairman Durbin, Ranking Member Cochran and distinguished members of the subcommittee, thank you for the opportunity to appear before you today to discuss the management of the Department of Defense's (DOD) Voluntary Education Tuition Assistance (TA) Program and the steps we take to protect this taxpayer-funded benefit which greatly facilitates our servicemembers receiving a quality education.

The Department's Voluntary Education Program provides lifelong learning opportunities for servicemembers, contributing to enhanced readiness of our forces. Education helps our servicemembers be better Soldiers, Sailors, Airmen, and Marines; through education and experience we get better leaders, who will sustain our Force Readiness and continue to make valuable contributions in support of our Nation. Our programs are designed to meet the unique needs of the military off-duty student and, therefore, attract a large percentage of the eligible military population where approximately one-third of our servicemembers enroll in post-secondary courses leading to undergraduate and graduate degrees or other credentials each year. Colleges and universities, through an extensive network, deliver classroom instruction at hundreds of military installations around the world and on-line, to an ever increasing percentage of our servicemember students. Additionally, servicemembers can also earn college credits for learning that takes place outside

the traditional classroom through College Level Examination Program (CLEP) testing and assessment of their military training.

Military students have unique needs: They attend school during off-duty hours, in a part-time capacity, and average three courses per year. As expected of military service, the military mission, deployments, and transfers often take precedence over their education so they may have breaks of months or even years between courses. Completion of their degrees or other credentials normally takes much longer than for the traditional student; in some cases up to 10 years or more. DOD provides servicemembers with assistance in meeting these challenges through its Voluntary Education programs and services, ensuring that opportunities for learning continue to exist for servicemembers throughout their military careers and preparing them for lifelong learning after they leave the military.

THE MILITARY TUITION ASSISTANCE PROGRAM

A key portion of the Department's Voluntary Education Program is Tuition Assistance (TA), which supports servicemembers by helping to defray the rising cost of tuition. Military TA often is the determining factor in whether or not a servicemember can afford to take a class. DOD is cognizant of this fact and has set a system in place for the management and oversight of the TA program. As part of this system, DOD has established uniform TA funding for voluntary off-duty college courses and degree or other credentialing programs. Under the current uniform TA policy, which commenced in fiscal year 2003, all servicemember participants may receive up to \$250 per semester hour with a \$4,500 maximum per fiscal year. Due to high participation in the TA program and rising costs per credit hour, the Services have experienced difficulty funding fiscal year 2013 requests for TA, which cost \$568.2 million DOD-wide in fiscal year 2012. This funding difficulty was further exacerbated by the continuing resolution and sequestration, and resulted in three of the four Services temporarily suspending new TA enrollments. However, with the passing of the Department of Defense, Military Construction and Veterans Affairs, and Full-Year Continuing Appropriations Act, 2013, the Services are able to fully fund TA through fiscal year 2013.

Concern has been expressed that a significant portion of TA expenditures go the approximately 25 percent of approved schools that are for-profit; currently for-profit schools were among the first to emphasize on-line education, a model that best fits the needs of our highly mobile servicemembers. In fact, 76 percent of courses taken through the TA program in fiscal year 2012 were conducted on-line. DOD has developed a multifaceted management system requiring oversight from multiple stakeholders, to include the Office of the Secretary of Defense, the Services, installation commanders, education officers, and the installation education center staff, to ensure both a positive experience for our servicemembers and that our education dollars are well spent whether at public, private nonprofit, or private for-profit schools.

OVERSIGHT OF MILITARY TUITION ASSISTANCE—DOD FACILITATING SERVICEMEMBER SUCCESS

Participation in DOD-supported Voluntary Education requires servicemembers to visit an education center, either in person or on-line through their Service education portal. There are approximately 200 DOD education sites worldwide, to include contingency areas in Afghanistan. At these centers, professional education counselors present servicemembers with an extensive menu of options, provide details about specific programs, recommend tailored courses of study that meet servicemembers' goals, and provide information on education financing to include information on the TA program, grants, loans and other available funding options. Prior to using military TA, servicemembers must establish an education goal and education plan. Servicemembers, via their Service's education portal, request TA for a course(s) outlined in their approved education plan, and an education counselor reviews the servicemembers' education record and education plan prior to granting approval.

In addition to the counseling support they receive, our servicemembers are also incentivized by having a financial stake in their success. In this regard, even with the financial support DOD provides, nearly all servicemembers, and especially those taking graduate level courses, incur out-of-pocket expenses. Also, servicemembers failing to complete or receiving an "F" in a course must reimburse DOD for the TA received for the course, and servicemembers' failing to maintain a 2.0 undergraduate or 3.0 graduate grade point average (GPA), must pay for all courses until they raise their GPA sufficiently.

OVERSIGHT OF MILITARY TUITION ASSISTANCE—ENSURING QUALITY EDUCATION
PROGRAMS

Ensuring the quality of education provided to our servicemembers is essential to the Department, and underpinning this effort is DOD's requirement that all post-secondary institutions participating in the TA program, whether they are physically located on our installations or elsewhere, must be accredited by an accrediting body recognized by the U.S. Department of Education. Additionally, on March 1, 2013, DOD implemented a policy requiring an institution to have a signed DOD memorandum of understanding (MOU) in order to be eligible to participate in the DOD TA program. Currently, over 3,100 institutions with more than 4,150 sub-campuses, have signed the DOD MOU. The current MOU and its revision, which is in coordination as part of Change 2 to Department of Defense Instruction (DODI) 1322.25, will require all participating institutions to adhere to the Principles of Excellence as enumerated in Presidential Executive Order 13607:

- Provides students with an Education Plan;
- Informs students of the availability and eligibility of Federal financial aid before arranging private student loans;
- Ensures new course or program offerings are approved by the institution's accrediting agency before student enrollment;
- Allows servicemembers to be readmitted to a program if they are temporarily unable to attend class or have to suspend their studies due to military requirements;
- Provides a refund policy for military students consistent with the refund policy for students using Department of Education Federal student aid (title IV); and
- Designates a point of contact for academic and financial advising.

DOD OVERSIGHT OF MILITARY TUITION ASSISTANCE—PREVENTING PREDATORY
PRACTICES

DOD is strengthening its control on installation access to our servicemembers. All Military Services have recently provided updated guidance to their bases and recent changes to DOD policy provides guidance that limits institutions' access to military installations, only to provide education, guidance, and training opportunities, and to participate in education fairs. However, marketing firms or companies that own and operate higher-learning institutions will not have access. Institutions requesting access to military bases in order to provide education guidance to their students must meet the following requirements and gain access only through the base education officer via a written proposal:

- Have a signed MOU with DOD;
- Be chartered or licensed by the State government in which the services will be rendered;
- Be State-approved for the use of veteran's education benefits;
- Participate in Title IV programs (eligible and participating under Department of Education rules, students are eligible for Federal support);
- Be accredited by an accrediting body recognized by the U.S. Department of Education; and
- Have an on-base student population of at least 20 military students.

As directed in Presidential Executive Order 13607, DOD is also part of an inter-agency team that includes the Departments of Veterans Affairs and Education and, in collaboration with the Department of Justice and Consumer Financial Protection Bureau, are finalizing the development and implementation of a centralized complaint system to register, track, and to respond to concerns raised by students receiving Federal military and veterans educational benefits. This complaint system and related processes are intended to provide each agency with a standardized approach to capturing a complaint. All complaints and their resolution will be contained within a centralized repository, the Consumer Sentinel Network, thereby making the information accessible both to the components at the Departments of Veterans Affairs, Defense, and Education, all of whom review schools for compliance and program eligibility, as well as the law enforcement agencies that would prosecute any illegal practices. The inter-agency team is also engaged in establishing servicemember and Veteran Outcome Measures directed by Presidential Executive Order 13607 that will assist in assuring continued quality at both the program and institution level. Measures will attempt to determine performance through metrics such as retention rate, persistence rates, and time-to-degree (or credential) completion.

DOD OVERSIGHT OF MILITARY TUITION ASSISTANCE—IMPROVING MANAGEMENT

In addition to setting the above standards, DOD continues to evaluate the education programs that utilize TA dollars to help ensure our servicemembers are receiving the highest caliber education programs. The DOD Third Party Education Assessment program assesses the quality of off-duty postsecondary educational programs and services used by servicemembers and to assist in their improvement. These assessments help ensure the education programs provided to servicemembers funded by TA are of the same high quality and meet the same academic criteria as those experienced by traditional students. In the past, DOD only reviewed schools operating on bases. Per the DOD MOU, all schools now agree to participate in the review. The Office of the Under Secretary of Defense reviews all findings and recommendations and tracks the progress of corrective actions taken by the Services.

DOD's contract with the American Association of State Colleges and Universities (AASCU) establishes the Servicemembers' Opportunity College (SOC) which includes 1,900 post-secondary institutions SOC members. SOC advocates for and communicates the needs of the military community to the higher education community. SOC also ensures institutions are responsive to the special needs of servicemembers, assists the higher education community to understand the requirements of the military, and serves as the DOD liaison with institutions to resolve concerns and share program information to strengthen school relationships with DOD.

CONCLUSION

Servicemembers greatly rely on these programs. In fiscal year 2012, 286,665 servicemembers enrolled in 874,094 postsecondary courses, and 50,497 of them earned degrees or other credentials. Our programs assist servicemembers in gaining the knowledge they need for their chosen education and military career paths; ensuring they acquire the skills necessary to operate in a dynamic national security environment; and in returning to civilian life, that they are prepared to be successful in their chosen careers, leading contributors to their communities, and productive citizens in the 21st century. DOD is committed to effectively delivering voluntary education programs that meet the changing needs of the military.

Mr. Chairman, this concludes my statement. On behalf of the men and women in the military today and their families, I thank you and the members of this subcommittee for your steadfast support.

EDUCATION

Senator DURBIN. Thank you very much, Secretary Vollrath.

It would strike me that the purpose of these educational opportunities is to offer to servicemembers and their families two or three things.

First, it is my understanding that this looks pretty good when it comes time for a promotion, that someone has taken some courses. I take it from that, that you believe that one of the effective elements of leadership is education. And if a servicemember shows the initiative to improve their education, that will be viewed in a positive context.

Second, I would assume that some servicemembers view this as after their service opportunity that when they finally leave the military, they will have another pursuit in their lives, a career that they have been prepared for by this.

And third, it is just could be for the sake of education, just to learn something that you did not know, whether it is yourself, your spouse, or whomever.

So let's go to the first point. As I have gone into this subject for a long time, it appears it all starts in the same place: the accreditation by the Department of Education. It is sort of the basic standard by which, I understand from your testimony, you decide whether a school should offer courses for those serving in the military.

Is that correct?

Mr. VOLLRATH. Correct.

Senator DURBIN. And you say there are more than 3,000 institutions that offer courses to any number of members of the military.

Mr. VOLLRATH. That have signed the MOU.

Senator DURBIN. Signed the MOU. How long have you been involved in this program or supervising this program?

Mr. VOLLRATH. That's a good question, Chairman. The answer is probably about 36 years in various different forms. I served in the Army in uniform for 35.

Senator DURBIN. Okay.

Mr. VOLLRATH. And then in this position for about 14 months.

Senator DURBIN. So during that, let's just say in the last several years, how many of these 3,000 institutions have been disqualified from the program?

Mr. VOLLRATH. Mr. Chairman, I don't know, but I will certainly try to get you an answer for the record. I don't know how many have been disqualified.

Senator DURBIN. If it were a sizeable number, you would probably know, wouldn't you?

Mr. VOLLRATH. Yes, I would think so.

Senator DURBIN. So is it fair to say it is not a sizeable number?

Mr. VOLLRATH. I don't know. I will try to get that number for you. I just don't know.

[The information follows:]

For the approximately 3-year period prior to implementation of the Department of Defense (DOD) Military Tuition Assistance (TA) Program Memorandum of Understanding (MOU) in March 2013, there were 104 incidents of school removal from participating in Military TA. Reasons for removal included school closure, loss of accreditation, bundling of tuition and fees (violation of DOD Uniform TA Policy), and/or school's refusal to accept Military TA.

Senator DURBIN. Is it within the power of your office, or the military, to disqualify an institution?

Mr. VOLLRATH. The disqualification would be based on them, number one, not signing the MOU; two, violating the provisions of the MOU; and three, losing their accreditation. Any combination would stop the train.

Senator DURBIN. And if the Department received complaints from military servicemembers about the quality of education that was being offered at a school, would that be taken into consideration?

Mr. VOLLRATH. Yes.

Senator DURBIN. Has it been?

Mr. VOLLRATH. Yes.

COMPLAINTS

Senator DURBIN. Do you recall whether there were any schools which have been chronic in terms of complaints?

Mr. VOLLRATH. Not to my knowledge, no. I know that we have received complaints. I know that we have run the complaints to ground. I do know that as we develop this complaint system in a more automated and centralized form, we will start sharing that information between the VA, the Department of Education, and us. And if we find the bad apples—

And I think that is a good course of action, by the way, because you could have just one from one incident on our part from DOD servicemember attending. You might have a variety from veterans also, and the Department of Education might also get complaints. And so, putting them all together, I think, will give us a better side picture of what is really going on.

Senator DURBIN. Have you put them all together?

Mr. VOLLRATH. We will be able to do that with certainty about 1 September.

Senator DURBIN. That's not being done now.

Mr. VOLLRATH. It is being done, but in a hand method.

We are testing the automated system with the Air Force. We started 3 June for 30 days. If it works, we will roll it out across DOD by 1 September. It feeds into the other systems, to the Sentinel Network and then we will start using that.

The benefit, some of the benefits to that is that we will share problems, we will also loop back to the institution, and we will make sure that we can follow up with the student. That is critical.

FOR-PROFIT SCHOOLS

Senator DURBIN. So let me ask you this. In recent years, this has been going on for some years, but in recent years, for-profit schools have become a major part of this program. Have they not?

Mr. VOLLRATH. Yes.

Senator DURBIN. And have you noticed any changes in recruiting and marketing when the for-profit schools became part of it?

Mr. VOLLRATH. In terms of their recruiting?

Senator DURBIN. Yes.

Mr. VOLLRATH. Certainly. Over the years, they have stepped up ads on television, et cetera. That begs another issue is: what do we do about institutions recruiting on base?

Senator DURBIN. I am going to get to that.

Mr. VOLLRATH. All right.

Senator DURBIN. But I just want to start with—

Mr. VOLLRATH. Okay.

Senator DURBIN [continuing]. This basic question about the for-profits and their marketing. The numbers I read suggest that out of the substantial Federal revenues going to for-profit schools, 22 percent, on average, is used for marketing purposes.

Have you seen that when it comes to marketing to our troops to convince them to go to, for example, the American Military University as opposed to the University of Maryland?

Mr. VOLLRATH. I am not sure I could single them out. I know that the ads for postsecondary education have been more prolific than in the past.

Senator DURBIN. Primarily for for-profit schools?

Mr. VOLLRATH. From my personal experience, I have not noticed the for-profits versus somebody else, frankly.

Senator DURBIN. Really? Well, here is what the President said with his Executive order, "Aggressive and deceptive targeting of servicemembers, veterans, and their families by some educational institutions."

Have you seen evidence of that—"aggressive and deceptive targeting of servicemembers"?

Mr. VOLLRATH. I would certainly say “aggressive.” I cannot talk to the “deceptive”.

Senator DURBIN. So these are commercial ventures, these for-profit schools and what access do they have to the military?

Mr. VOLLRATH. They can have a variety of access; on-post is one.

Senator DURBIN. How?

Mr. VOLLRATH. The other—

Senator DURBIN. How would they get on-post?

Mr. VOLLRATH. Well, they can get on-post if they are offering courses, but given the MOU and the changes thereto, that is not going to happen or cannot happen in the future.

The only way they can be, anybody, any institution, will be on-post is if they are offering a course or specifically offering counseling. And they have to have written permission from the Education Office just to do that.

Senator DURBIN. So why have you drawn that line or why do you think that line has been drawn?

Mr. VOLLRATH. To make sure that we don’t have these problems that are reported.

Senator DURBIN. Okay. Senator Cochran.

Senator COCHRAN. I was just thinking back over my experience serving on a heavy cruiser in the U.S. Navy for almost 2 years. Our sailors and officers on the ship were busy all of the time. If they weren’t busy, we found a place that needed to be re-chipped. Chipping paint was an avocation; at least for some members of our crew. But the whole point was there was a lot of downtime on that ship with not anything to do.

Now, a lot of reading; I think I read more in the 2 years I was, almost 2 years aboard ship, than I had in any other recreational reading, but intellectually—

Mr. VOLLRATH. Right.

Senator COCHRAN [continuing]. Satisfying reading as well.

Isn’t this an area that might be threatened and may have an effect on moral and discipline, particularly in the seagoing Navy?

Mr. VOLLRATH. Absolutely. I mean, if we in any way significantly would reduce the access to this type of learning? Yes, that would have an effect because it affects them personally, it affects their long-term goals. But as the Chairman pointed out quite correctly, it can affect them immediately in terms of their promotion potential while on Active service.

Senator COCHRAN. Right.

Mr. VOLLRATH. So yes, it is key to attracting and retaining the quality servicemembers that we need.

Senator COCHRAN. Yes. I would think so, too, and I think it would contribute to the intellectual growth and development of our sailors, our officers, and men onboard ships and onshore as well.

Well, thank you for being here and helping set the stage for our review.

Mr. VOLLRATH. Thank you, sir.

Senator COCHRAN. Thank you.

Senator DURBIN. Thanks, Senator Cochran.

Senator Reed.

FINANCIAL AID COUNSELING

Senator REED. Well, thank you very much, Mr. Chairman and Mr. Secretary, thank you for being here.

I want to ask a few questions. What kind of financial aid counseling do the military personnel get? You mentioned they do get some counseling before they are enrolled in any of these programs. Does that include financial aid? And specifically, I understand the MOU requires the institution to inform them of their access to Federal student loans before they take private loans.

So, are you providing confidential financial advice to these students before they sign-up?

Mr. VOLLRATH. Senator, the answer is yes and yes. Yes, we are. When they go through the educational office and talk to one of the DOD education counselors and layout their plan, their goals, they are counseled about the finances, of course, starting with what we do in tuition assistance. And then the other forms, because out there is also the G.I. Bill, although taking it while on Active Duty is probably not the financially best decision—

Senator REED. Right.

Mr. VOLLRATH [continuing]. That you could make. But we advise them of that also. We also, then, advise them about other student loans. So yes, we do it at the very front end.

And yes, Senator, through the MOU, we require now in a standard format and way that all of the institutions advise and counsel that student about other financial aid available starting with Federal, and last but not least, the commercial loans out there so they can make informed decisions.

Senator REED. It strikes me that the most reliable and independent advisor would be the educational advisor in the military, and that they could go so far as telling them, essentially, what is the best way. Do they go that far, or is it just simply, you know, "I must inform you, you agree to pay—I must inform you that you are eligible for Pell grants, Stafford Loans, PLUS Loans, et cetera. Thank you very much"?

Mr. VOLLRATH. No, it is a personal counseling.

Senator REED. So, you—

Mr. VOLLRATH. It is a pro forma exercise.

Senator REED. So you are confident that they would actually be able to help them pick out the lowest cost to them.

Mr. VOLLRATH. Certainly, and also help them modify their expectations. If they are hell-bent to go to one of the prestige schools—

Senator REED. Right.

Mr. VOLLRATH [continuing]. We tell them what that cost is going to be and the pitfalls in getting to that effective, but we advise them.

Senator REED. Right. In this context, do you know the percentage of the students that are taking the private student loans? I mean, I would think with the panoply of DOD support, Pell, Stafford, PLUS, et cetera that the need for some of these private loans which, in some cases, carry a much higher rate would be de minimis.

Are you tracking that?

Mr. VOLLRATH. Senator, we are not tracking that specifically in terms of the private loans that they take out.

Senator REED. I would suggest that you might consider it. I know you have got lots of things to do, but not only the individual volume, but also if it is specific to individual institutions because then, I think, you might find that they are just simply, at least the institutions, are paying perhaps lip service to the—we are telling them about these public loans, but then we are telling them, “Hey, win a free vacation cruise if you just sign up for our loan.” So I think that is something important. It goes to another issue, too, which I think is important.

To what extent do you actively audit these institutions, private or public, with respect to the MOU’s?

Mr. VOLLRATH. We have—we employ a third party to do a review of the institutions and with 3,100 we do not get to all of them.

What we have changed, however, okay, is we have strengthened the audit so that it follows now the MOU and the principles of excellence. We also have them visit classrooms or instruction, or it may be online. And we have expanded, and this is the key point, we have expanded beyond those that are given on the installations to all installations. Okay? So their practices are now more public to us as we take a look at them.

Senator REED. And let me ask the follow-on questions. How public are these audits, i.e., if you find a consistently poor performing institution, is that public domain or do you simply put it in your files?

Mr. VOLLRATH. It certainly is public domain—

Senator REED. Do you—

Mr. VOLLRATH [continuing]. As anything else is, yes.

Senator REED. So do you, but I guess I am being—let me redirect—do you periodically publish the results of these audits so that you can essentially say, “This school does just remarkably well,” you know, “A-plus”? It did green, yellow, red, I think you remember.

Mr. VOLLRATH. Yes.

Senator REED. These are green, these are yellow, these are red.

Mr. VOLLRATH. No, Senator, we have not published that.

Senator REED. Wouldn’t that be helpful?

Mr. VOLLRATH. Because we are not necessarily qualified to really give a learned opinion about their academic excellence or lack thereof, so—

Senator REED. I am just simply, their consistency with the MOU, that you should be the experts on.

Mr. VOLLRATH. Yes. Correct. If they are following it or not following it, we record that and keep track of it.

Senator REED. But that is not publicly, routinely published.

Mr. VOLLRATH. We do not publish an annual report.

EDUCATIONAL ADVISOR

Senator REED. You should, I think, consider that because I think that would draw attention to those institutions which are meeting and exceeding your expectations and those that aren’t.

Let me go back to the educational advisor, one final question there. Can they essentially tell the servicemember, “No, you are

not going to enroll in a course like—cosmetology—which is going to cost you \$75,000 to \$100,000 in tuition at this particular school, and we know already that the average salary is \$25,000.”

The bottom line is, do your educational counselors have the ability to say, “You’re making a terrible mistake, and we are not going to support you in this”?

Mr. VOLLRATH. They certainly are going to say, “We think that’s ill-advised.”

Senator REED. But that is as far as they will go.

Mr. VOLLRATH. That’s as far as it goes because it is a personal choice. If they want to go out and get a loan, and take it upon themselves to do it, we don’t have the authority.

TUITION ASSISTANCE

Senator REED. We are providing the money.

Mr. VOLLRATH. Well, tuition assistance is another thing. I mean, if they want to persist, that is different and take it out of their own pocket. If their course of action does not meet the stipulations that we have both on ourselves and on the institutions——

Senator REED. Right.

Mr. VOLLRATH [continuing]. Then the answer absolutely would be, “Sorry, we can’t support you with tuition assistance.”

Senator REED. A final question and my colleagues are very gracious.

Is the requirement for servicemembers, in some cases, to refund payments to the tuitions assistance program? Do you have a rough percentage of how many servicemembers are refunding, i.e., they have not made the standards or is that so small?

Mr. VOLLRATH. It is small. With your permission, I will take it for the record.

Senator REED. Absolutely.

[The information follows:]

The following information is included by Service in the following chart for fiscal year 2012:

- Successfully completed course work
- Did not complete successfully: failing grades, withdrawals or drops
- Had to repay TA due to non-completions
- Government waived recoupment because non-completion was due to military related issues

Army	Air Force	Navy	Marine
92 percent completion 8 percent non-completion (7.2 percent recouped and 0.8 percent waived)	91 percent completion 9 percent non-completion (7 percent recouped and 2 percent waived)	91.6 percent completion 8.4 percent non-completion (8.0 percent recouped and 0.4 percent waived)	90.3 percent completion 9.7 percent non-completion (8.8 percent recouped and 0.9 percent waived)

Mr. VOLLRATH. But let me give you a statistic that is the reverse of that: 96 percent in fiscal year 2012, of all courses started, were completed by servicemembers, so some of them might not have completed that because they had to move for military necessity, et cetera. So I cannot answer it specifically because of the failure.

TUITION CHARGES

Senator REED. And I have a final question. Again, I thank my colleagues.

Do you do any analysis of the correlation between the tuition charged to the servicemember and the full cost of instruction?

It seems to me that now given the technology, particularly the distance learning, that the marginal cost of a military student is very close to zero, but that the tuition might be as close—might be set by all available public and private support, which means that these are very lucrative programs, potentially. And that there is, I think, at least for the public policy, an interest, to ensure that if we are providing public resources for the benefit of service men and women, that we are subsidizing them, not private enterprise necessarily.

Mr. VOLLRATH. The best statistic that I can give you is that for undergraduate courses in fiscal year 2012, the average payment or cost was about \$628 for a course; that is 3 semester hours.

Senator REED. Yes, sir.

Mr. VOLLRATH. By our policy, which has been in existence for a number of years now, we pay no more than \$250 per credit hour. So the max would be \$750. And so, on average, it is \$628, which means some are below and some are above. That is for undergraduate.

For graduate, it is pegged out at \$750, but that is understandable because graduate schools have always cost more.

Senator REED. And how do you pick out that number, \$750? Is that—

Mr. VOLLRATH. Just because that is the max that we can pay, so—

Senator REED. Okay, so that is the max you can pay.

Mr. VOLLRATH. That's right.

Senator REED. So we could come in and say, "There is a new max." Or, we could come in and say, "There has to be a correlation." All right.

Again, and I thank you very much and thank my colleagues, but we are very interested in some of the measurements and some of the statistics that you have that might help us determine what we do going forward. Thank you, Mr. Secretary.

Mr. VOLLRATH. Certainly.

AUDIT

Senator DURBIN. Thanks, Senator Reed.

Mr. Vollrath, when you talked about the third-party audit.

Mr. VOLLRATH. Right.

Senator DURBIN. Would that be an audit by this Management and Training Consultants, Incorporated?

Mr. VOLLRATH. Yes, Mr. Chairman.

Senator DURBIN. That is the current third-party group that audits—

Mr. VOLLRATH. The current.

Senator DURBIN [continuing]. Those who are providing the educational courses?

Mr. VOLLRATH. Correct.

Senator DURBIN. And you said, "We don't get to all of them." It is my understanding that they get to 20 to 30 schools a year out of 3,127.

Mr. VOLLRATH. When we are doing it on-post, that is correct. We will have to ramp it up, clearly.

Senator DURBIN. We sure do.

Let me ask you about the 96 percent completion rate.

Mr. VOLLRATH. Right.

Senator DURBIN. In the world—the nonmilitary world—when it comes to these schools being paid, for example, Pell grants, Government loans, there is a certain period of time that the student has to stay enrolled for them to qualify to get that payment. Is that true as well when it comes to the TA program?

Mr. VOLLRATH. No, Senator. There is not a period of time they have to stay enrolled. If they have a plan approved and are going to go to an institution that meets all of those—the MOU and principles of excellence requirements, then they qualify for that course on their plan.

Senator DURBIN. And if they take two classes and stop, does the school get paid anyway?

Mr. VOLLRATH. Yes. And again, you have to define “stop”. In some cases, “stop” means they got deployed—

Senator DURBIN. No, I understand.

Mr. VOLLRATH [continuing]. And couldn't do it. And in some cases, people just determine that it is not in their interest any more.

Senator DURBIN. It seems to me to be a problem there, that if we are just going to pay, even if they don't complete the course or a portion of the course—

Mr. VOLLRATH. Well, if they don't complete the course, then they have to repay unless—

Senator DURBIN. The student.

Mr. VOLLRATH. The student has to repay.

Senator DURBIN. But the Government is paying the school regardless. That is what you just said, I believe.

Mr. VOLLRATH. Yes.

Senator DURBIN. Let me ask a few more questions, and I thank you for your patience here.

COURSES

If you believe that this educational opportunity is important to improve the quality of leadership in the military to lead to promotions, do you believe that certain schools offer courses that have been proven over time to be more valuable than other schools?

Mr. VOLLRATH. I don't know. I don't know. The only way that I can think to answer that is if they were taking a leadership course or a management course, maybe that makes them a better leader, but I am not sure that the sheer rigor and perseverance doesn't help in that respect. And some of the courses, frankly, are geared toward what they do in the military.

Senator DURBIN. I understand that part. But the point I am getting to is just kind of normal, human experience. We know that if a person has graduated from this university, that they have more rigorous educational standards, higher admission standards. A degree from this place is kind of viewed as being more valuable than a degree from this place.

Is that the same when it comes to the TA program?

Mr. VOLLRATH. We don't look at it that way, Senator.

Senator DURBIN. Why?

Mr. VOLLRATH. Because it is a personal choice as to where they want to go and what their goals are.

Senator DURBIN. That's what I was afraid of. Let me ask you this question.

When it comes to accreditation, in 2011, unlike the Department of Education, the Defense Department did not require participating institutions to get approval from an accrediting agency for new courses or programs or offerings before offering them to enrolling students. That seems to be a significant loophole that could undermine the quality of a servicemember's education. The subcommittee has been informed that the DOD plans to close this loophole as part of its third revision of the MOU sometime later this year.

Why has this taken 2 years to address?

Mr. VOLLRATH. In part, to try to cope with the bureaucracy to get it in there and get it done, but we will have it done.

Senator DURBIN. So what we are dealing with here is courses being offered and compensated by the Government without approval from the accrediting agency. That's currently the case.

Mr. VOLLRATH. That's possible, yes.

Senator DURBIN. There is a longstanding frustration with students participating in TA program can't compare the cost, financial and aid opportunities, and school performance—going back to part of Senator Reed's question.

The President's Executive order and the Department of Education's launch of the college scorecard suggests that we are moving in a different direction to give more information to students about the quality of courses and their outcomes.

So what is the status of this initiative when it comes to the TA courses?

Mr. VOLLRATH. Again, it should be, and is, in the MOU.

I do go back to the fact that we have education counselors and they have been dispensing good advice and counsel to our servicemembers for a number of years now.

Senator DURBIN. Are these counselors members of the military or representing the institutions?

Mr. VOLLRATH. They are members of the Department of Defense. They do not represent the institutions.

Senator DURBIN. But in terms of an objective scorecard for members of the military to look at the various schools to see—for example, if I took a course from the American Military University, would my hours be transferable to a community college in my home State? It seems like a reasonable question to ask.

Is that sort of information available to the members of the military now?

Mr. VOLLRATH. Yes, through the—something called the SOC, Servicemembers Opportunity Colleges consortium of 1,900-and-some institutions that have agreed to come together and assess the transferability of those credits.

Senator DURBIN. And how does an individual servicemember learn that?

Mr. VOLLRATH. Through the education counselor and their education plan.

Senator DURBIN. How many counselors do we have working?

Mr. VOLLRATH. Slightly over 200.

Senator DURBIN. And how many service men are taking courses?

Mr. VOLLRATH. About 200,000.

Senator DURBIN. Let me talk about the MyCAA program, which is a spousal education program.

Mr. VOLLRATH. Yes.

Senator DURBIN. Many of the schools participating in that program are not accredited schools. Are you aware of that?

Mr. VOLLRATH. I am.

Senator DURBIN. What is the Department's position on that? In other words, courses are being offered to the servicemember's spouses at taxpayers' expense through for-profit schools that are not accredited.

What is your thinking about that?

Mr. VOLLRATH. If they are an institution that is postsecondary education, then they have to be accredited and meet standards. If they are technical schools, if you are learning a trade, they are not accredited in the sense that we use that term for postsecondary.

MILITARY SPOUSE CAREER ADVANCEMENT ACCOUNTS PROGRAMS

Senator DURBIN. So we pay up to \$4,000, is that correct, for the MyCAA programs?

Mr. VOLLRATH. Over 3 years, correct, a max of \$4,000.

Senator DURBIN. And schools like Animal Behavior College is one of the schools offering courses to the spouses under the MyCAA program?

Mr. VOLLRATH. I am not familiar with that one.

Senator DURBIN. I think it is. Tell me about Top-Up so we can make that a matter of record. Do you understand Top-Up?

Mr. VOLLRATH. I do not.

Senator DURBIN. Okay. Let me, my understanding is that servicemembers can use some of their GI bill benefits while still on Active Duty for education. Are you aware of that?

Mr. VOLLRATH. Yes.

Senator DURBIN. Okay. And because those GI bill benefits are limited for the servicemember and their families, they may be using up what they could otherwise use after they have been separated from the service.

Mr. VOLLRATH. Correct.

Senator DURBIN. My concern is that servicemembers enrolled in for-profit colleges may not only be using tuition assistance for some courses that may not be valuable, but they may also be using up their personal one-time future VA educational benefits at the same time. Do you share that concern?

Mr. VOLLRATH. Yes, that would not be a wise decision.

Senator DURBIN. And how would we counsel a member of the military about that unwise decision?

Mr. VOLLRATH. As I mentioned earlier, in their desire to use tuition assistance, we wouldn't so advise them in that counseling session. But equally important, the education counselor is not there on that installation just to handle tuition assistance. They are to reach out and provide advice to servicemembers on education, period.

Senator DURBIN. There are 200 counselors, 200,000 students.

Mr. VOLLRATH. Correct.

Senator DURBIN. Is there a centralized complaint system that has been established for members of the military who are unhappy with the experience they are having in the TA program?

Mr. VOLLRATH. There has been a manual system, but as mentioned, that will be an automated system and far more efficient come September.

Senator DURBIN. We talked about the recruiting on some of the military bases.

Senator Hagan of North Carolina sent a letter to the Department in 2011 involving a Marine Corps corporal with severe traumatic brain injury (TBI), who was recuperating at Camp Lejeune in Wounded Warrior barracks. While he was still in his barracks in recovery, a recruiter from Ashford College, which is based out of Iowa, if I am not mistaken, a for-profit school signed up this Marine for college courses. When the Marine was interviewed later, he could not even remember signing up for the course.

Can you tell me what kind of access recruiters have to our—let's start with wounded veterans who are recuperating in military hospitals?

Mr. VOLLRATH. As it stands today, they have no access.

Senator DURBIN. So it has been changed since this situation?

Mr. VOLLRATH. Absolutely. Absolutely. If they are—

The only way that any institution now can get on an installation—read that hospitals, it does not make much difference—is either to teach a course or to provide counseling to their students that are servicemembers at that installation. And by invite to an education symposium or something, but—

And by the way, if somebody tries that, we will escort them off the installation.

Senator DURBIN. Do you have any jurisdiction over National Guard units?

Mr. VOLLRATH. Not in my particular position, no, but I will certainly take the question.

Senator DURBIN. Well, here is what happened in my State. The for-profit schools were actually going onto the camps in Illinois, meeting with National Guard units, and trying to recruit them to signup for their schools because, of course, service in the National Guard qualifies—

Mr. VOLLRATH. Right.

Senator DURBIN [continuing]. Some of the military for educational benefits. And when it was brought to my attention, it seemed to me that this was a commercial venture and much the same as if Ford Motor Company decided to send a salesman in and say, "You need to buy a Fusion. Every National Guard member ought to have one." There comes a point where you say, "I think that may be a misuse of a military facility."

So are you familiar with National Guard units and whether there is that sort of activity going on?

Mr. VOLLRATH. I am familiar with National Guard units. No, I am not familiar with activity such as you describe.

Senator DURBIN. Does it seem appropriate or inappropriate?

Mr. VOLLRATH. It seems inappropriate.

Senator DURBIN. I think so too. Any other question, Senator?

Senator COCHRAN. No.

Senator DURBIN. Senator Reed.

Senator REED. No, sir.

Senator DURBIN. Thank you very much, Mr. Vollrath. Appreciate you being here.

Mr. VOLLRATH. Thank you, Mr. Chairman.

Senator DURBIN. We have a second panel coming up, but I invite them to come to the table. They include Mr. Terry Hartle, Senior Vice President of the American Council on Education; Steve Gunderson, former congressman from Wisconsin, currently President and CEO of the Association of Private Sector Colleges and Universities; Mr. James Selbe, Senior Vice President for Partnerships, Marketing, and Enrollment Management at the University of Maryland's University College; and Mr. Christopher Neiweem, an Army veteran and a former college recruiter. Thank you all for being here today.

Mr. Hartle, I am going to let you kick off. Your full statement will be made part of the record. If you would like to give us a summary at this point, we would appreciate it.

STATEMENT OF TERRY HARTLE, SENIOR VICE PRESIDENT, AMERICAN COUNCIL ON EDUCATION

Mr. HARTLE. Thank you very much, Senator, and thank you for inviting me to participate in this hearing.

I would like to begin by thanking you and the other senators, Senator Cochran, Senator Reed, for the efforts to ensure that tuition assistance benefits were continued to military Active Duty members this year in light of their possible elimination. I think given the effort that students, Active Duty servicemembers make to be students, interrupting those benefits would have had terrible consequences. So thank you for that.

The Department of Defense has been moving fairly aggressively in the last couple of years prompted by Congress as well as by the Obama administration to tighten up the management and oversight of the Tuition Assistance Program and, in general, we are very supportive of the efforts that they have made. They have reached out to us. They have sought our counsel and advice, and we have and will continue to work with them in this effort.

Senator DURBIN. Could you describe your organization, the American Council on Education?

Mr. HARTLE. Yes, sir. The American Council on Education (ACE) is a trade association representing approximately 2,000 2-year and 4-year public and private colleges and universities. We represent from community colleges to small liberal arts colleges to great research universities.

The other associations that have signed on to my testimony at ACE, represent about 90 percent of the traditional colleges and universities in the country.

I would like to make three basic points about the TA program. First, I think it is very important to keep in mind that the postsecondary education needs of servicemembers are very different than the needs of student veterans and all other students.

For most servicemembers, progress towards their educational goals is not simple or straightforward. Servicemembers often enroll in multiple institutions, experience frequent interruptions in their education due to employment or other military obligations, and getting a degree can take a long time.

A colleague of mine at ACE told me that she first used her TA benefits at University of Maryland University College (UMUC) while stationed in Germany, but had to withdraw when she was deployed to Iraq. Now, she then enrolled at Austin Peay State University in Tennessee, but withdrew again when she was redeployed. While in Iraq, she enrolled in Penn State's World Campus—that is Penn State's online division—and completed several courses.

Finally, after returning stateside, becoming a reservist, she used a combination of tuition assistance and the Montgomery GI bill to complete her B.A. at Penn State's State College campus. Thanks to her tuition assistance and the training she received in the military as a medic, for which she received academic credit, she completed her B.A. in 2½ years.

Another colleague at ACE, however, told me that her husband used TA to attend five different schools, and his B.A. was 22 years in the making. In both cases, we see extraordinary commitment and persistence, but we see the enormous range of paths servicemembers take to reach those goals.

Second point, we need to ensure that TA program participation requirements remain manageable for institutions. A TA is not a simple program to administer on-campus and it is becoming more complex.

At present, each service has their own financial processing system. Each of the services sets their own member eligibility requirement and each of the services sets their own institutional participation requirements.

Compare this to the Pell grant program. One processing system, one set of student eligibility requirements, and one set of institutional requirements. It is not that Pell grants are simple, far from it. It is just that there is one, uniform set of requirements. Ten million people receive Pell grants, about 300,000 receive TA benefits. The task for campuses to manage those can be extraordinary, unless the institution is particularly set up to do that.

If you serve a very large number of servicemembers, it is not a deal breaker. It is a headache, but it is not a deal breaker. If you serve a small number, the administrative and financial complications can be enormous.

Third point I would make is we know that Congress and DOD are anxious to take action against unscrupulous schools and we fully support those efforts. But as we improve oversight, we need to take care that we don't make the program too complex, and in doing so, undermine institutional willingness to participate.

Again, for a school with a large military student population, this is not a particular problem, but for schools with a modest number of students, it can be quite a challenge.

Last year, the University of Illinois, for example, which enrolls about 70,000 students, had only 25 students receiving tuition as-

sistance. That compares with 700 students at the University of Illinois using Post-9/11 GI bill benefits.

So we must find oversight mechanisms that identify and root out the bad actors. No excuses, no alternative, but we need to be mindful in doing so of the burden on institutions that are serving relatively few recipients and trying very hard to be a part of this program.

We think there are a number of steps the committee and DOD could consider in this regard, and we would be happy to work with you, and the agency, to develop meaningful and appropriate measures.

In conclusion, we strongly support the TA program. It has changed the lives of millions of Active Duty servicemembers over the years, and we believe it is a very important educational and recruitment device for the military.

PREPARED STATEMENT

But at the same time, as we tighten the program up, we need to be mindful about the complexity that we are adding because, in general, complexity is nobody's friend. It simply complicates the efforts that institutions and servicemembers will have to contend with.

Thank you for inviting me to testify on this important program. I would, obviously, be happy to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF TERRY W. HARTLE

Mr. Chairman and members of the committee, I am Terry W. Hartle, senior vice president at the American Council on Education (ACE), representing 2,000 public and private, 2-year and 4-year colleges and research universities. I am testifying today on behalf of ACE, the American Association of Community Colleges (AACC), the American Association of State Colleges and Universities (AASCU), the Association of American Universities (AAU), the Association of Public and Land-grant Universities (APLU), and the National Association of Independent Colleges and Universities (NAICU).

The Department of Defense's (DOD) Military Tuition Assistance (TA) program provides important educational assistance to active duty servicemembers. In fiscal year 2012, the TA program provided benefits of \$568.2 million to more than 286,000 servicemembers. These education benefits were used at more than 3,100 institutions—nearly 1,900 of which are public or nonprofit institutions. While the total number of students using the TA program is relatively small compared to the Post-9/11 GI bill (approximately 600,000) or the Pell program (approximately 9 million), it is important to remember that not all servicemembers are eligible for GI bill benefits, or may not be eligible at the 100-percent benefit level, and many servicemembers do not qualify for Pell grants. TA plays an important role in helping provide access to higher education for all the men and women in our armed forces.

This March, the Army, Air Force, and Marines announced that, due to the sequester, they would suspend the TA program. We were very appreciative of the efforts by Congress and DOD to minimize the impact of the sequester on this program, which was able to resume in April. Secretary Hagel has been a strong supporter of maintaining the current benefit levels—generally, \$250 a credit hour with a \$4,500 per year maximum—even in the face of other funding challenges at DOD. Unfortunately, we understand that DOD employees responsible for administering this program will face furloughs this summer.

In my testimony today, I'd like to make four points about the TA program.

First, the postsecondary education needs of servicemembers are often quite distinct from the needs of student veterans and other nontraditional and traditional student populations. For example, many active duty servicemembers will place a premium on flexibility in scheduling courses, or on taking courses via distance

learning, especially if they are on a tour or stationed overseas. While some servicemembers join the military precisely because of the great educational benefits, others may join the military precisely because they didn't have success in high school or didn't think college was for them. TA provides these servicemembers with an opportunity to test the water, to try a college level course and gain confidence and progress at their own pace towards earning a degree. TA can also support them in their military careers—such as using the benefit to increase their technical training in their field, study foreign languages important to our national security, or to gain civilian education needed to advance their careers in the service.

Second, for most servicemembers, progress toward their educational goals is not always direct or straightforward. Servicemembers often enroll in multiple institutions and experience frequent interruptions in their education due to deployment or other military obligations. A colleague at ACE told me that she first used TA to enroll at UMUC while stationed in Germany, but had to withdraw after she was called up to serve in Iraq. She then enrolled in Austin Peay State University (TN) while stationed at Fort Campbell on the Kentucky-Tennessee border, but withdrew again when she was redeployed. While in Iraq, she enrolled in Penn State's World Campus—its online program—and was able to complete two courses thanks to the flexibility of their staff. Finally, after returning stateside and becoming a reservist, she used a combination of TA and Montgomery GI bill benefits to complete her B.A. at Penn State's campus in State College, Pennsylvania. Another colleague at ACE told me that her husband used TA to attend 5 different schools and his B.A. was “22 years in the making.”

The unique needs of servicemembers and the complex path they take in pursuit of their education goals, as demonstrated by these examples, greatly complicates efforts to develop outcome measures to evaluate students and institutions. Usual standards, like retention, graduation and time to degree may not work very well. Make no mistake: Outcome measures are critical. But these measures need to be carefully thought out and well-designed to work for the servicemember population. There are no “off the shelf” solutions.

Third, we need to ensure that TA program participation requirements remain manageable for institutions. TA is not a simple program to administer on campus and it is becoming more complex.

We have seen a proliferation of Service-specific requirements in recent years. Each of the Services has their own processing systems: The Army has the GoArmyEd portal; the Air Force has AIPortal; and the Marines, Coast Guard and Navy use the Navy processing portal. Each of the Services sets its own servicemember eligibility requirements. For example, the Navy does not provide TA benefits to servicemembers on their first military assignment, and requires sailors to request TA within 2 weeks of the course start date. Each of the Services has different sets of institutional participation requirements. For example, the Army sets different requirements for its Letter of Instruction (LOI) and non-LOI institutions. One of the country's largest public research institutions was recently told by the Army that because they had 150 TA participants, they will now need to comply with more detailed and extensive LOI requirements. The Service-specific differences do not make sense and add a level of complexity to the program that is unnecessary and can discourage institutional participation. We urge DOD to move toward one common and uniform set of program requirements and a single processing portal.

Fourth, we need to ensure appropriate oversight and protections for TA funds. We strongly support proper oversight of the TA program and efforts to ensure that the program is providing value to servicemembers and taxpayers. We know that Congress and DOD are anxious to take action against unscrupulous actors in this area and we fully support these efforts.

The Memorandum of Understanding and the Principles of Excellence take important steps in this direction, even though some requirements could benefit from further clarification. While these efforts have undoubtedly improved the oversight of the program, they have also made it more complex, requiring institutions to invest greater resources in order to participate. For schools with large military populations, economies of scale help this investment make sense. But for schools with relatively few TA participants, the administrative and compliance burden often looms large. Last year, the University of Illinois, which enrolls approximately 70,000 students, had only 25 students receiving TA, compared with 700 Post-9/11 GI bill recipients and nearly 18,000 Pell recipients. We need to find oversight mechanisms that will find and root out the bad actors, while being mindful of the burdens on institutions that serve relatively few TA recipients. We think there are a number of steps the committee and DOD could consider in this regard and we would be happy to work with you to develop meaningful and appropriate measures.

In conclusion, the TA program supports the unique postsecondary education needs of our servicemembers. At the same time, TA program requirements need to reflect a balance between providing necessary protections for servicemembers and taxpayers and ensuring that a wide array of institutions continue to participate in the program. The servicemember population and their education needs are as diverse as the nearly 4,700 degree-granting institutions that make up our system of higher education. We encourage DOD to continue its outreach to institutions about TA program participation requirements, including those that serve a relatively small number of TA beneficiaries. We need to ensure that servicemembers have access to a wide array of quality institutions and can choose to use their benefits at the institution that best meets their individual needs.

Thank you for inviting me to testify today on this important program. I would be happy to answer any questions.

Senator DURBIN. Thanks a lot, Mr. Hartle.
Mr. Gunderson.

STATEMENT OF STEVE GUNDERSON, PRESIDENT AND CEO, ASSOCIATION OF PRIVATE SECTOR COLLEGES AND UNIVERSITIES

Mr. GUNDERSON. Mr. Chair, Ranking Member Cochran, I was going to say Senator Reed, but he is not here.

On behalf of the Association of Private Sector Colleges and Universities, thank you for the opportunity to appear before your committee. We represent nearly 4 million students enrolled in our schools annually. Our schools provide the full range of higher education programs to students looking for postsecondary education with a career focus.

I believe the last time that I was in a meeting with both of you senators would have been a farm bill conference committee. And at that time, just like today, we had a difficult challenge: determining the return on investment for Government programs because we simply lacked the data to know what is, and is not, effective programs.

Whether it is a farm support program or a higher education for members of the military, we must work together—in this case with the Departments of Defense, Veterans Affairs, and Education—to develop relevant measures that can evaluate success. We need to be thoughtful and make sure measures of success accurately reflect the real world environment in which our servicemembers seek education, career skills, real jobs with real incomes.

Tuition assistance is an important recruitment and retention tool, which significantly contributes to our military's morale, their immediate and future skills. Over 60 percent of our servicemembers stated that the increased ability to pursue higher education was an important factor in deciding to join the military.

According to the Department of Defense, 762 private sector colleges and universities are currently qualified and participating in the Tuition Assistance program, and have been approved to offer courses to Active Duty military.

Educating our Active Duty military is as important as fulfilling our commitment to veterans. According to the Department of Veterans Affairs, more than 325,000 veterans, and/or their families, have been served by our institutions representing 28 percent of all veterans using the Post-9/11 GI benefits. Although veterans make up less than 10 percent of our total student enrollment, we are proud to serve those who choose our institutions. More than 1,200 of our schools participate in the Yellow Ribbon program.

You might logically ask why we serve 13 percent of all postsecondary students, but 28 percent of all veterans in the Post-9/11 GI bill. The answer lies in our service to veterans.

Returning from duty, most veterans do not want to live in a dorm and take five different three-credit courses at a time. They want focused and accelerated delivery of academic programs that can support their transition from the frontlines to full time employment as soon as possible. Because of our longer school days and year round academic programming, our students can often complete an associate degree in 18 months, or a B.A. degree in 3 years.

We work with the Active Duty military and the veteran in the management of their academic experience to meet the tensions between daily life, jobs, and academic. Many private sector colleges and universities offer a reduced military tuition rate to minimize out-of-pocket student expenses beyond what tuition assistance benefits cover. Many also maintain deployment policies which allow the military students to withdraw and return to school at any time when they are deployed.

In November of 2010, the Rand Corporation and ACE study entitled, "Military Veterans' Experiences Using the Post-9/11 GI Bill in Pursuing Postsecondary Education," reported findings which support the view that our institutions are working to support these students' basic needs. The report noted the rate of satisfaction with credit transfer experience was 60 percent among students who had attempted to transfer military credits to our institutions versus 27 percent for community colleges, 40 percent for 4-year colleges. Only participants from private, nonprofit colleges reported higher credit transfer satisfaction rate.

Students from our institutions reported fewer challenges in accessing required courses than all other institutions except 4-year public institutions. Students from our institutions reported higher than average satisfaction rate with academic advising at 67 percent satisfaction versus 50 percent for all other institutions.

In closing, though, my primary message to this committee and to the Congress, is that if we really care about outcomes, and I believe we all do, then we need to revise the Government's data collection systems in ways that will enable all of us to fully evaluate such outcomes.

Currently, the IPED System at the Department of Education only counts first-time full-time college students; no veteran or Active Duty military is included in such data. Currently, neither the Department of Defense nor Veterans Affairs collects such data.

PREPARED STATEMENT

I believe that we all would like one set of consistent, credible data for all college students, evaluating their outcomes based on similar and fair metrics.

We look forward to working with you and this committee, the Congress and the administration, to develop such a system.

Thank you for your time. I look forward to answering your questions and discussing these important issues today.

[The statement follows:]

PREPARED STATEMENT OF STEVE GUNDERSON

Chairman Durbin, Ranking Member Cochran, and members of the committee, I would like to thank you for the opportunity to appear before this committee and for holding this important hearing on Voluntary Military Education Programs.

I am here to represent the member institutions of The Association of Private Sector Colleges and Universities, their faculty and the millions of students who attend our institutions. Our institutions provide a full range of higher education programs to students seeking career-focused education. We provide short-term certificate and diploma programs, 2- and 4-year associate and baccalaureate degree programs, as well as a small number of master's and doctorate programs. We educate students for careers in over 200 occupational fields including information technology; allied health; automotive repair; business administration; commercial art; and culinary and hospitality management.

Sixty-four percent of our students are low-income. Sixty-seven percent have delayed postsecondary education making them older than the 18–22 traditional college demographic. Single parents make up 31 percent of our students and 76 percent are from a minority population. It goes without saying that our students are considered “non-traditional,” but they are more and more the face of higher education in this country, so we should think of them as the new traditional. Most of our students juggle work, family and school. Most cannot attend a traditional institution of higher education because of scheduling, location or admissions criteria. Yet, these are the students who need the opportunity to pursue higher education if we are going to succeed in filling jobs that require skilled workers. Our institutions offer that opportunity and have and will continue to play a vital role in providing skills-based education.

During the recent economic downturn when States and local communities reduced education budgets, many of our colleagues at public institutions had to endure budget cuts resulting in limited access and service for students. But our institutions continued to invest in their schools to offer students industry-leading innovation while expanding capacity and meeting the evolving demands of employers. Because we are not dependent on brick-and-mortar facilities to expand access, we are able to meet the growing demand for postsecondary education through vastly expanding online technology offerings, and perhaps our most successful academic delivery—a blend of online and on-site programs.

Even while investing in education programs, our schools have been successful in reducing the cost of attendance for our students. Recently, the U.S. Department of Education released an analysis that compares the average costs at 4-year institutions between 2010–2011 and 2012–2013. Only our institutions experienced a reduction in the average costs—2.2 percent; other sectors experienced an increase in costs, with public in-State cost increasing 6.7 percent, public out-of-State increasing 4.1 percent and private nonprofit rising 3.1 percent. For 2-year institutions, our schools were able to reduce costs to students by 0.2 percent, while public in-State cost increased 6.4 percent, public out-of-State increased 3.9 percent and private nonprofit rose 1.8 percent.

We've expanded educational opportunities for many people, as evidenced by the increasing number of degrees our institutions have awarded. Yes, much of this is the simple result that our sector of postsecondary education is probably the newest with new campuses and new forms of academic delivery. But in an era when we expect 65 percent of all jobs and 85 percent of all new jobs to require some level of postsecondary education this growth in access is important. From 1999 to 2009, degrees awarded by our institutions have soared. Associate's degrees increased by 132 percent (compared with just 43 percent at public and 1 percent at private nonprofit institutions), bachelor's degrees increased by 387 percent (compared with just 29 percent at public and 24 percent at private nonprofit institutions), master's degrees increased by 588 percent (compared to 33 percent at public and 43 percent at private nonprofit institutions), and doctorate degrees increased by over 300 percent (compared to 30 percent at public and 32 percent at private nonprofit institutions). Looking at the recession years between 2008 and 2012, our institutions prepared 3.5 million adults with the education and skills essential for real jobs, real incomes and a real chance at America's middle class. We conferred 1.5 million degrees and 1.85 million certificates.

Finally, our institutions experienced a higher growth in degrees than all others between 2010/2011 and 2011/2012. Degrees conferred by our institutions increased 8.6 percent compared to 5.2 percent by public and 3.2 percent by private nonprofits. According to Bureau of Labor Statistics data, the degrees and certificates awarded by our institutions are in some of the fastest growing occupations nationwide. For example, in 2010/2011, we awarded 52 percent of all Dental Assistant Certificates,

50 percent of all Veterinary Technologists and Technicians Associate Degrees and 40 percent of all Diagnostic Medical Sonographers Associates Degrees. Without our students, employers in these fields would be unable to find the well-trained staff they need to deliver services to patients and customers.

We share your commitment to ensuring that every postsecondary institution provides the highest level of service to each and every student, especially active duty military, veterans and their families. We take great pride that our schools—with the support services, flexible schedules, and focused delivery of academics—are designing and delivering education in ways that meet the needs of today's military and veteran student. We strive to ensure that all students receive the education they deserve.

APSCU and our member institutions want to ensure that our students are well-prepared to enter the workforce and that every institution of higher education lives up to the high standards expected by our students. Private sector colleges and universities have a long and important relationship with our Nation's military and veteran students. We celebrate who they are and what they do. Our actions, as educators of hundreds of thousands of military and veteran students, honor this partnership by providing our military and veteran students with the best possible education experience at our institutions.

According to the latest data obtained by APSCU from the Department of Defense, 762 PSCUs are participating in the Tuition Assistance (TA) program and have been approved to offer courses to active duty military.

Earlier this year, when the various services announced that they would eliminate TA as a result of the sequester, Senators Hagan and Inhofe noted in their letter to Secretary of Defense Hagel that tuition assistance is an important recruitment and retention tool, which significantly contributes to our military's morale. As an all-volunteer force, during a period of prolonged conflict, effective recruitment, retention and morale initiatives are essential to attracting and retaining professional personnel. Over 60 percent of our servicemembers stated that the increased ability to pursue higher education was an important factor in deciding to join the military. More importantly, servicemembers have taken their ambitions and turned them into reality by taking classes and earning degrees, diplomas and certificates. These are truly extraordinary accomplishments achieved in stressful situations with time and our institutions are proud to be a part of the TA program and serve these dedicated men and women of the military.

The need for TA is confirmed in the words of Sergeant First Class James Wallace who is stationed at Fort Knox Kentucky and using TA to attend Sullivan University. In a recent letter to me, he said, "I believe that the Tuition Assistance program for soldiers is a great tool to help those people serving their country to help prepare for the future. It doesn't matter if that person is going to make a whole 20 year career or just complete one enlistment, there is life past the military." Sergeant Wallace went on to describe the value of TA for himself and his family saying, "Like many other soldiers I use the whole \$4,500 TA benefit every year. For the last 2 years, I have had to pay out of my own pocket so that I could take three classes per semester. Thanks to TA, I only have one quarter remaining before I receive my associate's degree. My associate's degree has helped me in applying to become a Warrant Officer. The TA program is about \$1,000 short depending on the college or university that you are attending. Even though I do come up short every year, it beats having to come out of pocket for the whole amount. Soldiers and their families already sacrifice enough to serve their country. Anything that the Government can do to help assist the quality of life for soldiers and families is greatly appreciated by them."

Another student, Staff Sergeant Thomas M. Windley wrote that he began attending ECPI University in the summer of 2004 as a veteran recently discharged from service in the U.S. Navy.

"Several months after enrolling with ECPI, I enlisted in the U.S. Army. During my attendance at ECPI, I was appointed System Administrator for my unit because of my knowledge of computer systems. I utilized my Tuition Assistance and I was able to complete my degree program and obtain an associate's degree in Network Security within 18 months. In 2007, I earned another associate's degree in electrical engineering; it was at this point in my military career that my civilian education assisted me in being promoted over my peers. In 2010, I worked on a network installation team and within 3 months I earned my CompTIA A+, Network+, and Security+ certifications due largely to my education, experience, and opportunity that ECPI provided me. In 2010 my military assignment took me overseas to Afghanistan. While deployed I earned my bachelor's degree in Computer Information Science with a concentration in Network Security. Earning my degree led to another

promotion, which was due to the tools and benefits ECPI provided in the areas of leadership, professionalism, and core curriculum content. I have been tasked, since my promotion, with training others in my unit both below and above me in rank, to sit for certifications, thus far those I have trained have a 100-percent pass record. I would highly recommend this program to fellow servicemembers, I believe ECPI to have the best customer service of any online school and I have attended several. Further the curriculum is very precise and concentrated in the areas most needed to perform the job at maximum proficiency.”

Whether we are talking about Sergeant First Class James Wallace, Staff Sergeant Thomas M. Windley or an Army Major working on her master’s degree for career advancement, these men and women know what they want and are committed to getting it. In our active duty military this might involve taking online classes on a computer at a far away posting or on a ship at sea. Their service coupled with their commitment to getting an education is truly extraordinary.

To ensure that all institutions of higher education are appropriately recruiting, enrolling, and educating military students, only institutions of higher education that have a signed DOD Voluntary Education Partnership Memorandum of Understanding (MOU) and are on the “List of Participating Institutions” are eligible to receive DOD TA from a service branch. Today, over 700 of our institutions proudly participate and have signed the MOU.

It is important to note that military installations are empowered to enforce the established rules and procedures with respect to misconduct by an institution of higher education, and the current MOU and Executive order exist to provide the appropriate authorities with the power to take the steps and actions necessary to ensure that any school engaging in illegal or improper practices is held responsible. If problems or concerns arise, they should be addressed through the existing processes, and by engaging institutions in ways that achieve appropriate solutions as soon as possible.

Educating our active duty military, is as important as fulfilling our commitment to veterans. According to the Veterans Administration data, more than 325,000 veterans and their families have been served by our institutions or 28 percent of all veterans using their post-9/11 GI benefits. Although veterans make up less than 10 percent of our students, we are proud to serve those who choose our institutions. More than 1,200 of our institutions participate in the Yellow Ribbon Program and a majority of those impose no limits on the number of eligible students while providing the maximum institutional contribution.

You might ask why we serve 13 percent of all postsecondary students but 28 percent of all veterans on the Post-9/11 GI bill? Quite simply, the answer lies in our customer service to the veterans. Returning from duty in Afghanistan or Iraq, most veterans do not want to live in a dorm and take five different 3-credit courses at a time. Rather, they want a focused and accelerated academic delivery that can transition them from the front lines to full-time employment as soon as possible. Because of our longer school days and year-round academic programming, our students can often complete an associate degree in 18 months or a B.A. degree in just over 3 years.

We know that challenges arise when our military men and women transition back to civilian life and enter into postsecondary education. Often, traditional institutions of higher education are not the best fit. Our military and veteran students are not the fresh-out-of-high school, first-time, full-time student living on campus and attending thanks to the generosity of family. Our military and veteran students are like many of our new traditional students—working, with a spouse and children and paying for education with money they have saved. Servicemembers and veterans attend our institutions because of many of the institutional qualities that are inherently ingrained into the framework of our institutions, such as geographic proximity to home or work, institutional emphasis on the adult learner, and flexible class schedules. This is why for over 65 years our schools have been providing education and training services to members of the armed services and their families.

We know that military students want career-focused education that is delivered in a flexible academic setting, which best meets their unique needs. Our courses are designed to be relevant, concentrated, and suited to the personal goals of our students; this educational foundation particularly benefits servicemembers who utilize TA to achieve a promotion, advance in rank, or supplement the skills attained during their service. This type of purposeful, tailored education ensures that military students nimbly move from the classroom onto their next academic or professional goal. The ability to offer courses on-base, online, and on the servicemember’s schedule, likewise, is of tremendous value, providing a full range of educational opportu-

nities that enable military students to maximize their education in order to achieve his or her academic goals.

In recognition of the growing numbers of military and veteran students enrolling at our institutions, APSCU adopted Five Tenets of Veteran Education that included the creation of a Blue Ribbon Taskforce for Military and Veteran Education. The Taskforce was comprised of a broad group of individuals who share a common commitment towards the education of servicemembers and veterans representing a diverse range of institutions, including non-APSCU members, as well as representatives of nationally recognized leadership organizations in the area of military and veteran postsecondary education. The Taskforce was specifically charged with identifying, collecting, and documenting practices and programs that meet the unique needs of military and veteran students, foster persistence, and enable them to meet their academic and professional goals.

I have attached a copy of the Best Practices to this testimony, so I won't discuss them in detail, but I would just highlight the four major topic areas addressed by the Taskforce:

- Consumer information, enrollment and recruitment makes clear that information should be provided in clear and understandable language and that no student should be subjected to aggressive or misleading recruiting practices.
- Institutional commitment to provide military and veteran student support identifies initiatives related to personnel and faculty designed to help employees understand the special needs of military and veteran students. It also identifies institutional policies aimed at assisting military and veteran students such as participating in the Yellow Ribbon program, offering a reduced military tuition rate, maximizing the use of military training credit recommended by ACE, or exceeding the standards of the Uniformed Services Employment and Re-Employment Act for deployed employees.
- Promising practices for ensuring military and veteran student success through student services discusses the need for student centers and partnerships, such as establishing a Student Veterans of America chapter or having a military and veterans lounge where students can meet and find peer to peer support.
- Establish institutional research guidelines for tracking military and veteran student success encourages the collection and use of data to improve programs and evaluate program effectiveness. We are encouraging all our institutions and our colleagues at other institutions of higher education to look at these Best Practices and find opportunities to implement them where appropriate in order to best serve our military and veteran students.

A 2010 study by the Rand Corporation and ACE entitled "Military Veterans' Experiences Using the Post-9/11 GI Bill and Pursing Postsecondary Education" reported findings which support the view that our institutions are working to support these students. The report noted the following:

- Rate of satisfaction with the credit transfer experience was 60 percent among survey respondents who had attempted to transfer military credits to our institutions, versus only 27 percent among those from community colleges and 40 percent among respondents from public 4-year colleges. Only participants from private nonprofit colleges reported higher credit transfer satisfaction rates, at 82 percent;
- Respondents from our institutions reported fewer challenges to accessing required courses than all other institutions except for 4-year publics (33 percent of respondents at public 2-year colleges, 26 percent at private nonprofits, 22 percent at our institutions and 18 percent at public colleges).

Survey respondents in private sector colleges and universities reported higher than average satisfaction rates with academic advising, at 67 percent, versus about 50 percent satisfaction among respondents at other institution types.

Reasons for choosing our institutions included: Career oriented programs with flexible schedules, like-minded adult students, flexible credit transfer rules and same institution in multiple locations.

Many PSCUs offer a reduced military tuition rate for active duty, National Guard, and reserve servicemembers and their spouses to minimize out-of-pocket student expenses beyond what TA benefits cover and offer scholarships to wounded servicemembers and their spouses as they recover from their injuries and prepare for new career opportunities. Some also maintain a military-friendly deployment policy, which allows military students to withdraw and return to school at any time if they are deployed and provide specialized military student advisors to evaluate past military training and experience and assess eligible academic transfer of credit based on American Council of Education (ACE) recommendations. The generous awarding of credit for military skills and experience and fair transfer of credit policies exemplify how PSCUs strive to be responsible stewards of this educational ben-

efit, as exiting servicemembers are not forced to take duplicative or extraneous classes.

We look forward to working with the Department of Defense, as well as the Department of Education to develop relevant outcome measures. Active duty military students are often deployed or transferred, interrupting their education. As we develop outcome measures and metrics, we need to be thoughtful and make sure they accurately reflect the real world environment our servicemembers operate.

Military students utilize TA as a means to career advancement or skills attainment; however, the benefit also assists servicemembers as they transition from soldier to civilian by providing the skills necessary for attaining employment in a tough job market. Recent Bureau of Labor Statistics (BLS) data suggest that the unemployment situation of our Nation's veterans is improving, this population, particularly in the age 18–24 category, has historically experienced higher unemployment than civilians. The Administration, veteran advocates, and veteran service organizations (VSOs) have responded by developing and implementing initiatives to put veterans in jobs.

The American Legion has partnered with DOD to educate State legislators and governors on the actual value of military skills and experience and how they translate into a civilian employment environment. Additionally, the American Legion is serving as an advocate for changing current State laws to enable credentialing and/or licensing boards to consider military skills and experience when evaluating a candidate for a license or certification. The American Legion has also partnered with the Administration and the Departments of Defense, Energy, Labor, and Veterans Affairs to evaluate the current job-task analysis (JTA), identify any gaps in the JTA, and work with the private sector and postsecondary education to the best address how to fill the gaps through higher education, on-the-job-training, or apprenticeships. This initiative relies on the symbiotic relationship between credentialing, higher education, public and private entities to proactively work together to reduce veteran unemployment.

Tuition assistance is valuable because it not only helps maintain the readiness of our Nation's military, but it provides active duty servicemembers with career ready training for life after they leave military service. When members of the armed forces leave, they enter a pivotal transition period that is often wrought with challenges, and as a result, the potential for failure is high. As we have discussed, our institutions are fully committed to helping veterans achieve success in higher education. This commitment and focus on educating members of the military, as well as veterans and their families is critical because according to the Defense Activity for Non-Traditional Education Support (DANTES) over 80 percent of members only have a high school diploma.

Our Nation currently faces twin crises—stubbornly high unemployment and a skills gap where employers all across the country cannot find trained and job-ready workers. The key to narrowing the skills gap and reducing civilian and veteran unemployment is an “all-hands-on-deck” approach to postsecondary education. All sectors of higher education must be part of the solution and accountable for the educational experience and outcomes of all students, especially military and veteran-students.

We want to work with you to provide our servicemembers and veterans, particularly young combat veterans, with the tools and resources to make an informed, thoughtful decision about which educational opportunity will best prepare them for the workforce.

The facts are simple: Career-oriented schools are educating America's next generation and helping secure our Nation's economic vitality. We all agree that a higher education degree greatly improves employment opportunities and income. And at a time of extended, high unemployment and economic hardship, we should be supporting anyone seeking access to skills and training that will allow them to better their own future.

President Obama has made it his goal to have the highest proportion of college graduates in the world by 2020. To meet President Obama's challenge we will have to ensure that people who historically have not pursued higher education or succeeded in completing their postsecondary education must attend and complete their education. From both a jobs and a global competitiveness standpoint, our institutions can help fill the existing education and skills gap and meet capacity demands that cannot be satisfied by public and private nonprofit colleges alone. Increasing the number of educated people is essential. Research shows that raising the college graduate rate just a single point will unleash \$124 billion per year in economic impact on the 51 largest metropolitan areas in the United States.

Private sector colleges and universities have demonstrated a unique capability to confront the challenges of educating America's middle class. We have been at the

forefront of the effort to close the skills gap by offering career-focused training aiding business owners seeking workers with specific training and expertise. We have made it our mission to close this gap and are working every day to achieve that end.

Private sector colleges and universities are able to accommodate the needs of non-traditional students in ways that traditional 4-year universities cannot. Whether its veterans' transitioning from war zones to the workplace or single parents with family responsibilities seeking a way to earn more for the future, career-oriented schools understand the rigorous demands that these individuals face and tailor course schedules, offer focused curriculum and provide academic delivery mechanisms that fit their needs. We are also investing in our students and expanding facilities to meet the growing demand for higher education, which includes returning veterans, their spouses and families.

We share President Obama's commitment and passion for education, and look forward to working with him and the Congress to ensure that all Americans can attain the skills they need to access meaningful opportunities.

We take seriously the charge to work with active duty and military student populations and prepare America's students to succeed in the workforce. Private sector schools look forward to helping these students achieve their dreams, maintain military readiness and prepare them for life after the military.

Thank you for your time. I look forward to answering your questions and discussing these important issues with you today.

Senator DURBIN. Thank you, Mr. Gunderson.
Mr. Selbe from the University of Maryland.

STATEMENT OF JAMES H. SELBE, SENIOR VICE PRESIDENT, UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE

Mr. SELBE. Chairman Durbin, Member Cochran, thank you for the opportunity to appear today.

As you mentioned, I am with the University of Maryland University College relevant to today's testimony. I am also a 20-year veteran of the United State Marine Corps.

On behalf of our President, Javier Miyares, who is participating in our overseas commencements this week, I would also like to express UMUC's appreciation to Appropriations Committee Chairwoman, Barbara Mikulski, for her longstanding support of our commitment to the military, and for her critical role in reinstating military tuition assistance through the Senate's continuing resolution. We have no better friend, and we thank her.

At UMUC, we say with pride that serving the military is a part of our DNA. In 1949, the Pentagon asked American universities for proposals on how best to educate Active Duty military personnel in Europe. The University of Maryland was the only school to respond.

That year, classes began in Europe to overwhelming demand and in 1956, the programs expanded to Asia. More recently, we have sent faculty and staff to Iraq, Afghanistan, Africa, and locations throughout the Far East.

Today, we serve approximately 97,000 students in 28 countries and all 50 States, about 50,000 of whom are Active Duty military servicemembers, veterans, and their families. These remarkable men and women take classes onsite at more than 150 locations including military bases throughout the world, and online through our award winning virtual campus.

From a personal perspective, I came into the Marine Corps having never given any serious thought to going to college. But before I retired, I earned both an undergraduate and graduate degree. I am convinced that I would never have taken that first step if it

were not for three major elements of the voluntary education program.

As a first time, first generation student, I benefitted greatly from easy and convenient access to highly qualified counselors at the military base education centers.

Second, as a part-time student, what seemed unachievable was made realistic by the opportunity to earn college credit for my military training and other life experiences.

Finally, as an enlisted servicemember, I had very little disposable income and would not have been able to afford the cost of college had it not been for military tuition assistance.

I benefitted greatly from receiving my Masters of Education from the University of Maryland College Park prior to my retirement. My educational credentials have opened doors that otherwise might have been closed. As such, I have had the opportunity to pay it forward by serving those who have followed behind me.

Today's returning veterans are coming home to a highly competitive job market, and as the numbers indicate, far too many are unemployed and countless others are underemployed. When competing against nonveterans, the key differentiator is often a college degree.

The military services have made a significant investment in narrowing this gap by funding the cost of college through the tuition assistance program. As we saw, the response to the abrupt elimination of military tuition assistance in March of this year by branches of the military provided a clear example of the importance Americans place on higher education benefits for servicemembers.

As you know, the outcry from military students, veterans, military support organizations, educators, economists, and the general public was swift and powerful. They made clear that this program is a key element of the basic compact between our Government and the thousands of Americans who agree to enlist and risk their lives to protect the United States. We commend this committee and your colleagues in the U.S. Senate and the House of Representatives who came together in bipartisan support to reverse these decisions.

The University of Maryland University College strongly supports the work of this committee in exploring proven practices in improving and assessing the Department of Defense's voluntary education program. Those who have volunteered to support and defend America deserve nothing less than the best we have to offer.

PREPARED STATEMENT

Mr. Chairman, education is the best investment we can make in the future of those who put their lives on the line for our country. As we have done for more than 60 years, UMUC stands ready to provide that education anywhere in the world that our military needs to go.

I thank you for allowing me this time. I am happy to answer any questions, and welcome the opportunity to work with this committee moving forward.

[The statement follows:]

PREPARED STATEMENT OF JAMES H. SELBE

Mr. Chairman and members of the committee, on behalf of our president, Javier Miyares, who is participating in our overseas commencements this week, I thank you for this opportunity to share University of Maryland University College's (UMUC) proud history of more than 60 years of service to our Nation's military around the world as an open access, public university and a member institution of the University System of Maryland (USM).

My name is James Selbe, and I am Senior Vice President for Partnerships, Marketing and Enrollment Management at UMUC. I am also a proud veteran, having served for 20 years in the U.S. Marine Corps.

I would like to begin by expressing UMUC's appreciation to Defense Appropriations Committee Chairwoman, Senator Barbara Mikulski, for her long-standing support of UMUC's commitment to the military and for her critical role in including reinstatement of the Military Tuition Assistance Program in the U.S. Senate Continuing Resolution. The Military Tuition Assistance Program, a critical component of the Voluntary Education Program, serves three vital purposes:

1. It assures recruits that they can enlist right out of high school and still receive a college education.
2. It trains personnel in the skills needed to ensure a professional military as those skills become more complex.
3. It provides for an educated workforce as veterans return to civilian life and seek full-time employment.

The abrupt elimination of Military Tuition Assistance in March of this year by several branches of the military proved a dramatic example of the importance Americans place on higher education benefits for servicemembers.

As you know, the outcry from military students, veterans groups, military support organizations, educators, economists, and the general public was swift and powerful. They made clear that this program is a key element of the basic compact between the U.S. Government and the thousands of young Americans who agree to enlist and risk their lives to protect the United States.

We could have no greater champion than Senator Mikulski and we thank her—and you—for the bipartisan support this committee has demonstrated for higher education opportunities for our active duty military forces and their families.

UMUC commends this committee for holding this hearing to draw attention to the important role of the Voluntary Education Program and Military Tuition Assistance. Currently, UMUC has some 50,000 military personnel, veterans and their families—more than half of our overall student body—enrolled in our courses. These men and women take classes on site at more than 150 locations—including military bases in Afghanistan—as well as online through our award-winning virtual campus.

We are committed to providing high-quality, low-cost, state-of-the-art, comprehensive, academically challenging course work for our service men and women. And we are committed to helping them succeed in their studies and their careers. In the past 3 years, we have created groundbreaking new undergraduate and graduate programs in cybersecurity in order to train students for this rapidly growing job market that demands specialized skills, an area vital to the defense of our country.

UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE'S LONG AND RICH HISTORY EDUCATING
OUR NATION'S MILITARY

At UMUC, we say with pride that serving the military is in our DNA.

It all began in 1949 after the Defense Department decreed that all military officers must have at least 2 years of college education. While military personnel stationed in the United States could attend local colleges, those in war-ravaged Europe were not afforded the same opportunity. Among those advocating that the Pentagon provide higher education to troops stationed in Europe was Air Force Col. William C. Bentley. While serving at the Pentagon, he already was taking classes at the University of Maryland's College of Special and Continuation Studies—the forerunner of UMUC. The Pentagon issued a call to the Nation's universities, asking for proposals on how to educate active-service personnel in Europe.

Only the University of Maryland responded.

With just 1 week to organize a program, George Kabat, dean of Maryland's College of Special and Continuation Studies, gathered seven professors willing to turn their lives upside down to travel to war-ravaged Germany and establish the first classes at a U.S. military base. In the first month, more than 1,800 military personnel signed up, overwhelming the seven professors.

By that time assigned to Germany, Col. Bentley was among those students. In our very first graduation ceremony at Heidelberg in 1951, he was awarded a bachelor's degree in military science. And in one of life's amazing coincidences, just 1

month ago, William C. Bentley's great-granddaughter, Lauren Bentley, earned her bachelor's degree in psychology in what will be our last graduation ceremony before the Heidelberg campus closes. In total, four generations of this single family have served their country and experienced the education benefits that William C. Bentley helped launch.

During the Cold War, UMUC's education program quickly expanded wherever American troops were needed—in Europe, Africa, the Middle East and, beginning in 1956, in Asia and the Pacific Islands—Japan, Okinawa, and South Korea.

Dwight Eisenhower was the first of seven presidents who have commended UMUC's work when he wrote a letter in 1959 saying, "The fact that more than twenty thousand members of our Armed Forces are now enrolled in the overseas education program is most heartening. This is further proof of Americans' respect for higher learning, and, in particular, the eagerness of the men and women of the Army, Navy, Air Force and Marine Corps to take advantage of their educational opportunities."

During the Vietnam War, UMUC for the first time—but certainly not the last—sent professors into combat zones by establishing classrooms at 24 military bases across South Vietnam. In the late 1960s, a revolution against the King of Libya spilled over into the UMUC campus serving Wheeling Air Force Base. Water pipes were blown up, bombs thrown and the center had to be abandoned. But classes were up and running again by the next term.

UMUC adjusted to the all-volunteer military where education became more critical to military morale than ever. Instructors traveled by plane, train and sometimes sam loe, a three-wheeled pedicab, to reach service men seeking an education. They earned the reputation as the "Academic Foreign Legion" with the motto, "Have syllabus, will travel."

Time and again, UMUC faculty known as "downrangers" have ventured into remote parts of war zones, traveling dangerous routes to reach accommodations that sometimes were little better than cobweb-filled garden shacks. In Afghanistan, the schools have come under attack. During a May 2012 graduation ceremony at Kandahar, graduates interrupted their reception to dive into bunkers as enemy rockets fell nearby. As one participant said, "It was a ceremony where you don't just hear a speaker talk about heroes, but one where they surround you."

We have no trouble finding professors who want to volunteer for this duty. They have a commitment to military education. Some of them are veterans. There is a sense of adventure that speaks to them. But most important, they know how important what they are doing is to the success of our military and to the country.

UMUC is used to pulling up stakes and pulling out whenever the American military mission ends in one place. And we are just as prepared to deploy our professors wherever the new combat zone or military outpost may be. All that we can predict is that conditions will change and they will change overnight. Our troops will continue to be a military support power. And we will be right there. We just don't know when and where.

UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE TODAY

Today, UMUC offers 130 undergraduate and graduate degree and certificate programs and serves over 92,000 students in 28 countries and all 50 States. UMUC's principal aim—and, correspondingly, our online service model—are centered on providing high quality, low-cost postsecondary education to working adults in Maryland, and around the world, with a particular focus on serving active duty military personnel. Our students seek the rigor and quality characteristic of the University System of Maryland, delivered through an open, affordable, and easily accessible format aligned with adult learners' busy lives and work schedules.

UMUC is a proud recipient of the highest honor in distance education, the "Sloan Consortium Award for Excellence in Institution-Wide Asynchronous Learning Network Programming." In 2010, UMUC received three IMS Global Learning Consortium awards: Learning Impact Award; Best in Category, Faculty Development Network for the UMUC faculty e-zine; and Best in Category, Online Laboratory for UMUC's online hands-on labs in information assurance. Also of note, UMUC received the 2011 Institution Award from the Council of College and Military Educators (CCME) in recognition of its quality education programs that are provided to the armed services.

As an open access university, UMUC also attracts an exceptionally diverse student body, representing myriad ages and abilities, cultural traditions, and socioeconomic circumstances. UMUC enrolls a substantial number of the State of Maryland's non-traditional and underserved student populations and graduates a significant portion of the State's minority degree recipients.

A snapshot of our students reflects that:

- Many UMUC students are in their 30s and 40s (with an average age of 31);
- Four out of five of our students work full time;
- Nearly half of our students are married, with children;
- More than half of our students are women; and
- Of our current students:
 - 17 percent were new to higher education;
 - 26 percent were new to UMUC;
 - 30 percent are overseas students;
 - 49 percent were transfer students;
 - 56 percent are in the military or affiliated with the military (28 percent active duty); and
 - 76 percent are undergraduate students.

UMUC is committed to ensuring our students' success and satisfaction, just as we remain committed to continually improving our programs and practices to meet the evolving needs of working adults and other nontraditional learners. This includes a recent transition (fall 2011) to an outcomes-based curriculum designed to better meet the current needs of undergraduate students. That redesigned curriculum involved:

- Redefining academic program objectives based on employer feedback, and cascading the redefined program objectives into course objectives.
- A year-long research program to compare student learning achieved by the same online courses in different lengths.
- The work of more than 600 full- and part-time faculty.

Our commitment to quality and student success is validated in numerous ways, including through an examination of our student retention rates. The retention rate for new students admitted in fall 2010 is 70 percent. UMUC understands that adult students often stop working toward their educational goals (i.e., "stop out") because of deployments and family and work considerations; therefore, we are very proud of this retention rate and seek to increase it every year. UMUC's commitment to transparency in its performance is reflected in many different types of data points on our Web site, so that prospective and current students and employers can meaningfully evaluate the quality of our offerings. This material includes information about our employees and students, degrees awarded, graduation rates, and much more. In this context, it bears noting that UMUC's student loan default rates for fiscal year 2006–2009 range between 3.1 percent and 4 percent. These rates place UMUC in the middle of the USM degree granting institutions and lower than national data.

STUDENTS IN UNIFORM: A LOOK AT THE UNIVERSITY OF MARYLAND UNIVERSITY COLLEGE MILITARY STUDENT EXPERIENCE

There has recently been a steady decline in undergraduate enrollments across higher education. This has led a growing number of institutions to begin targeting military students and veterans to replace lost revenue. Educating active duty military students is not like educating any other kind of student and those institutions that decide to embark on this path need to understand this. These students are also our Nation's protectors. They stand on the front lines so that we can be safe. They bear a heavy responsibility for their country and we who endeavor to educate them bear a heavy responsibility to them.

Military students face extraordinary challenges that require dedicated resources and highly skilled advisors. UMUC has created a successful military learner framework based on early, embedded, tiered interventions and sustained, differentiated support at strategic points along the student journey.

Every day UMUC Military Advisors answer on average 480 calls and 600 e-mails from military students who are at various stages in their degree progression and who are stationed around the world. UMUC's dedicated team of advisors and support personnel ensure that today's military members are equipped to transition from combat to classroom to career.

Prospective students hear about UMUC from a variety of sources, including television and radio media, AFN and Stars and Stripes ads, as well as by word of mouth from any one of the tens of thousands of other military students and alumni of UMUC. UMUC's presence on 150+ military bases around the world also contributes to the number of prospective students that come through our doors every day.

Here is how our military student support works through the eyes of a hypothetical NCO I call Sgt. Smith.

Sgt. Smith is called by a military advisor after he attends an Ed Fair at Fort Meade and requests more information on a cybersecurity degree. The advisor engages in a dialogue with Sgt. Smith that focuses on:

- MAPPs (Motivation, Admissibility, Program, Payment, Start Date).
- Sgt. Smith's advisor also discusses his schedule (military trainings, possible deployments, family) and what he has done while in the military (Military Occupation Specialty duties) to begin formulating a plan.
- Sgt. Smith's advisor creates a record in the University's student information system in order to provide accurate and timely follow up.
- If Sgt. Smith hasn't taken an online class before he will be encouraged to test drive UMUC 411, an online classroom where he can develop his confidence and talk to faculty, advisors and potential classmates who understand the demands of military life.

Information is shared with prospective students in a variety of ways. Telephone and e-mail communication are routinely used by military members, but UMUC also has online guides and tools to help these students navigate the often unfamiliar path in higher education. Once a decision has been made to attend UMUC, the military advisor works with the student to identify the most appropriate pathway.

Sgt. Smith decides his work, deployment schedule and home life will currently allow him to pursue his goal of obtaining his degree. He has a discussion with his advisor to review his next steps:

- Sgt. Smith gathers his unofficial transcripts and his advisor begins the tentative evaluation process in his chosen field of Cybersecurity to see his potential transfer credit.
- Sgt. Smith's advisor ensures maximum use of his military credit as well as any credits that he is transferring from other institutions.
- A discussion now occurs regarding the application process; Sgt. Smith is made aware of the application fee and UMUC's military tuition rate and he receives a "Welcome Packet" as an introduction to UMUC and the resources UMUC has available to military students.
- Sgt. Smith's advisor provides him with recommendations for his first and second semester course planning in order to provide an extended path to follow.
- Sgt. Smith's advisor looks at credit by exam options in order to maximize efficiency in degree completion.
- The military advisor also revisits Sgt. Smith's transfer credit and experience in higher education to determine if EDCP 100 should be suggested as a potential first course.
- EDCP 100: Principles and Strategies of Successful Learning: A military specific section of the standard UMUC class that serves as an introduction to knowledge and strategies designed to promote success in the university environment.

Once the decision to enroll has been made, students register for classes in a variety of ways. Some register on their own via the MyUMUC student portal; those using Army Tuition Assistance register via the GoArmyEd portal; and others call or e-mail into advising to request assistance with the steps to register. In all cases, an immediate message goes out to students upon registration with follow-up instructions such as logging into the learning platform; purchasing course materials, making payment, and noting add/drop deadlines. Advisors check in at key moments during this critical first term of enrollment.

Sgt. Smith is granted support and tuition assistance approval from his Education Center to enroll into six credits for the current term. He registers for the two courses recommended by his advisor. The classes begin next week:

- Sgt. Smith's advisor contacts him on the first day of class to ensure he has logged in to the virtual classroom, reviewed the syllabus, gathered his course materials and posted an introduction in the classrooms.
- If Sgt. Smith has not completed any of the steps, the advisor troubleshoots potential barriers—time & schedule, technology, personal—and makes recommendations as appropriate.
- Sgt. Smith's advisor sets a short-term next action to check and confirm steps have been taken and a long-term next action to make sure Sgt. Smith stayed on track.
- Sgt. Smith is offered participation in Successful Beginnings, an online orientation guide that helps tackle all administrative, academic, and financial issues a new student faces.

The first term can be a challenge for students despite preparation efforts, as they are still learning to navigate through their academic careers. Many have been out of education for a significant length of time and some may stumble before gaining

solid footing. UMUC has in place several layers of “safety nets” to catch problems early and cushion the experience for students.

Sgt. Smith has been logging in and participating in classes, but feels he is struggling. He feels underprepared compared to his classmates in the area of writing and math. He is unsure about his choice of major. His workload has unexpectedly increased adding to his stress.

- Sgt. Smith’s advisor calls to check in and hears “trigger words” that indicate he is having difficulty. The advisor begins problem solving the source of struggle and offers UMUC resources (Accessibility Services, Effective Writing Center, Center for Student Success, and Tutoring) as appropriate. (Within the semester, the student may be contacted based on external factors pertaining to that student—for example, if the student has an outstanding balance, if his or her Official Evaluation has been completed, or if transcripts/mil docs have come in or are still missing; communication is tailored as needed)
- Because Sgt. Smith’s Official Transfer Evaluation is completed within this first semester, his advisor maps the entire degree to plan out prerequisites, potential pitfall courses, and preparedness of each semester’s enrollment. The advisor also negotiates a realistic graduation deadline that works with Sgt. Smith’s eventual goals.
- During the Degree Map discussion, the advisor also opens the door to next semester’s registration by offering classes from the Degree Map and highlights possible opportunities for outside professional certifications.
- The advisor periodically touches base with Sgt. Smith to ensure continued success and mentions registration for the next semester as appropriate—in addition, advisor will be listening in these conversations for concerns or frustrations that may need to be addressed, such as potential reasons for withdraw and exception process information.

Every military student is unique and most are traveling on a nonlinear journey with multiple start and stop points. Military students’ multi-institutional attendance and discontinuous enrollment can be broken down into several different “swirls” that affect their retention. Whether the swirl includes a trial enrollment to see if the school “fits,” a supplemental enrollment at another institution to expedite degree completion at the home school, or a serial transfer student, UMUC seeks to mitigate the repercussions of these student-made decisions and in fact, encourages continued progression.

Sgt. Smith eventually found his footing and with support from UMUC services and faculty, he was able to pass his first courses. He feels more confident with six credits under his belt but still feels trepidation about taking math courses online. He also wonders if he can accelerate his degree progress by testing to earn additional credit.

- Sgt. Smith’s advisor prepares and gains approval for Sgt. Smith’s “Letter of Permission” which allows him to take his math class face-to-face at a local community college near his base. The credit will reverse transfer back to UMUC upon his successful completion of the math course.
- Together, Sgt. Smith and his advisor explore him taking American Government and Introductory Sociology through a College Level Examination Program (CLEP) credit by examination test. This testing option saves Sgt. Smith time as well as Tuition Assistance funds. Credit by exam is also an excellent option for Sgt. Smith when he is on temporary assignment and unable to take classes during a term. Credit by exam allows Sgt. Smith to stay on schedule.

The path to degree completion for a military learner—whether it be an associate’s, bachelor’s or advanced degree—is a long one. Competing time demands, changes in duty locations, commander support and family responsibilities all contribute to the need to delay goals, both short and long term. With the appropriate framework and a scaffolding of support for the military student, success is achievable.

UMUC’s relationship with the student doesn’t end when the military student makes the transition from the classroom to career upon graduation or upon separation from the military. At UMUC, the student’s academic journey follows a parallel path that coincides with the transition to civilian status. A team of veteran advisors have a tool box that allow the veteran military student to continue his/her path to academic success or to that coveted career in cybersecurity.

Sgt. Smith self identifies to his advisor that he is separating from Active Duty in 12 months and is excited to be completing his final 15 credits.

- Sgt. Smith’s advisor discusses his “after degree” plans.
- The advisor promotes transitional information, may revisit professional certification where applicable, and highlights deadlines for graduation application and details of the graduation checklist and Commencement.

- The advisor engages Sgt. Smith in UMUC's Career Services as a resource. Resume writing, job fair preparation and strategies for Federal job searching are all topics to be discussed with Sgt. Smith.
- Where appropriate, Sgt. Smith's advisor would also introduce potential graduate programs and discuss the graduate school admissions criteria and process.
- As a cybersecurity major, Sgt. Smith qualifies for the articulation agreement between UMUC's Undergraduate School and Graduate School which allows eligible students who complete their undergraduate degree at UMUC with a major in cybersecurity to reduce their total coursework for the M.S. in cybersecurity or cybersecurity policy by 18 credits (three courses).

TRACKING AND REPORTING MILITARY STUDENT OUTCOMES

The difficulties in tracking and reporting student outcomes for military students are many and complex. Despite these challenges, UMUC is firmly committed to transparency in reporting student outcomes for our military students. Furthermore, we applaud recent efforts by the Department of Defense and the Department of Education to develop measures more appropriate to military students and other nontraditional cohorts.

The challenges in measuring student outcomes start with the need to agree on definitions and to then identify key measures that are appropriate to the enrollment behaviors and desired outcomes of military students. The Department of Defense has taken a major step toward addressing these issues by requesting that the Servicemembers Opportunity Colleges (SOC) convene a working group to assist colleges and universities to more consistently define military students and establish data collection parameters. A white paper, *Educational Attainment: Tracking the Academic Success of Servicemembers and Veterans*, was published by SOC and includes background information and recommendations.

UMUC has adopted many of the recommendations of the aforementioned working group. These recommendations include:

- Define military students as Active-Duty, Reserve, and National Guard servicemembers receiving Military Tuition Assistance.
- Track and report military students who:
 - have successfully completed three courses/nine semester hours in a 2-year period, and
 - have a cumulative GPA > 2.0, and
 - who have transferred in and have had accepted at least nine credit hours.
- Track the cohort at a rate 200 percent that of "normal" time—8 years for bachelor's and 4 years for associate's programs.

Based on this methodology, UMUC is now tracking military students beginning with the 2006 cohort. The graduation rate for students who have completed their degrees within 5 years after starting is 53 percent. This compares favorably with our overall student population (56 percent) and even more favorable when benchmarked against national rates for undergraduate students attending public institutions (50.6 percent).

(*Educational Attainment: Tracking the Academic Success of Servicemembers and Veterans*—by Servicemembers Opportunity Colleges—is attached to written testimony.)

U.S. MILITARY TUITION ASSISTANCE PROGRAM—TOO IMPORTANT TO THE NATION TO CUT

As our fictitious Sgt. Smith shows, UMUC has developed an extensive support system that is aimed at our military students and their unique problems in completing an education. UMUC is, in fact, uniquely qualified to help military personnel based on our proud history, our track record of success and our continuing efforts in the 21st century to provide high-quality, low-cost higher education to our Nation's servicemembers.

Just how valuable military education is to the participants and to the Nation became starkly clear when, on March 5, 2013, the U.S. Marine Corps became the first branch of the services to eliminate the Military Tuition Assistance Programs—not cut it back, but eliminate it altogether. In rapid succession, other branches followed.

As mentioned, the outcry from across America was immediate. Students, veterans, educators and employers made clear to Congress that the Military Tuition Assistance Program is not a frill and is too important to the country to cut. It is a key element of the basic compact between the U.S. Government and all Americans who enlist to protect the United States. Many of them are right out of high school, and they agree to serve with the understanding that the military will provide them with a good education. The promise is right there on the recruiting Web sites.

As everyone in this hearing room knows, the uproar was so intense that Congress acted with lightning speed and bi-partisanship not seen in many years. On March 20, the U.S. Senate passed a continuing resolution including a provision directing the military services to reinstate the Military Tuition Assistance Program. The next day, the U.S. House passed the same bill. And on March 27, the President signed the bill into law. It took only 22 days from start to finish for the country to speak and for Congress to hear and act to reinstate one of the most popular and essential programs the Nation can provide to those who defend our country.

During the controversy, Gen. Martin E. Dempsey, chairman of the Joint Chiefs of Staff, told a Washington, DC, audience that “there is nothing more important in a democracy than education.” He called himself “the military’s highest ranking student,” and education “a national strategic resource.”

Education is key to the very ability to function in the military. Our ever-more-sophisticated defense systems depend on highly educated personnel working in complex environments. Or as Gen. Dempsey said, “We ask these young men and women to solve some of the world’s hardest problems in its hardest places.”

Education is also key to the ability of our veterans to function in civilian life. When servicemembers return home, the best predictor of how well they will fare in finding employment and successfully readjusting to life after the military is the level of education and professional training they have when they separate from the service. Military personnel who leave the service without this education will have a harder time finding civilian employment, adding to the already high unemployment rate for veterans and hurting our economic recovery.

We at UMUC were pleased and proud that Gen. Dempsey understood the value of this education and that so many of you on this committee came together in a bipartisan effort to reverse the decisions of the Armed Forces. That was a ringing endorsement of what matters most in the defense of this Nation—an all-volunteer force, well educated and with high morale.

Mr. Chairman, education is the best investment we can make in the future of those who put their lives on the line for our country. And as we have done for more than 60 years, UMUC stands ready to provide it anywhere in the world that our military needs to go.

Thank you.

EDUCATIONAL ATTAINMENT: TRACKING THE ACADEMIC SUCCESS OF SERVICEMEMBERS
AND VETERANS

July 2012

Disclaimer: Servicemembers Opportunity Colleges (SOC) is a Department of Defense contract managed for the department by DANTES (Defense Activity for Non-Traditional Education Support). The statements and recommendations contained in this white paper were formulated by members of a working group and do not necessarily reflect the views or policies of the Department of Defense.

EXECUTIVE SUMMARY

The increased concern over program accountability for student success across the spectrum of higher education has called attention to the need for consistent, relevant, and reliable definitions and measures of student progression and student outcomes. Current sources of data are inadequate to the task of establishing common measures of military student outcomes. Databases that would permit Voluntary Education policymakers to track military student outcomes and permit comparisons across institutions that serve them are not available. The problems are compounded by the mission-defined mobility of active-duty servicemembers. This paper is a collaborative approach toward developing common definitions and common measures of success for this sub-population of adult learners.

The findings of this report are, at this time, only recommendations.

INTRODUCTION

The multimillion-dollar investment by the U.S. Department of Defense (DOD)¹ and the U.S. Department of Veterans Affairs (VA)² in providing higher education access to our servicemembers has understandably raised key questions related to the outcomes derived from this investment. In April 2012, President Obama signed an executive order requiring institutions receiving payments from military or veteran education benefits to produce outcomes data on servicemembers and veterans as well as provide them additional educational assistance. In addition, DOD, VA, and congressional committees are actively questioning the return on investment of the military Tuition Assistance (TA) program. The current federal budget situation has added urgency to these demands for accountability. This paper is the product of a working group convened by Servicemembers Opportunity Colleges (SOC) to propose specific parameters for addressing the accountability issue.

In defining the parameters of the charge, the working group limited itself to identifying the need for metrics, and how to define the participants in data collection. The report certainly does not dismiss the importance of other questions, such as the extent to which TA/VA-supported education contributes to job performance or how Voluntary Education participation impacts military retention. Similarly, the paper does not duplicate the research of the Council for Adult and Experiential Learning (CAEL) and others about the relationship between earned prior learning credit and persistence and time to degree completion. The report appreciates that the cohort definition may not be easy for some institutions to currently implement, and how this might be managed as a policy matter is an important question. Finally, the paper does not recommend any benchmarks nor identify any standard measurements of success.

PURPOSE OF THE PAPER

This paper focuses on providing a set of common definitions and a common methodology that will permit comparisons of institutional-level metrics. At the request of military-serving institutions, the working group has provided a consistent and measurable definition of a military student, data collection parameters, and next steps.

This paper is a collaborative approach toward developing common definitions and common measures of success for this sub-population of adult learners.

HISTORY/BACKGROUND OF THE WORKING GROUP

In February 2010, SOC conducted a pre-conference Burning Issues Summit at the annual meeting of the Council of College and Military Educators (CCME). The Summit generated considerable discussion on the diverse practices, policies, and metrics that colleges employ to assess persistence and degree completion of adult learners. There was no consensus, however, on what definitions and metrics could most effectively capture the military student population. It was recommended that SOC provide leadership to bring together a working group of key stakeholders in the voluntary education community to focus on persistence (progress to degree completion), and degree completion metrics for this group of adult learners.

In December 2010, a working group of higher education and military education strategic thinkers and data analysts began to identify a common set of definitions of persistence and degree completion as well as to propose a common set of variables that would allow comparisons across the Voluntary Education community.

The working group was charged with:

- Making recommendations on possible metrics and variables for evaluation
- Improving the data collection process by which military students are measured, including their success and nonsuccess (as defined both by the military and by institutions, since these definitions differ)
- Defining what is a military and veteran student for data collection purposes.

This focus on metrics sought to inform and shape policy decisions and institutional program accountability. The initial focus was on active-duty servicemembers but was later expanded to include veteran students.

¹For FY 2010, DOD spent approximately \$641 million dollars on active-duty and Reserve component TA funding.

²For FY 2013, VA estimates more than \$8 billion dollars in educational expenses.

In an effort to avoid redundancy, the working group sought to incorporate research already completed by military-serving institutions. The group also explored how certain existing methodologies for collecting, analyzing, and reporting data could be adapted to better reflect the experience of military students and veterans in postsecondary education. That analysis produced the recommended framework and definitions.

In constructing this paper, the working group collaborated with stakeholders and constituents of Voluntary Education including Transparency By Design (TBD), the Council of College and Military Educators (CCME), the National Association of Institutions for Military Education Services (NAIMES), the SOC Advisory Board, and others.

A full membership list is found in Appendix C.

ENVIRONMENTAL CONSIDERATIONS

As of the printing of this report, the political environment regarding accountability of Tuition Assistance dollars spent and the desire to research and dictate success measures is complex. President Obama's April 27, 2012 signing of an executive order mandating data collection from institutions as well as (among other requirements) the establishment of a federal, centralized complaint database for servicemembers and veterans about colleges and universities at which they study is the most recent political development.

Previously, studies by the Lumina Foundation, the Bill and Melinda Gates Foundation, and other organizations have proposed various methodologies and determined findings related to military or veteran student education. Tuition Assistance and the future of the Voluntary Education community has been the subject of Congressional hearings and white papers. Where possible, the findings and suggestions of these reviews have been incorporated into this paper. For additional information, please reference Appendix A.

INTRODUCTION TO THE MILITARY STUDENT

It is rare for a servicemember to be both active-duty military and a full-time, first-time student.³ Data from some of the largest providers of higher education to the military indicate that the average military student currently takes less than three courses a year. This means that military students are not included in the Department of Education's first-time, full-time completion calculation, and they will not complete their degrees within the 150% time line (normally 6 years from beginning to completion of a B.A. or B.S. degree).

The military force is increasingly mobile and prefers the flexibility and portability of online courses. The FY 11 DOD Voluntary Education Fact Sheet reported that 73% of all servicemembers participating in the military Tuition Assistance program enrolled in online classes.

Even with a DOD 100% Tuition Assistance reimbursement program (with limitations), the most lucrative GI Bill program in history, and development of service-specific virtual education portals, educational achievement remains relatively low and stable among the military force. Data from the FY 2011 DOD Voluntary Education Levels Report indicate that approximately 85% of the enlisted force do not possess at least an associates' degree, nearly 95% of the enlisted force do not possess a bachelor's degree or higher, and approximately 58% of the officer corps do not possess a master's degree.

Military students behave differently than other non-traditional adult populations. Because of deployments and the rapid pace in theater in recent times, it is often difficult for students to predict when is a good time to start a course or if they will be able to complete it on time. For this reason, institutions that serve the military have to have very liberal withdrawal and leave of absence policies that will not punish servicemembers for work conditions that are beyond their control. In addition, some military students are under-prepared for college because they did not complete a college preparatory track in high school.

³A full-time student, as defined by the Department of Education, is an undergraduate student enrolled in at least 12 semester hours or quarter hours, or more than 24 contact hours a week each term. An undergraduate part-time student is one who is enrolled either less than 12 semester hours or quarter hours or less than 24 contact hours a week each term. For graduate students, part time is defined as less than 9 semester or quarter hours.

Military students behave differently than other nontraditional adult populations. adult learners.

Data from some of the larger institutions that serve the military indicate that the average military student attends three or more colleges before earning an undergraduate degree. Military students often *stop out* which means they stop attending college and resume later.

Even when an institution is able to offer an online program to meet the frequently reassigned military member's needs, sometimes there may be connectivity issues. While connectivity may be limited for troops in a remote war zone such as Afghanistan, it may also occur when members of our navy are at sea, assigned to ships and submarines. Additionally, some of the psychological stresses (PTSD, etc.) experienced by many members of our modern military may impact all course-based learning as well as extend the time required for degree completion.

METHODOLOGY

The widely accepted methodology used to monitor persistence and graduation rates is the cohort tracking approach. This methodology is central to IPEDS⁴ and provides tracking over a period of time for a cohort of students, with metrics at key milestones (enrollment in Fall terms) and a final metric on graduation (six years after first enrollment): *Of X students, A% returned for a second year and B% graduated after six years*. The cohort tracking methodology has also been endorsed by the American Association of Community Colleges and by the Transparency by Design Initiative.⁵

The key issue, however, becomes how to appropriately define the cohort for military-serving institutions. The IPEDS definition is wholly inadequate for this purpose because it tracks only first-time,⁶ full-time, degree-seeking freshmen. Acknowledging the growing interest in data collection on military and veteran students who do not fit this IPEDS definition, the National Center for Education Statistics (NCES)—which is responsible for IPEDS—held a Technical Review Panel in November 2011 titled “Collecting Data on Veterans.” The Technical Review Panel’s suggestions included collecting basic data through IPEDS on the number of military and veteran undergraduates and graduates as well as limited data on military- and veteran-serving programs available at the institution and the amount of DOD and Post-9/11 GI Bill benefits awarded to students through the institution. However, the panel acknowledged multiple difficulties of collecting data on military and veteran students, including that IPEDS does not currently capture any data on them. It thus “determined that collecting additional data on completions, persistence, and graduation rates of veterans and military servicemembers in IPEDS is not feasible at this time and needs further study” due to “the limitations in data systems and available data” but that further examination of other federal data sources should be done.

Military students typically do not start their college education as full-time freshmen or necessarily with the goal of pursuing a degree. While the Voluntary Framework of Accountability and the Transparency by Design Initiative have broadened the IPEDS definition of cohort by adding first-time, *full- and part-time*, degree-seeking freshmen, even this broadened IPEDS definition (e.g., including part-time students) is not appropriate for military students. Defining a cohort appropriate to the measurement of persistence and graduation of military students must take into account several factors that are unique to military students:

- There is a fundamental difference between persistence and graduation rates of online/distance education programs and of traditional delivery methods, paralleling the differences between all types of institutions.
- Military training and Service School credit may be accepted (via voluntary participation in the SOC Consortium and agreement to the SOC *Principles and Criteria*) as college credits based on the American Council on Education’s *Guide to the Evaluation of Educational Experiences in the Armed Services*.

⁴Integrated Postsecondary Education Data System—the federal reporting system required of all institutions that receive federal student financial assistance (Title IV) funds.

⁵American Association of Community Colleges (Voluntary Framework for Accountability, Metrics Manual Version 1.0, November 2011). Transparency by Design Initiative (Learners Progress Metrics, <http://collegechoicesforadults.com/>, August 2011).

⁶First-time here refers to first enrollment ever in any higher education institution.

- Like adult students in general, many military students enroll in a course offered through distance education institutions “to try out” online education, only to find out that they prefer to take their early courses face-to-face at a nearby institution.⁷
- Military deployments throughout the nation and the world expose servicemembers to many military-serving institutions, increasing the likelihood of their attending multiple institutions en route to graduation.
- The increased use of government-sponsored online websites that facilitate enrollment, registration, Tuition Assistance disbursement, and degree planning, such as the GoArmyEd portal, allow students to determine time to degree and allows the military Services to maximize Tuition Assistance.
- A good number of students enrolled in non-selective colleges and universities (i.e., institutions that provide universal access to higher education) face significant educational challenges derived from inadequate primary and secondary educational preparation.
- The outcome of these and other factors is that military students, by the time they graduate, are likely to have attended 5+ institutions.

This “swirling” is not necessarily bad—it is actually a fact of life for military students as a result of their increased educational options. So the key question to answer concerns *the point at which it is reasonable to expect that it is the intention of the student to complete a degree at a given institution.*⁸ Any proposed definition must also take into account the large diversity of military-serving institutions: term- and non-term, multiple starts within a term, competence-based, etc. The definition recommended by the working group aims to address both the “swirl” factor and the diversity of institutions.

INSTITUTIONAL INCLUSION

Given the high level of expense and time needed to identify and track unique subpopulations of post-secondary students, the working group recommends that only institutions with a “large” number of military and veteran students should be expected to track this subpopulation of adult learners. In an attempt to define and quantify what constitutes as a sufficiently large pool of military students and to help determine what an appropriate minimum threshold might be for tracking military students, members of the working group reviewed FY 11 Tuition Assistance course enrollment data to examine enrollment patterns. Comparable data on veteran enrollment behavior and patterns were not available from the Department of Veterans Affairs at this point in time.

The Department of Defense military Tuition Assistance data showed that 312,760 individual servicemembers use TA to fund their course enrollments from 2153 distinct campuses.⁹ When enrollment data was aggregated by academic institution across the military Services (including Coast Guard), student enrollments ranged from 1–50,000 students. This wide range of military student enrollments by institution reinforced the need to proceed cautiously in making universal recommendations about postsecondary educational institutions tracking military students; it would be burdensome to require academic institutions with extremely low enrollments of military students to track student success metrics for them. More than 70% (1534) of the institutions that participate in the military Tuition Assistance program have 25 or fewer military students enrolled. Conversely, only 9% (176) of the academic institutions each enroll more than 100 servicemembers. See figure A for the distribution of Tuition Assistance enrollment by institution.

⁷Based on analysis and findings from American Public University System and University of Maryland, University College.

⁸The problems facing any definition of degree-seeking students for tracking purposes was addressed by the U.S. Department of Education’s Committee on Measures of Student Success (Draft Report, November 15, 2011). The Committee’s draft includes a recommendation for ED to clarify the definition of degree-seeking student.

⁹As per DOD reporting, individual campuses/locations were listed separately for select institutions.

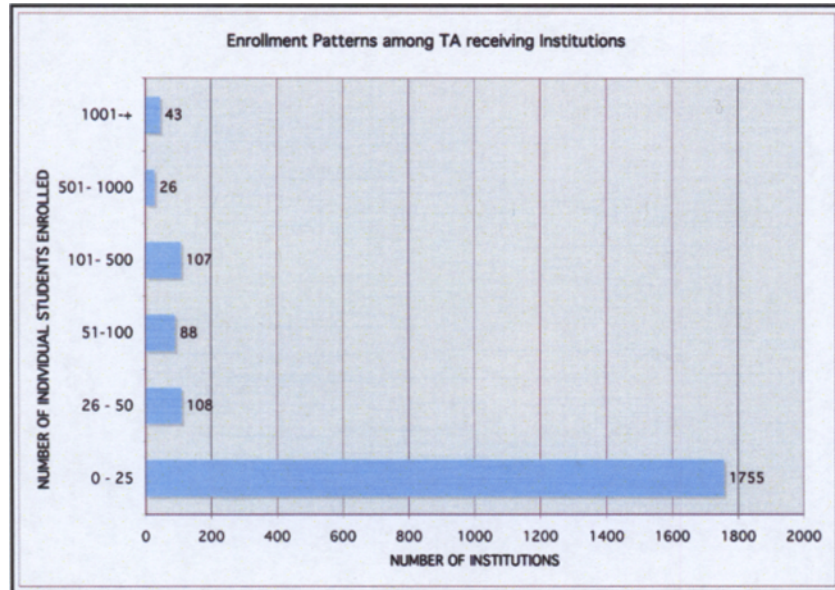


Figure A

To produce an “n” large enough for future analysis and institutional cost efficiency, the working group recommends that institutions that enroll 100 or more servicemembers and veteran students (using Tuition Assistance and/or GI Bill education benefits) should participate in reporting. Institutions with fewer than 99 enrolled students may choose to voluntarily participate.

PROPOSED COHORT PARAMETERS

The working group recommends that two separate cohorts be established for tracking purposes. The use of two cohorts will allow the differences in servicemembers currently serving in the Uniformed Services and veteran students to be integrated into the analysis of the persistence and graduation rates. The cohorts are identified as:

Military Students:

- Define military students for purposes of this analysis to include active-duty, Reserve, and National Guard servicemembers receiving military Tuition Assistance.¹⁰
- Include all military students who:
 - have successfully completed three courses/nine credit hours in a two-year period, and
 - have a cumulative GPA ≥ 2.0 , and
 - who have transferred and had accepted at least nine credit hours. Completing three courses and requesting that a transcript is sent to the institution should constitute enough evidence that the student intends to graduate from a given institution. How the nine credits are earned (e.g., by transfer, MOS/Rating, or exam) is irrelevant.
- Track the cohort at a rate 200% that of “normal” time, as adult and military students attend on a part-time basis—eight years for bachelor’s and four years for associate programs.
- Keep a student in the cohort once captured regardless of military status in further enrollments.
- Cohort should be measured on a calendar year, so to include various start dates across multiple months.

¹⁰The National Survey of Veterans (2010) documents that roughly 8% of active-duty members use their VA educational benefits to pursue a degree. As such, these students should not be included in the cohort.

Veteran Students:

The cohort for veteran students, which should be tracked separately from the military student cohort, remains largely unchanged, with the following adaptation:

- Define veteran students as those receiving education benefits from the U.S. Department of Veterans Affairs.¹¹
- Include all veteran students who have successfully completed five courses/15 credit hours in a two-year period with a cumulative GPA > or = 2.0 and who have transferred and had accepted at least nine credit hours. How the transfer credits are earned (e.g., by transfer, MOS/Rating, or exam) is irrelevant.¹²

Constructing data metrics for veteran student data and collecting accurate veteran student educational data is in some ways more difficult than doing so for military students. There are multiple education benefit programs for veterans and their families as compared to the single Military Tuition Assistance benefit program for servicemembers. In FY 2010, VA reported there were over 800,000 beneficiaries of the education programs funded by the VA, with the Post-9/11 GI Bill and Montgomery GI Bill Active Duty programs having the highest numbers of beneficiaries.

To add to the complexity, the population of students using Post-9/11 GI Bill benefits in particular both overlaps with and differs from the population of students using Tuition Assistance benefits. Military students can choose to use their Post-9/11 GI Bill benefits, if eligible, instead of Tuition Assistance. However, students on Post-9/11 GI Bill benefits can either be veterans themselves or eligible family members of veterans with transferred Post-9/11 GI Bill benefits. Thus, accurately assessing the progress and success of veterans using Post-9/11 GI Bill benefits in particular—as opposed to family members or servicemembers using Post-9/11 GI Bill instead of Tuition Assistance benefits—is highly dependent on institutions' individual student information systems and the granularity of data available within those systems.

REPORTING VARIABLES

The working group further suggests that institutions track standard variables for the cohort, thereby providing a clear framework for data collection and analysis. These variables might include:

REPORTING VARIABLES

- Gender
- Age
- Race (approved IPEDS race categories)
- Enrollment Status (full-time vs. part-time and degree-seeking vs. non-degree-seeking)
- Branch of Service (Army, Navy, Marine Corps, Coast Guard, Air Force)
- Duty Type (Active, Reserve, National Guard, Veteran, family)
- Rank or Rating (Active-duty personnel only)
- Degree Level (undergraduate certificate, associate, baccalaureate, master's, post-baccalaureate certificate, post-master's certificate, and doctoral)

SUMMARY RECOMMENDATIONS

As next steps, the working group offers these recommendations, for conversation only:

1. *The working group supports the "concept" of a comprehensive strategy on outcomes measures as reflected in the April 27, 2012 Presidential Executive Order on Veterans Education (Section 3.c).*

2. *The working group recommends that the Departments of Defense, Veterans Affairs, and Education, along with the Consumer Financial Protection Bureau (CFPB), should collaborate with Servicemembers Opportunity Colleges (SOC) and other higher education stakeholders as much as possible in developing future outcomes measures and institutional reporting requirements. Where possible, community consensus should be achieved on data collection, analysis, and usage.*

¹¹ In most cases, dependents and spouses receiving transferred benefits would also be included in this cohort.

¹² Course limits and time were determined based on discussions and feedback provided which indicated that veteran students are more likely to attend full time and/or at quicker rate than active-duty members.

The working group suggests that the Departments of Defense, Veterans Affairs, and Education should—in collaboration with other stakeholders whose expertise and interests overlap with DOD and ED—continue to examine the current availability of data on military and veteran students at the federal level.

3. Consistent with this paper, the working group offers its recommendation for the future construction of a common, measurable persistence rate (from year one to year two) and graduation rate for both the military student and veteran cohorts.

4. For these metrics, the working group also offers the variables and definitions proposed in this paper to be used or adapted for national metrics for servicemembers and veterans.

5. The working group recognizes the recommendations from the Department of Education's Technical Review Panel 37, Selected Outcomes of the Advisory Committee on Student Success, as an important step toward recognizing the changing character of the nation's college-going population.

ISSUES OUTSIDE THE SCOPE OF THIS WORKING GROUP

Since military and veteran student research is a growing field and the Post-9/11 GI Bill in particular has created new questions about metrics used to measure veteran and military students' educational progress and success, many issues related to data metrics and data collection were not within the province of this working group. The working group's charge was to propose a common cohort definition of military students and common measures by which to track their persistence and academic success. No existing data analysis was requested. Nor was the group asked to construct military/veteran-student-specific data metrics on other topics such as placement and graduate salary metrics. In addition, the working group was not requested to link these proposed metrics to any kind of "military-friendly" definition.

CONCLUSION

The increasing complexities of higher education options available to an increasingly diverse student population render the use of any one-success metric as the universal metric inadequate and misleading. Such a metric would mask the many different paths that very different students take through higher education. The metrics proposed in this paper are applicable to military students. As has been suggested,¹³ success metrics are needed for different student cohorts (e.g., those who are under-prepared for college). And the need continues for a macro or systemic analysis of student journeys across institutions—an analysis that can be provided only by state or federal entities. This paper is a contribution to the national conversation about the success metrics most appropriate to different types of students.

APPENDIX A: ENVIRONMENTAL SCAN

1. Completing the Mission: A Pilot Study of Veteran Students' Progress Toward Degree Attainment in the Post-9/11 Era.
Available at: www.operationpromiseforservicemembers.com/Completing_the_Mission_Nov2011.pdf
2. Improving Educational Outcomes for Our Military and Veterans.
Available at www.hsgac.senate.gov/subcommittees/Federal-financial_management/hearings/improving-educational-outcomes-for-our-military-and-veterans
3. Military Service Members and Veterans: A Profile of Those Enrolled in Undergraduate and Graduate Education in 2007–08.
Available at: <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2011163>
4. Transfer and Mobility: A National View of Pre-degree Student Movement in Postsecondary Institutions.
Available at: <http://www.studentclearinghouse.info/signature/>
5. White House Press Office. (April 27, 2012). *Executive order—Establishing principles of excellence for educational institutions serving service members, veterans, spouses, and other family members*.
Retrieved April 30, 2012 from <http://www.whitehouse.gov/the-press-office/2012/04/27/executive-order-establishing-principles-excellence-educational-instituti>
6. Western Association of Schools and Colleges (WASC) Redesign of Retention, Graduation and Time-to-Degree. Retrieved July 12, 2012.

¹³ See ED's Committee on Measures of Student Success Draft Report.

Available at: <http://www.wascsenior.org/redesign/ugretentionandgraduation>

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University of Maryland University College (MD)

Senator DURBIN. Thank you, Mr. Selbe.

Okay, Mr. Neiweem, how do I pronounce your name?

Mr. NEIWEEM. It is pretty close, Mr. Chairman. It's Neiweem.

Senator DURBIN. Neiweem.

Mr. NEIWEEM. Yes, sir.

Senator COCHRAN. Say it fast.

Senator DURBIN. I will say it fast.

Mr. NEIWEEM. It is Dutch.

Senator DURBIN. Proceed.

STATEMENT OF CHRISTOPHER NEIWEEM, IRAQI FREEDOM VETERAN

Mr. NEIWEEM. Chairman Durbin, Ranking Member Cochran, and members of the subcommittee.

Thank you for inviting me to appear this morning. My testimony focuses on my experiences as a military recruiter at DeVry University online from February 2008 until I left the company in August 2009. Prior to that, I served in the Army in Iraq, and subsequently completed graduate study at the University of Illinois at Springfield under the Post-9/11 GI bill. I earned my undergraduate at Northern Illinois University in DeKalb.

In my experience, the tuition assistance benefit is valuable to servicemembers, and many find an online program to be an attrac-

tive option. The for-profit recruiting practices I experienced, however, were aggressive and far more focused on bottom line profits than on military students.

Let me highlight my principle concerns: a business culture that emphasized hasty enrollment over individual student needs. A management strategy of having those who recruited military personnel present themselves as military advisers when, in fact, they were sales professionals. Recruiters being pressured to enroll military students who had already failed an admission's test once or had expressed reservations about their readiness for postsecondary study. And management forbidding recruiters from encouraging military students who were serving in combat zones to take off an academic session.

In my experience as an employee for a for-profit school, there was a strong emphasis on recruiting military students because TA would cover the cost of the program. In fact, my managers referred to Tuition Assistance as the military gravy train.

With access to databases that identify those who are military personnel, recruiters can complete the admissions process for a military student using Tuition Assistance in as quickly as 1 week. With the very fast-paced, 8-week recruiting cycle my company employed at the time, management set aggressive deadlines for enrollment.

The recruiters with military backgrounds like me were routinely able to build trust and rapport with Tuition Assistance users. And servicemembers signed on at nearly twice the rate as their civilian counterpart students. For a time, I found this work rewarding.

In 2009, however, the leaders at my company began to increase the focus and pressure to enroll military members. They formed a special team in which I was assigned that was specifically recruiting military students. Management pressured this team to increase the rate of military enrollees while ignoring our concerns for servicemembers.

To illustrate, some military students were serving in hazardous locations including Iraq and Afghanistan, and due to troop movements or relocations, found it difficult to complete homework after the duty day ended. My colleagues and I on this military sales team would routinely support the students need to sit out a session and return to class at a future date. But management scolded me for doing that insisting, "DOD does not pay your paycheck any more, we do, and we need to remain competitive." That insistence on producing metrics rather than meeting the needs of military students I was charged to enroll led me to leave the company.

The most memorable internal management mantra was, pardon my French, Mr. Chairman, "Get asses in classes." And at one time been in these servicemembers' boots, and I would have expected that same reinforcement from them if I was trying to balance operational requirements overseas with my studies.

My company's seeming lack of concern with the servicemembers had actually been evident early on. Recruiters were given 2-week training sessions on the degree programs the University offered and we were charged with promoting. However, training on military culture was cursory. The training did not give recruiters a picture of the stressors a servicemember might deal with while trying

to attend school. Nor did the training provide any insight into daily military life or into the mental health stressors servicemembers may experience.

Another concern I had was that some recruiters who contacted military personnel would say they were calling from the military admissions department or identify themselves as military advisors including having that title in their electronic signature block, military admissions advisor, in the emails that went to the students. This was simply a fictional tactic to make the military servicemember think the recruiter was in the military.

My coworkers and I reported this concern to senior management, only to be assured it deeply concerned them and they would address it. Yet, these were the same leaders who had reminded us that DOD no longer paid our salary. In my experience, the critical performance metrics were numbers of servicemembers, those who applied, tested, cleared, and then registered.

Because students using tuition assistance are more quickly cleared for class, it made these reports look strong and managers became even more ambitious to hit their targets, the earnings of midlevel managers, known as assistant directors of admissions, were based on their team's performance. It was clear that tuition assistance benefit and sales reports trumped the concerns that I had voiced to management.

For example, some military members had failed the basic admissions test, a key step in the admissions process designed to show the readiness of the applicant for postsecondary study. The management response was to send them online study links, encourage them to find a study buddy, and take the test again as quickly as possible.

PREPARED STATEMENT

Additionally, even after I explained to some of my military tuitions approved students were not going to start their classes in the current academic session, management encouraged me to do something to keep them in. While I believe online education is a good option for some military students, these practices were untenable to me.

I hope my experiences are helpful for the committee's work on this subject, and I am happy to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF CHRISTOPHER NEIWEEM

Chairman Durbin, Ranking Member Cochran, and members of the subcommittee: Thank you for providing me the opportunity to share my insights and experience as a former student veteran and for-profit university recruiter. I am a U.S. Army veteran of Operation Iraqi Freedom. I also benefited from using the Post-9/11 GI bill to complete graduate study at the University of Illinois at Springfield. In my experience, the Tuition Assistance (TA) benefit is valuable to servicemembers because the cost of schooling is covered, allowing them to focus on selecting an academic program. I was a military recruiter (admissions adviser) at DeVry University Online from February 2008–August 2009, and left the for-profit industry because I felt the company's managing principles no longer provided an understanding of military student's needs using Tuition Assistance.

In general, servicemembers may find an online program an attractive option because of their limited ability to attend a residential program or because of the accelerated format. But as I saw it in operation, the for-profit recruiting practices were

aggressive and focused far more on the bottom line profits than on the military student.

In short, the biggest problems I experienced were:

- The DeVry business culture which emphasized hasty enrollment over individual military student needs;
- The management strategy to have recruiters contacting military leads purporting to be “military advisers” when they were really sales professionals;
- Recruiters being pressured to enroll military students who had already failed to pass an admissions test once or expressed verbal reservation about their readiness for post-secondary study; and
- Management not allowing recruiters to encourage military students serving in combat zones to take off an academic session (some serving in locations such as Iraq) because of a concern they would not resume their academic program with DeVry in the future.

TARGETING MILITARY STUDENTS

In my experience as an employee of a for-profit school, there was a strong emphasis on recruiting military students because TA would cover the cost of the program. In fact, the managers to whom I reported referred to TA as the “military gravy train”. In contrast, one of the most challenging aspects to enrolling a civilian student applicant in an online program is convincing them the cost is worth the degree. Servicemembers are less difficult to enroll because the recruiters (known as admissions advisers) do not need to overcome what the industry calls “financial objections”, or concerns about the cost. Recruiters are trained to focus on the benefit and enroll military students as quickly as possible. Military students are easily identified before the initial phone contact by lead databases such as Oracle, which conduct brief questionnaires as to whether a student is currently serving. The admissions process for a military student using TA can be completed in as quick as 1 week. Students must apply, complete a basic admissions exam online, and get their TA signed and approved. The recruiting sessions during my tenure in the industry were 8-weeks long. This promoted a very fast-paced recruiting cycle where management expected aggressive deadlines for enrollment. The recruiters with operational military backgrounds like me were routinely able to build trust and rapport with TA users. This resulted in strong sales profits for the school and high military enrollment numbers. Recruiters who were contacting civilian leads were starting on average 8 students per 8-week recruiting cycle, whereas some former military recruiters were starting on average 15. “Starts” is the for-profit term for when a student begins class. The average cost of an accelerated 3-year bachelor’s degree program online was \$60,000. The benefit of being enrolled in an online program provided convenience for many students. This was a rewarding way for me to advise fellow servicemembers of their benefits. I was satisfied in the work I was doing until the internal management strategy began to part ways with supporting the military students I was working with.

INTERNAL MANAGEMENT STRATEGY

In 2009, the leaders at DeVry began to significantly increase the expectations for recruiters who were former military members and increased the number of military leads we were assigned. They formed a special team that I was assigned to that was to specifically recruit military students while non-military recruiters were left to traditional non-military leads. The management strategy meetings that followed in the coming weeks were aimed at pressuring my team to increase our TA user start rate, while ignoring our concerns for servicemembers. To illustrate, some military students were serving in hazardous locations such as Kuwait, Afghanistan, Iraq, and Germany and due to troop movements or relocations found it difficult to complete homework after the duty day ended. My colleagues and I, assigned to this military sales team, would routinely support the students need to “sit out” a session and return to class at a future date. I thought it would be untenable to suggest a military student try to fit class into their schedule while their unit transferred locations in places such as Iraq. From a soldier’s perspective, serving in a war zone like Iraq can require a significant amount of emotional energy and studying can become difficult. Management scolded me insisting “DOD does not pay your paycheck anymore, we do and we must remain competitive”. I certainly understood the need to be competitive and know some military students that benefited and succeeded in online programs, but I couldn’t accept the stern rebuke I received for encouraging some students to temporarily suspend class to serve our country in hazardous areas. The management relied heavily on the military recruiters, they often praised our sales numbers while promoting their internal mantra of (pardon my French) “get

asses in classes". I left the company when I felt I was being pressured to produce a metric over a quality relationship with the military students I was charged to enroll. I had been in their boots at one time and I would expect the same reinforcement from them if I was balancing, for example, active duty requirements overseas with my academic studies.

MILITARY CULTURE TRAINING LACKING

The seeming lack of concern at DeVry with the servicemembers had actually been evident early on. Recruiters were given a 2-week training session on the degree programs the school offered and charged us with promoting. However, training on military culture was cursory. Training was not conducted to give recruiters a robust picture of the stressors a servicemember may deal with while trying to attend school. There was no description provided of the military rank structure, no illustration of daily military life, or awareness of mental health stressors they may experience due to separation from family or PTSD, as is the case of for some OIF/OEF veterans serving in combat. Ironically, training on the TA benefit was extensive. The recruiters were trained to identify the proper forms that needed to be filled out and on occasion would even call Commanders of units to expedite their signature so TA users could be cleared for class quickly. Had the emphasis on understanding military culture matched the aggressiveness of the recruitment strategy to get TA approved as quickly as possible, I may have stayed in the industry. However, I was not comfortable putting a sales report ahead of making sure each military student was enrolled in the proper program and at the right time.

In my experience as a veteran and college graduate, many non-military recruiters had a hard time relating with their military students, many of whom had to balance the stressors of military life with their adjustment to meet the demands of higher education. Additionally, some recruiters that contacted military leads would say they were calling from the department of "military admissions", in a ploy to develop a rapport with the student. This was simply a fictional tactic to make the military servicemember think the recruiter was in the military. Though my team was comprised of former military recruiters, we were all part of the same team and a military admissions department did not exist at the company. The special military sales team I worked on reported this concern to senior management to be assured it "deeply concerned" them and they would address it. I doubt these matters were addressed as the same leaders that offered assurances were the same ones reminding us DOD no longer paid our salary.

EMPHASIS OF TUITION ASSISTANCE BENEFIT OVER TUITION ASSISTANCE USER

In my experience, the for-profit school numbers and performance were the drivers. Each week recruiters had to report their progress on a sales report. These reports do not contain the names of students, their backgrounds, their selected program, or personal details, only a number. These numbers are listed on graphs with such business performance metrics as: Applied, Tested, Cleared, Registered, Start Date. This was the nature of the industry and these reports drive the forecasting projections for the profit margin. Because students using TA are more quickly cleared for class, it makes these reports look strong and managers become even more ambitious to hit their "targets". The earnings of mid-level managers, known as Assistant Directors of Admissions, were based on their team's performance. When I began seeing the TA benefit and sales reports trumping the concerns I had voiced to management, I left the industry. For example, some military students failed the basic admissions test, a key step in the admissions process designed to show the readiness of the applicant for post-secondary study. The management response was to send them online study links, have them seek a "study buddy" and take the test again as quickly as possible. Additionally, even after I explained that some of my military TA approved students were not going to start their classes for the current academic session because of active duty military requirements, they asked if I could "do something to keep them in". I was not comfortable convincing a servicemember to put education ahead of operational requirements after they already cited their inability to handle class workloads while serving in theatre. The TA benefit was the focus of the recruiting strategy, while understanding unique military student needs were often ignored.

In conclusion, I believe online education is a good option for some military students using the TA benefit. I understand there are nonprofit online options, like the gentleman here today from University of Maryland's online campus. However, I do have concerns about how for-profit colleges are targeting military students. I hope my experiences I have shared this morning are helpful for the committee's work on

this subject and I appreciate the opportunity to appear before you. I am happy to answer any questions you may have.

Senator DURBIN. Thanks a lot.

So Mr. Gunderson, why do the for-profit schools, is there an incentive for them? Why would they want to have more military students?

Mr. GUNDERSON. I don't think our schools want to have more military students. I think——

Senator DURBIN. Is there any financial incentive for for-profit schools to have military students under TA or GI bill?

Mr. GUNDERSON. No.

Senator DURBIN. Oh, Mr. Gunderson, that's not true.

Mr. GUNDERSON. Just a second. No.

Senator DURBIN. That's not true. Explain the 90–10 rule.

Mr. GUNDERSON. The 90–10 rule.

Senator DURBIN. Yes, please, explain that.

Mr. GUNDERSON. I'd be happy to do that. The 90–10 rule says that 90 percent——

Senator DURBIN. No more than.

Mr. GUNDERSON. No more than 90 percent of your revenues can come from the Federal Government.

Senator DURBIN. Are there exceptions to the 90–10 rule?

Mr. GUNDERSON. Yes, there are exceptions to the——

Senator DURBIN. Like the TA Program? Is that an exception?

Mr. GUNDERSON. Well, you could look at the GI bill and you can look at the TA, but most people, I think even members of Congress believe that those are not Government funds. Those are benefits earned by Active Duty or retired military.

Senator DURBIN. Excuse me.

Mr. GUNDERSON. It is their money, not the Government's money that would——

Senator DURBIN. Excuse me. I am on the Defense Appropriations Subcommittee and I could swear that the TA program is in our appropriation bill with Government funds. You are saying these are not Government funds?

Mr. GUNDERSON. I am saying they are looked upon as a benefit for the Active Duty military, not a direct line item from the program.

Senator DURBIN. Of course they are, and the Pell grant is the benefit for poor students seeking college admission, but the point is the 90–10 rule does not apply to TA money or GI bill money.

So if your for-profit school can bring in more military students like Mr. Neiweem was trying to recruit, then it doesn't count against the 90–10 rule, which means that you don't have to come up with 10 cents out of every dollar that you receive from the Federal Government if the money is coming in from TA or GI bill. That is the financial incentive.

Do you deny that?

Mr. GUNDERSON. No, I don't disagree at all——

Senator DURBIN. Okay.

Mr. GUNDERSON [continuing]. That that is the reality of the math, but I do think you need to answer the rest of the question.

The reality is, as I said earlier, we serve a very different student body. Approximately 94 to 96 percent of our students are eligible

for title IV. Approximately 70 percent of the students attending private nonprofits are eligible for title IV. Approximately 49 percent of the student attending our 2-year and 4-year public schools—

Senator DURBIN. Could you explain title IV?

Mr. GUNDERSON [continuing]. Are eligible for title IV.

Senator DURBIN. For the record, explain title IV.

Mr. GUNDERSON. Title IV is the Federal Department of Education loan and grant programs.

Senator DURBIN. And who would be eligible for those programs, low income students?

Mr. GUNDERSON. Primarily low-income students. That is who we serve. It is a very different consistency.

Senator DURBIN. Mr. Selbe, at University of Maryland, I am sure they have been at it now for how many years, since World War II? Is that when the University started offering courses to the military?

Mr. SELBE. Yes, Mr. Chairman.

Senator DURBIN. And do you serve low income students there as well?

Mr. SELBE. We do, Mr. Chairman.

Senator DURBIN. Do you have the benefit of a 90–10 rule that 90 percent of the revenue at the University of Maryland comes from the Federal Government?

Mr. SELBE. No, we do not.

Senator DURBIN. Do you have any idea what percentage of the revenue at the University of Maryland comes through the Federal Government?

Mr. SELBE. It is less than 50 percent, to include military TA and veteran's benefits, yes.

Senator DURBIN. And so, Mr. Gunderson, you are not in a unique position. Other schools are facing exactly the same thing.

Mr. GUNDERSON. No, they are not, Mr. Chairman, and I love all my other schools. When I took this job, I said to my board in the interview, I said, "If you want me to beat up on the rest of higher ed, you are hiring the wrong guy."

Senator DURBIN. I am not asking you to—

Mr. GUNDERSON. I believe in the critical need of postsecondary education opportunity for everybody in today's world.

But what you have to look at, Senator, is the fact of the total public support for the different types of postsecondary education today. A 4-year public college, Federal, State, local support is \$15,500 per student.

Senator DURBIN. Well—

Mr. GUNDERSON. At a nonprofit 4-year—

Senator DURBIN. Mr. Gunderson, I understand that. What you are saying is that—

Mr. GUNDERSON [continuing]. For us it is only \$2,000.

Senator DURBIN. Public colleges—

Mr. GUNDERSON. Look at the numbers.

Senator DURBIN [continuing]. Get some public support, though in most States it is diminishing at this point. Students are paying more in tuition and the State is giving less support in each of these. But that is beside the point.

Really what goes to the point is, what is the value of the education coming out of school? After I hear Mr. Neiweem, let me ask you, Mr. Neiweem.

What you are telling me is having been through this personally with this tuition assistance, you were in a position where you were talking to soldiers and airmen and sailors trying to get them into these for-profit schools. And what you are being told is, I think by your employer, in this case DeVry, is really to look beyond some of the necessities of life that these military individuals were facing: deployments and interruption.

What was the motive for “keeping their fannies in classes?”

Mr. NEIWEEM. Well, it is a profit-driven industry. There are boards that record the status of all the sales floor, but there is no student stories. There’s no program. There’s no information on the student.

So to answer you question, I would say the challenge was management instructed us to, in this industry, don’t create objections. Objections are reservations that people have and a sales professional, you know, it is their job to overcome those objections, but management would say, “Don’t create objections.” So if they had an objection, we were supposed to work through it.

Those of us with military backgrounds refused to work through some objections with some students and then we were scolded for it.

Senator DURBIN. Mr. Selbe, after more than 20 years in the Marine Corps, is that correct?

Mr. SELBE. Yes.

Senator DURBIN. And you listened to his testimony about some of the problems these students are facing. How does the University of Maryland deal with those issues?

Mr. SELBE. Well, I am held responsible for our enrollment numbers, but I am held accountable for the students’ success of those military students. So we are incentivized by a rich tradition of serving military students, and we are held accountable to how well we serve them. So it is not the numbers that is important, it is how well we do in assuring that we are putting them in the right program, providing them with support throughout, or helping them transfer to another institution that may be a better fit for them. I don’t know if that answers your question.

Senator DURBIN. Let me ask you this. In the last 10 years or so, there has been a dramatic shift in this Tuition Assistance program with some 40 percent of the money going to a handful of for-profit schools. Have you noticed that change?

Mr. SELBE. We have seen a moderate decline in our own enrollments, and I can only look at the data of the top 15 to 20, and we know that many of those enrollments appear to have shifted over to some of the for-profit schools.

Senator DURBIN. Do they have any advantage when it comes to recruiting and marketing?

Mr. SELBE. I really cannot speak to that. I mean, my perspective is really limited to my work at UMUC and Old Dominion University where I worked.

Senator DURBIN. For the record, the marketing efforts at the University of Maryland comprise about 7 percent of the budget of the University.

Mr. SELBE. That is correct.

Senator DURBIN. And it is about 22 percent for the for-profit schools, which received 90 percent of their funds from the Federal Government. So the Federal taxpayers are basically subsidizing the marketing effort, which is a pretty healthy thing for the for-profit sector, as we send 90 cents out of every \$1 and more when it comes to the veterans in that regard.

Mr. Hartle, at one point wasn't the American Council of Education responsible for auditing these courses being offered through TA?

Mr. HARTLE. Yes, Mr. Chairman. This is the so-called Military Installation Voluntary Education Review (MIVER) contract that came up in the testimony of Mr. Vollrath. ACE had the MIVER contract with DOD for a number of years and, indeed, when he was a colleague of mine at ACE, Jim Selbe, actually ran the MIVER contract.

Senator DURBIN. And so that contract was to audit the schools that were offering courses through the TA program.

Mr. HARTLE. Yes, sir. It was to review the schools identified by the Department of Defense that they wanted reviewed.

Senator DURBIN. Were you aware of what they found in their audits?

Mr. HARTLE. I was not personally involved with the MIVER contract. As I indicated, Jim Selbe really ran the program and would know.

We had the contract for many years. It was re-competed in 2010. We did not win when it was re-competed. It went to another organization.

Senator DURBIN. Mr. Selbe, are you the Jim Selbe he is referring to?

Mr. SELBE. Yes, I am, Senator.

Senator DURBIN. Well, that works out. So could you—could you tell me what your experience was when you were involved in this audit?

Mr. SELBE. At that particular time, we were looking at 8 to 16 schools a year. It was limited to those schools that had an MOU to operate on a military installation.

Another key difference was at the time, we also looked at the deficiencies in the effectiveness of the base education centers themselves. What would occur is we would then come forth with findings that were categorized as recommendations or commendations. Recommendations usually pointed to areas of needed improvements.

The one point that we would make consistently is that it didn't have a lot of teeth because there was no obligation on behalf of the colleges and the universalities or the ed centers to address those particular recommendations that would come out of the findings.

Senator DURBIN. One last question. I have run too long. I will give it to Senator Cochran.

If you take courses through the University of Maryland's University College in the TA program and don't complete your degree,

what is the likelihood that those course credits can be transferred to another institution when you come back home?

Mr. SELBE. I believe it was mentioned earlier today, because of the transfer resources that are provided by the Servicemembers Opportunity Colleges, it assures a high degree of confidence that those credits will transfer from one institution to another.

Senator DURBIN. Okay.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you.

I was thinking back on my personal experience of getting ready to decide where to go to college, and how we were going to pay for it. My parents were school teachers and it was just a given that we were going to—my brother and I as we were growing up—we were going to college somewhere.

And we discovered the Navy ROTC program was an attractive option. You could get a scholarship if you scored well enough on entrance exams and you could serve in the Navy ROTC at member universities. So anyway, that is how I ended up being a naval officer by going through the Navy ROTC program.

My interest now is how do we continue to make the beginning educational experience and military experience attractive enough without required military service, mandatory military service? And use the resources of qualified young men and women coming into all of the services as a way to ensure that we have an All-Volunteer Force—one that has people who are serious minded about education as well as defending the security of our country.

What do we do now to take the place of these programs that we used to have available to us to aid in recruiting and encouraging people to become members of Active Duty services and at the same time, get a college education, with part, at least, of the resources being paid for by the Federal Government?

Mr. GUNDERSON. I cannot speak for myself, but I can share with you a quote of someone that you may know. Last week, actually, I was having a conversation with Louis Caldera, who was the Secretary of the Army for President Clinton. He was also the president, I believe, of New Mexico State and he has just recently been appointed to the board of Career College, which is in Senator Durbin's home State.

And I was talking to him about the fact that I was going to come and testify today. And he said, "Steve." He said, "The thing you need to understand is that tuition assistance is the best vehicle we have to retain good, Active Duty military in the military. Without that program, we will lose them and lose them quickly because they will move on to try to benefit from the Post-9/11 GI bill." He said, "Whatever you can do to maintain that program is in the best interests of our Active military."

Senator COCHRAN. Yes. Are there others with views on that issue? Mr. Neiweem.

Mr. NEIWEEM. Senator, I think that just one point I was going to make was I don't think I heard any disagreement about Tuition Assistance being a benefit and being a good thing. I think we were concerned about the use of Tuition Assistance, and the outcome of the students and some of their concerns. And I would just voice one recommendation.

I think that for-profit schools should encourage their recruiters to keep in touch with their students going forward because once they are enrolled in class, there is no further contact with them. If you wanted to call them, I am sure you could, but unless you are generating referrals, your responsibility for them ends the day they start classes.

So I think it is more important to have a—encourage a relationship that goes beyond the first day of class, maybe the second day of class too, or their future as they are enrolled.

Senator COCHRAN. Mr. Selbe.

Mr. SELBE. What I found from this current generation of students is while they have told their mothers and their fathers that they joined because they want to go to college, deep down, they joined because they wanted to serve this country. And it is not until after they become engaged, acquire their skills that they start thinking about what happens after their service.

So the military tuition assistance is still a critical element to attracting high level enlistees into the services, but we can never dismiss the patriotism that drives many of these men and women to sign up to wear the uniform.

Senator COCHRAN. Yes, that is good to hear.

Mr. Hartle.

Mr. HARTLE. I agree with what Jim Selbe just said. I think a fair number of servicemembers join because there are educational and training benefits available. Many of these young people have not done—who have joined the service out of high school—did not necessarily do well in high school. The educational benefits, the job training they get in the military, the military occupational specialties, often show them just how capable they are and how much they can do. And the availability of tuition assistance and GI bill benefits enables them to see that they can continue their education going forward.

I think the challenge that we face, particularly with the tuition assistance benefits, is for many years it was fairly easy to have the program in place. It seemed to be working pretty well, and the money just simply went out the door.

In the process, I think, all of us have come to realize over the last few years, that there was not the attention for the outcomes and the impact on the individual servicemember that, perhaps, we should have. And I think DOD is moving pretty quickly to try and get their arms around this. I think there are some other things that they should be looking at and thinking about doing.

But there is no question but that tuition assistance and GI bill benefits are an enormous benefit for individuals who go into the military and an enormous incentive to enlist in the first place.

Senator COCHRAN. Well, thank you very much for your testimony before the committee today. We appreciate it.

Senator DURBIN. Senator Reed.

Senator REED. Well, thank you, Mr. Chairman.

Mr. Neiweem, were you in the practice of making cold calls, just calling people up and saying, “Have I got a deal for you?”

Mr. NEIWEEM. Senator, absolutely.

Senator REED. Was there any guidance given to you about who to call in terms of, “Well, this is somebody that already has a

year?" Was there any guidance? Or was it just, "Here's a list of names. Call them and tell them to enroll."

Mr. NEIWEEM. Sure. So Senator, technically, every call was a cold call because we had no contact with them previously and it was in a lead database through Oracle. But we knew which leads as called potential applicants were military by the coding.

Senator REED. Right.

Mr. NEIWEEM. So we were given training specific to their military so, here's—

Senator REED. And so essentially you were giving—and I don't want to be disrespectful—but you were giving a pitch to people who may or may not have been interested in going to any school or your school in particular.

Is that fair?

Mr. NEIWEEM. That is absolutely true, Senator. One caveat—

Senator REED. All right.

Mr. NEIWEEM [continuing]. For the tuition assistance, for the military students—

Senator REED. I am only interested in the military students at this point.

Mr. NEIWEEM. The military students. The pitch wasn't as difficult because they tended to be young, at the beginning of their career, so you could kind of bond and, you know, "This benefit would pay for general education," which I thought was a good option for them. So that was useful, but there wasn't as much of the pitch because they had the benefit. The pitch was more for civilian students who I also recruited who—there were financial concerns.

Senator REED. Right, but there you had Pell grants, Stafford Loans, and other tools in your toolkit, which you made clear to them.

Mr. NEIWEEM. Correct.

Senator REED. In your conversations with military students, did you stress the fact that there were public programs available before any private loans that would be available to them?

Mr. NEIWEEM. Can you ask that one more time?

Senator REED. Yes. We just had the assistant secretary here. Their new approach—and this might postdate your experience—is that they instruct the soldiers, sailors, airmen that there is public financing before they have to take a private loan, which typically could be more expensive. And they have told us in the testimony that, in their MOU, that is what the institution has to tell them, stress them. Were you doing that?

Mr. NEIWEEM. No, not in my experience because tuition assistance would pay for the program, it wasn't a necessity.

Senator REED. So essentially, again, and I don't want to be too glib, but you were able to call them and say, "I've got a deal for you. It's not going to cost you anything. Signup right now, we'll make it real easy for you." And did you have any obligation to determine the suitability of this program for them or the program they chose?

Mr. NEIWEEM. First of all, that's correct. That's exactly what it was. I never—I didn't talk on the phone like that, you know, but the focus was on getting them enrolled.

As I told the Chairman, if they had objections, we were to get them through those objections. So in theory, you are supposed to evaluate their suitability, and as my statement indicates, I did do that. I said, "You're moving locations in Iraq and your unit is moving around, and you're not going to have access to your laptop consistently. Why don't you sit this session out?" And then I was scolded for that, so.

Senator REED. Okay. Thank you for your service, by the way, as well as for your testimony today.

One of the issues—and I am going to ask all the panelists to comment from different perspectives—is the obligation of the institution or somebody, the service, to make sure that these programs are suitable to the individual, which would seem also to keep records of who finishes. Who is successfully moved from this educational experience into productive employment?

So Mr. Hartle, what are your organizations doing to assure that these programs are suitable and lead to productive use of our resources and the time of these men and women?

Mr. HARTLE. I think what we would do is rely on the experience that we have working with individual bases and individual students to measure their experience and their success.

Some schools, as I indicated like UMUC, have a very large number of Active Duty military servicemembers using their tuition assistance benefits. Other schools, even very large schools, have a relatively small number of individuals doing that.

I think one area where we have not done as much as we could, and where the Department of Defense is looking to make some changes is keeping track of the outcomes from the educational programs. As I have indicated, this can be a little challenging because military servicemembers, particularly Active Duty, move around so much that they often suddenly have to withdraw for military reasons right in the middle of a course.

So it is not that there is any opposition to doing this. We should be looking at outcome measures. It is very important. We need to do a better job. It is just that it is hard to figure out exactly what the best measures will be. But I have indicated and will recommit ourselves to working with DOD to moving in this direction.

I think one thing DOD could do, and Senator Durbin mentioned it a little bit in his questions with Mr. Vollrath, is the DOD could reach out more to accrediting agencies. Accrediting agencies are private, nongovernmental organizations that are in danger of becoming a regulatory extension of the Department of Education, but the fact is that they are there and they are looking at institutions in great depth.

And I think where the Department of Education is doing things that can help DOD identify schools that may be problematic. DOD ought to work with the Department of Education in that direction. Obviously, cross-department collaboration is often talked about and sometimes difficult to achieve, but I think that there is an enormous resource available to DOD and VA, for that matter, in terms of what the Department of Education has spent the last 40 years pioneering.

Senator REED. Mr. Gunderson. Steve.

Mr. GUNDERSON. Thank you, Senator. First of all, in response to your earlier question, I don't know if you have seen the set of best practice recommendations that we have developed for veterans in military education.

And I want you to know that in here, on the recruitment side, is a three calls and you're out policy. That if you make three cold calls and there is no response, you have to stop. It is the kind of lifting of this sector and commitment that we are trying to respond to in that regard. The second—

Senator REED. Can I just, again—

Mr. GUNDERSON. Go ahead.

Senator REED [continuing]. Because we had the opportunity to serve together and I—

Mr. GUNDERSON. Yeah.

Senator REED [continuing]. Respect your service immensely. I just have a problem of being honest with cold calls anyway. You know, you've got to advertize. You've got to make students, the military students aware of these options. However, in reality, I think that we all understand who serves.

If you've got 18 or 20 year olds who get a call, or get an email, or get a message, and they are just back from deployment, the whole life is unsettled, et cetera. And someone says, "Hey, just sign up." "You know, that's good. That will help me get promoted," et cetera. It is a different audience than someone picking up the phone and calling you and saying, "Hey, I heard about your organization."

So I am pleased that you are limiting it to three cold calls, but I will just be honest—

Mr. GUNDERSON. Yeah.

Senator REED [continuing]. This looks like a, you know, I forget the David Mamet play that the guy in the boiler room saying, you know—

Mr. GUNDERSON. One thing to understand, Senator, is that the majority of our students are not high school graduates going directly into college. The majority of our students are adults. You don't reach them through the high school guidance counselor. You don't reach them—

Senator REED. Right.

Mr. GUNDERSON [continuing]. Through a college affair in the high school gymnasium. You've got to reach them a different way, and so, it is a very different business model. And I think it is important to understand those differences as we try to figure out what are the appropriate standards and recommendations?

One of the second things we have done, which fits into the question you were asking. Our sector used to pride itself on open access because the Congress, the media, and others have said, "What about outcomes?" We stopped that.

You could talk to almost any of our schools today, they are focused on retention. You are seeing significant declines in our enrollment. Some of that is because of the economy, and some of it is because our schools are now making sure that students who enroll will complete their courses. Retention, graduation, completion, and placement, and payment of those loans today is far more important than the question of open access. That is a question that

is going to have to now be dealt with someplace else at some point in time.

One of the other things that we are trying to do gets to this issue of area of study. Many of our schools now are posting what are within their State or region, either State or Bureau of Labor statistics on placement rates and even incomes for the occupational areas of study that they are looking at. We think that is important.

I mean, we are a sector that believes everybody in higher education ought to be held to outcomes. And frankly, one of those outcomes ought to be placement in your areas of study. National creditors require over 60 percent of your students are placed in their area of study. Our regional accreditors don't do that.

Now, I don't want to suggest you guys want to engage in that because it would be a difficult political conversation, but the reality is, we are trying to deal with that issue of placement in the area of study. We hear you.

Senator REED. I want to give everybody a chance to respond. Mr. Selbe a chance to respond, and then I will recognize you, and then I will yield back because my colleague who has been very gracious.

Mr. Selbe, quickly, your comments about the notion of basically matching the student with the program, for want of a better term, sort of underwriting the student before you sort of bring them into the program.

Mr. SELBE. I do want to go to the conversation around inputs and outputs, and we want to commend the Department of Defense because they have taken a very positive step forward.

They asked the Servicemembers Opportunity Colleges to convene a group to look at how we can better measure and track students' success for military veterans, as Mr. Gunderson mentioned earlier. We cannot rely on current Integrated Postsecondary Education Data System (IPEDS) data to do that. And we have included in our written testimony the white paper that came out of the report from that working group, and we now track our military students based on those recommendations.

But going back to something Mr. Hartle talked about earlier. I strongly encourage the Department of Defense, members of this committee to not use quantitative data to be the sole measure of determining the success of these programs.

As Mr. Hartle mentioned, many of the servicemembers, especially enlisted, had no thoughts at all of going to college when they joined the service. But if they take the time to talk to an education counselor, stir up the courage to enroll in a course, register a course, and complete a course regardless of whether or not they ever take another course, they are now confident that they have what it takes to go to college, and college is, indeed, possible. And that is going to have an impact on following generations as well as the larger community.

So as this committee and as the Department of Defense look at metrics to assess the value of this particular program, we strongly encourage you to look at both the quantitative and qualitative measures.

Senator REED. I think you make a lot of sense. Thank you.
And you had one point to make, sir.

Mr. HARTLE. I just wanted to follow up on your question about cold calls and high pressure sales tactics.

The MOU that institutions now have to sign very explicitly prohibits high pressure sales tactics. And one of the ones that is explicitly prohibited is multiple unsolicited phone calls. So I think the DOD is moving in that direction.

The question for the committee, really, and DOD is: Okay, you have prohibited, what do you do now to monitor compliance? And I think this is where the fact that they are looking at roughly 1 percent of the schools per year that are participating in TA.

And I think the second point is: What happens when you find a violation? Do you say, "Don't do it again," or do you throw them out of the program? Those are sort of the two ends.

The Department of Education has a very clear set of policies to limit, suspend, or terminate institutions' ability to participate. They have the authority to fine institutions and it is not clear to me what the DOD will do when they find these violations in the future.

Senator REED. I think those are excellent points.

Just to comment, I think what Mr. Selbe said about sort of the ideal path is soldiers, sailors, airmen, marines going to, you know, getting the notion and going to the educational counselors, getting some advice. Then going to whatever school is on the approved list or several schools, making contact, and then listening is, to me, sort of the ideal approach.

Now, I think this hearing has been extraordinarily insightful and helpful, and I thank the Chairman for that. And I thank your testimony, all you gentlemen have helped us understand the issue. Thank you.

Senator DURBIN. Thanks a lot, Senator Reed.

I would just echo your comment, Mr. Hartle, and say even though Mr. Gunderson and I have a disagreement about whether this is Government money, we are now up to over \$568 million a year that we are putting into this program. I think it is Government money. It is in our appropriation bill. That is just my loose definition of Government money.

And I would say that, Mr. Selbe, you put your finger on it. You really did, as far as I am concerned. Your life experience is what I am thinking about. A person who had no intention of going to college, but went into our military willing to serve and risk his life and along the way thought, "Here's a chance for me to do something after I finish my military." And you made the right choices. It had to be a tough decision. You weren't thinking about that at the outset. You probably weren't sure you could do it, pull it off.

What I worry about is someone just like you who signs up for a worthless school, something where the diploma, if it ever happens, does not take you anywhere. We haven't done our military any favors if that happens.

And as I listen to the testimony from the Assistant Secretary on the audits, 1 percent of these folks are being audited; counselors—advisors, 218; non-counseling, information providers/education technicians, 239—counselors for 200,000 students. Mr. Vollrath couldn't think of a school that had been unaccredited for bad con-

duct out of 3,100 schools offering these courses; unaccredited schools offering these courses at Government expense.

The recruiting techniques that Mr. Neiweem mentioned, I wouldn't want that to happen to anybody let alone a soldier who is being deployed, for God's sake. You know, we ought to give them a break in life. They are doing what we ask them to do. They don't need to make a pressured decision to sign up for something so some school can make some money off of them.

This program needs to be improved, and I think it can be. We have got to step back and take a hard look, starting with accreditation. Every time I get into this subject, all roads lead back to the Department of Education accrediting your schools, Mr. Gunderson. Some of these schools should not be accredited. They accredit themselves, I know that. But it really is, there ought to be some policing within your own industry.

At the HELP hearing, Senator Harkin, you talked about the question about retention and placement. We found was the largest—the single largest for-profit school in America, the University of Phoenix: 8,000 recruiters, no one in placement when he had his hearing, zero. So it was “Recruit the students,” but placing them was not the case, at least when he had his hearing. That is 2 years ago maybe, so I hope things have changed for the better.

Mr. GUNDERSON. I wasn't there 2 years ago and Phoenix is not a member of Association of Private Sector Colleges and Universities (APSCU), but no school that is not accredited can be a member of APSCU either.

Senator DURBIN. No, I understand that, and let me tell you, that doesn't go anywhere with me because you accredit yourself. You have an organization that accredits for-profit schools and they accredit one another.

And even when one of your major schools, Career Education, ended up being found having defrauded the Government, they ended up giving their CEO in Chicago a multimillion dollar parachute to leave after he defrauded the Government, and then the accrediting board said, “Please, never do that again.” That was the extent of the punishment that they suffered. It really is not a credible accreditation process for most of your schools.

Mr. GUNDERSON. But when I took this job—

Senator DURBIN. They take care of one another.

Mr. GUNDERSON [continuing]. Senator, I was given advice by one person who had been serving both in the public sector and the private sector, and one person who serves exclusively in the public sector. And they said, “Steve, understand one thing. There are good and bad schools in every element of higher education.”

If you will listen to me carefully, Senator, you will find that I lift up this sector. There is an individual school that is in trouble, I tell that school, “That's your problem and you've got to defend it.” You will never hear Steve Gunderson defend a school for bad actions. You will always hear me lift up this sector in its ability to give opportunity to students who otherwise wouldn't have that opportunity.

Senator DURBIN. And what it boils down to is this, Mr. Gunderson, if your industry does not establish credible standards of excellence and quality, you are covering up for the bad guys. That is

what it boils down to. So if you really believe that, for goodness sakes, set a standard that changes this miserable record of 12, 25, and 47. That, to me, is the problem.

I can't tell you how members of your Association call me and say, "We want to meet with you, Senator. We're the good ones." I have heard that over and over again. I say, "Prove it. Do something and prove it."

When I hear about the recruiting techniques that Mr. Neiweem, that's got to bother you, doesn't it? I mean, he is talking about a Chicago school that I know the folks involved in. I mean, it just breaks my heart that they would do that to these military families.

Mr. GUNDERSON. One of the things I don't ever do is try to speak for an individual school, but your constituent and my board chair is the President of DeVry University. I invite you and encourage you to have a conversation—

Senator DURBIN. I have many times.

Mr. GUNDERSON [continuing]. With him because I think as Paul Harvey said, "You'll hear the rest of the story."

ADDITIONAL COMMITTEE QUESTIONS

Senator DURBIN. No, I have heard it many times and I am still waiting for a change in practices.

Mr. GUNDERSON. Well, we will—

Senator DURBIN. Thank you very much for attending today.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. FREDERICK VOLLRATH

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

QUALITY OUTCOMES—ADVERTISING VERSUS EDUCATING

Question. I support an effort by Senator Harkin and Senator Hagan to focus Federal education assistance on educating, rather than marketing. American taxpayers cannot afford and should not be asked to subsidize massive marketing and recruiting machines.

At a time when Federal dollars are tight, and these schools are getting up to 90 or in some cases close to 100 percent of their revenue from the Federal Government, and outcomes for these schools so poor. Why should the Federal Government let for-profits spend so many Federal dollars on deceptive advertising?

Answer. Institutions engaging in fraudulent, abusive and/or deceptive advertising will not be allowed to participate in the military Tuition Assistance (TA) program. The Department of Defense (DOD) requires institutions participating in the TA program to sign the DOD Voluntary Education Partnership Memorandum of Understanding (MOU). The MOU requires institutions to be in compliance with the Principles of Excellence (established in Executive Order 13607). Among these principles is a prohibition against fraudulent and aggressive marketing. In addition, DOD is adopting policy that all schools receiving TA must be Department of Education (ED) Higher Education Act Title IV participants. ED regulations specifically provide for sharing of information pertaining to an institution's eligibility for or participation in the title IV program, including information on fraud, abuse and deceptive advertising.

QUALITY OUTCOMES—DATA TRACKING

Question. This subcommittee was provided basic data on the number of courses, number of degrees; amount spent each year and the like—but nothing that would measure quality. Without better data, it could appear that we are willing to let servicemembers throw good money after bad to almost any institution they choose.

What data does DOD track to ensure a quality education?

Answer. On April 27, 2012, President Obama signed Executive Order (EO) 13607 Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members to address reports of misleading or predatory behavior toward Veterans, servicemembers, and their families pursuing higher education, and to ensure students are better equipped with comprehensive information to make school and program choices that best meet their educational goals. The EO tasked the Departments of Education (ED), Veterans Affairs (VA), and Defense (DOD) to develop military and Veteran student outcome measures.

The outcome measures will focus on data that will elicit more information about how servicemembers and Veteran students complete their studies and education programs. The outcome measures will serve as new tools that will enable prospective students to more easily compare educational institutions based on how well they serve Veterans and servicemembers.

An interagency working group is finalizing “comparable” metrics that will support comparison of outcomes across Federal education programs and across institutions. The working group has met with Veterans Service Organizations and Institutions of Higher Learning to discuss data collection and reporting.

DOD is currently coordinating draft Outcome Measures with the Services and interagency working group. Metrics being reviewed are: Student retention rate, persistence rate, transfer rate, course completion, graduation rate, degree/certification completion rate, number of years to completion, number of institutions attended to complete the degree, and the average student loan/debt.

Question. I understand the Department has started interagency conversations with the Department of Veterans Affairs and the Department of Education in an effort to ensure higher standards. When can this subcommittee expect a conclusion to those conversations?

Answer. In accordance with Executive Order (EO) 13607 signed by the President on April 27, 2012, the Department of Defense (DOD), Department of Veterans Affairs (VA), Department of Education (ED), Department of Justice (DOJ) and in consultation with the Consumer Financial Protection Bureau (CFPB) began immediate implementation of the policy directives through these interagency working groups which have varying report-out dates depending on the specific action being worked:

—Information Group:

—Development of streamlined tools to compare educational institutions using key measures of affordability and value for prospective military and veteran students with through the VA’s eBenefits portal.—VA lead (Implementation April 2014).

—Development of student outcome measures, such as: retention, completion/graduation rates, average student loan/debt default to be made available on ED’s College Navigator Web site.—ED lead (Fall 2013).

—Improving data collection regarding which schools veterans are selecting to use their education benefits.—ED lead (Fall 2013).

—EO Enforcement Working Group:

—Strengthening of an institution on base access rules: DOD has established new uniform rules and strengthened existing procedures for access to military installations by educational institutions. (Implementation: 2013–2014 school year.)

—Developing a Centralized Complaint System: ED, DOD, and VA, in consultation with CFPB and DoJ, will launch an automated centralized complaint system for students receiving Federal military and Veterans’ educational benefits. The VA will also institute uniform procedures for receiving and processing complaints across the State Approving Agencies. (Implementation: 2013–2014 school year.)

—Analysis of 90/10 Rule: The DOD, VA, and Ed will compile a list of schools at risk of overstepping the 90/10 rule due to military and veteran educational benefits and recommendations for consideration to amend the 90/10 rule. (Due following 2013–2014 school year.)

—School compliance with the EO: DOD will require all schools who participate in the military Tuition Assistance program to comply with the EO requirements by requiring all schools to sign an revised DOD Memorandum of Understanding between DOD and Education Institutions participating in the TA program. (Implementation 2013–2014 school year.)

QUALITY OUTCOMES—TRANSPARENCY

Question. As a result of the President’s Executive order from April 2012—and building on the Department of Education’s launch of the College Scorecard—the De-

partment is in the process of implementing such a scorecard through the VA's eBenefits portal.

What is the status of this initiative? When will it go online for student servicemembers?

Answer. The Department of Veterans Affairs (VA) is developing a Comparison Tool/GI Bill Benefit Estimator that will enable prospective students to compare educational institutions using key measures of affordability and value through access to school performance information, and consumer protection information.

VA placed a link to the Department of Education's (ED) College Navigator on the eBenefits Web site in November 2012. VA subsequently embedded ED's College Navigator into the GI bill Web site in March 2013. As a long-term plan, VA will integrate data from ED's College Navigator with data from VA's Web-Enabled Approval Management System (WEAMS) to calculate tuition and fees, monthly housing allowance, and books and supplies estimates. The tool will include indicators on graduation rates, retention rates, loan default rates, average student loan debts, Veterans population, Yellow Ribbon Reintegration Program and Principles of Excellence participation, as well as an estimated cost of attendance. The VA anticipates this tool will be available on the GI bill Web site and www.eBenefits.va.gov by April 2014.

The Department of Defense currently has links to eBenefits.va.gov as well as to ED's College Navigator on its Voluntary Education Web pages.

Question. What type of information will the servicemember be able to access for each institution?

Answer. Institutions participating in the military Tuition Assistance (TA) program must provide the following information to all servicemembers prior to enrolling them into their institutions:

- Disclose transfer credit policies prior to enrollment.
- Disclose policies regarding award of academic credit for prior learning experiences.
- Disclose any academic residency requirements.
- Disclose the institution's programs and costs, including tuition, fees, and other charges.
- Provide access to an institutional financial aid advisor.
- Provide information on institutional "drop/add," withdrawal, and readmission policies, especially as they apply to the potential impact on a servicemember's military duties.
- Conduct academic screening/competency testing; make placement based on student readiness.
- Designate a point of contact to provide appropriate academic and financial aid counseling and student support services.

Additionally, all institutions will provide prospective students, Veterans and servicemembers, with a personalized and standardized form (Department of Education College Scorecard and Financial Aid Shopping Sheet) to help the student understand the total cost of the educational program, including:

- Tuition and fees and the amount that will be covered by Federal educational benefits.
- Type and amount of financial aid for which they may qualify; and their estimated student loan debt upon graduation.
- Information about student outcomes.
- Information to facilitate comparison of aid packages offered by different educational institutions.
- Information about the availability of Federal financial aid and policies to alert students of their potential eligibility for aid before arranging private student loans or alternative financing programs.

QUESTIONABLE THIRD-PARTY REVIEW/OVERSIGHT

Question. Assistant Secretary Vollrath, DOD contracts with a third party to assess the quality of schools participating in the TA program and to help improve the program through recommendations to the institutions, DOD and the military services. The American Council on Education performed this contract for many years. In October 2011, Management and Training Consultants, Inc. (MTCI) was awarded the contract. MTCI remains the current third-party reviewer for this process—what the Department calls MVERS ("my-vers") process—Military Voluntary Education Review Systems.

What were DOD's criteria for awarding this contract?

Answer. The solicitation was issued for full and open competition. The contract officer advises that the evaluation criteria included four factors: Management ap-

proach, corporate experience, past performance, and socio-economic plan. The company awarded the contract was the highest rated overall on the four factors.

Question. What is MTCI's record of excellence in education oversight? The company is virtually unknown within education circles. It is not clear that they have education oversight experience.

Answer. The solicitation was issued publically for full and open competition. The evaluation criteria included four factors: management approach, corporate experience, past performance, and socio-economic plan. MTCI was the highest rated overall on the four factors.

Question. How did the Department settle on review of 20–30 schools per year? This seems inadequate given 3,127 institutions participating in Tuition Assistance in more than 4,100 sub-campuses.

Answer. The number of 20–30 schools per year is based on the amount of funding available to support this portion of our Tuition Assistance (TA) program. Though a small number, it is only one part of the quality control program. The Services nominate institutions for review based on the number of servicemembers attending the institution, tuition assistance expended, compliance factors listed in the Department of Defense Voluntary Education Partnership Memorandum of Understanding (DOD MOU), and complaints received. As the inter-departmental automated complaint system comes on line, "complaints received" will become an increasingly important part of the "risk" criteria.

Question. Has the Department considered multiple contracts for this third-party review? It would permit oversight specialization in online courses versus classroom programs . . . or experts in for-profit schools versus public institutions? I am looking for assurance that MTCI has the relevant expertise in all these areas to ensure high quality.

Answer. Additional contracts for the third-party review are not being considered at this time due to fiscal constraints. The request for proposal (RFP) submitted by MTCI demonstrated the company had relevant experience based on four evaluation factors: management approach, corporate experience, past performance, and socio-economic plan, and were highly qualified to perform the required work.

The MTCI assessment teams, as a requirement of the contract, are comprised of individuals who have expertise in the various areas under review to include as a minimum: experience in post-secondary education; familiarity and knowledge of post-secondary accreditation; knowledge of voluntary education programs in the military; adult continuing education; non-traditional education to include distance learning; instructional delivery; counseling services; experience with online programs and institutional status (public/private/nonprofit).

The third-party assessment is not the only oversight tool that the Department of Defense (DOD) relies on to monitor institutions. Other tools include:

- The Servicemembers Opportunity Colleges (SOC) has over 1,900 institutional members bound by the principles of good practice. The most important of these principles were incorporated into the DOD Memorandum of Understanding (MOU).
- DOD refers to the list of schools assembled by the Department of Education as the first source to ensure the institution is in good standing when vetting for the admission into the DOD MOU program.
- Regional and national accrediting bodies post data on their Web sites regarding institutional status (probation, show cause, etc). The Defense Activity for Non-Traditional Education Support (DANTES) MOU team reviews this data quarterly and posts any noted discrepancies to the DOD MOU database, and notifies DOD personnel as needed.
- Education offices staffed with education professionals work directly with institutions and servicemembers who also notify DOD via their respective Service Chain of Command regarding concerns with specific institutions.
- All Services have existing complaint systems. These are in the final stages of being centralized into a DOD Postsecondary Education Complaint System.

Question. What risk factors has the Department identified as grounds for increased scrutiny? How are they folded into third-party review?

Answer. DOD uses the following risk factors to help identify which schools are selected for third-party review:

- Complaints received from servicemembers or educational professionals.
- Critical indicators of institutions found to be out of compliance with governmental policies and procedures as provided by the Departments of Defense (DOD), Education (ED), Justice (DoJ), and Veterans Affairs (VA), as well as the Consumer Financial Protection Bureau (CFPB).
- Information posted by regional and national accrediting bodies regarding institutional status (probation, show cause, etc).

—Amount of Tuition Assistance funding going to a particular institution.

In August 2013, DOD will roll out its automated Postsecondary Education Complaint System and in the fall of 2013 start receiving information from the complaint systems of other agencies (ED, DOJ, VA and CFPB). This will further enhance DOD's ability to identify institutions for potential review.

Question. How does DOD factor in violations uncovered by the Department of Education? How do student complaints factor into the system?

Answer. Complaints and concerns generated by servicemembers, Department of Education (ED), Department of Veterans Affairs (VA) and Consumer Financial Protection Bureau (CFPB) regarding institutions are part of the Department of Defense (DOD) risk-based approach for determining the selection of institutions to be reviewed. Complaints or alerts received from ED, VA and CFPB regarding potential significant areas of noncompliance or identified in ongoing oversight activities about a particular institution are provided to the Third-Party Review team to use during that institution's review. In addition, the Third-Party Review team conducts surveys and student sensing groups as part of its review. All findings are included in an after-action report to DOD. Recommendations for improvements as part of the Third-Party Review are tracked by DOD, and schools must report to DOD within 6 months all completed corrective actions.

In fall of 2013, when the DOD Postsecondary Education Complaint System is fully operational, all complaints by students will be consolidated into the Federal Trade Commission's Consumer Sentinel Network for Department of Justice review and access by the Departments of Education (ED) and Veterans Affairs (VA), and the Consumer Financial Protection Bureau. Similarly, DOD will have access to all complaints posted by ED and VA.

EDUCATION CONFERENCE IN LAS VEGAS, JULY 2012

Question. Assistant Secretary Vollrath, the Department of Defense put on a "Worldwide Education Symposium" at the MGM Grand in Las Vegas on July 23–27, 2012. The description on the registration Web site reads, "The theme is 'Educating the Force—Joint Effort Joint Success' and will explore strategies to effectively deliver voluntary education programs that enhance the servicemember's capacity to serve while enabling them to improve their quality of life. This highly anticipated event is the most-attended conference focused on military education programs, and for some, the only conference they will attend in 2012."

How much does DOD spend on this conference? How many DOD employees attended, and in what capacities?

Answer. The Government's direct cost for the conference management services, to include logistics, facilities and audio visual, was \$0.00. The Government awarded a no-cost contract to Events by Design Inc., Potomac Falls, Virginia. The no-cost contract vehicle was selected as the most effective way to conduct the symposium. (U.S. GAO-B-308968, No-Cost Contracts for Event Planning Services, November 27, 2007.)

—The contractor assumed all liability for costs related to the symposium.

—The contractor was entitled to all registration, exhibits fees, sponsorship and/or other fees collected as payment for performance.

There were 517 DOD employees in attendance at the conference (consistent with Under Secretary Carter's approved estimate of fewer than 590).

—Registration fees were approximately \$248,500.¹

—Travel and per diem is estimated \$721,500.²

—DOD employees attended as participants and presenters.

DOD undertook extensive efforts to balance the important purpose of the conference with its cost, including efforts to ensure that only those employees with a strong and legitimate need to attend the conference were permitted to do so. It is also important to remember that this conference only takes place every 3 years, which is another way that its benefit is balanced with its cost.

EDUCATION CONFERENCE IN LAS VEGAS, JULY 2012

Question. Does it concern you that the sponsors of the event are heavily for-profit colleges? Or that the exhibitors are overwhelmingly for-profit colleges?

Answer. Neither the sponsors of the event nor the exhibitors were overwhelmingly for-profit colleges. The contractor, Events by Design Inc., Potomac Falls, Virginia,

¹Costs are based on 497 attendees charged registration fees (those only speaking (7) were waived; some claimed passes included in exhibit packages).

²Airfares were averaged; travel figures assumed 75 percent of attendees stayed 5 nights and 25 percent only 4 nights.

as part of the “no cost contract” was the point of contact for institutions or other groups desiring to sponsor events and provide exhibits held on conference premises during Symposium dates.

- There were a total of 47 sponsors (36 nonprofit and 11 for-profit). These sponsorship sales amounted to 22 percent of the total collected by the contractor.
- There were 258 exhibitors in the exhibit hall, only 15 percent of which were for-profit institutions:
 - Public institutions of higher learning: 63
 - Private institutions of higher learning (100 total)
 - For-profit: 40
 - Nonprofit: 60
 - Government agencies (8 total)
 - DOD: 6
 - Non-DOD: 2
 - Industry partners: 55
 - Private sector businesses and industries that offer education-related products and services such as: Pearson VUE, Peterson’s, Kuder Inc., MBS Service Company Inc., and Tutor.com for Military Families
 - Nonprofit organizations: 32
 - Examples of nonprofit organizations: Accrediting agencies, American Council on Education, Council of College and Military Educators, Dallas County Community College District, College Board

Question. What is the purpose? It looks like it is simply an opportunity to dominate the market even more, and get access to DOD officials.

Answer. The purpose of the “Educating the Force, Joint Effort, and Joint Success” Symposium was to explore strategies to effectively deliver voluntary education programs which meet the needs of the military student. A goal was to enhance collaboration between DOD education professionals and academic institutions in order to increase the delivery of quality education programs and stimulate creative thoughts concerning the current educational needs and issues of servicemembers.

The Symposium’s program was selected to expose Service education professionals to issues of concern when providing education opportunities to servicemembers. Topics of the concurrent sessions included:

- Delivery of distance learning programs;
- Transfer of military credits;
- Accreditation issues; delivery of non-traditional education; current issues in the Department of Education;
- Credentialing and licensure leading to employment;
- Transitioning military members to school; military to civilian career transitions;
- Education partnering; Student Veterans of America; Troops to Teachers;
- Improving student success; understanding and assessing traumatic brain injury when delivering education;
- Services’ instructional portals; Community College of the Air Force;
- Veterans Affairs updates; 9/11 GI bill;
- Military Spouses and My Career Advancement Accounts (MyCAA);
- Presidential Executive Order 13607; legislative issues in Voluntary Education; DOD MOU.

A major focus of the Symposium was predatory schools, and several speakers engaged in this issue were featured in the program:

- Deputy Secretary of Education Martha Kanter addressed the general session providing the Department of Education’s perspective on current issues in Higher Education, emphasizing strategies for ensuring value in education.
- Ms. Holly Petraeus and Mr. Rohit Chopra, Consumer Financial Protection Bureau presented “Dollar Signs in Uniform?”
 - Provided information every servicemember or veteran needs to know before deciding where to go to school or “signing on the dotted line.”
 - Identified consumer protection issues facing our military community, and the newest tools and resources available to empower them to make wise financial decisions.
- Representatives from the Dept. of Justice presented “How to Identify Fraud in Higher Education.”
 - The session explored fraud in higher education and discussed how to identify fraud. The theme of their presentation was “if schools engage in fraud or misrepresentation in the recruiting or educating of servicemembers, not only are the servicemembers themselves harmed but the G.I. Bill and TA funds designed to help them are also not well-spent. So, military, educational, and law enforcement institutions have a common interest in identifying and protecting against any such deceptive practices.”

—Ms. Michele S. Jones, Director of External Veterans/Military Affairs & Community Outreach, President's Veterans Employment Initiative addressed a general session on the importance of seeking education counseling and remaining committed to one's educational goals.

DOD RESPONSE TO SEC INVESTIGATION OF CORINTHIAN COLLEGES, INC.

Question. This illustrates my concern perfectly. This was one of the many schools who were able to sign the revised MOU from December 2012 with no problem.

What actions is DOD taking in light of the SEC investigation?

Answer. When the Department of Defense (DOD) learned of the SEC investigation of Corinthian Colleges, Inc., we immediately informed the Services and determined how many military students were attending schools owned by Corinthian Colleges, Inc. Currently there are 121 military students attending Corinthian Colleges, (Wyo-Tech, Everest and Heald College).

—At the time Corinthian Colleges, Inc., signed the DOD MOU, it was fully accredited and there was no indication of any problems with its schools.

—DOD is working closely with the Department of Education and Veterans Affairs in monitoring the SEC investigation and will take appropriate action as the investigation unfolds.

Question. As a general matter, what actions does DOD take, and on what time line, for an SEC investigation? What about other potential infractions or violations from Department of Education, the Department of Veterans Affairs, or the Consumer Financial Protection Bureau?

Answer. The Department of Defense (DOD) does not have a specified timeline for a Securities and Exchange Commission (SEC) investigation that differs from any other potential infraction. DOD has developed a strong partnership with the Departments of Education (ED) and Veterans Affairs (VA) and the Consumer Financial Protection Bureau (CFPB) to meet and share information. One purpose of the partnership is to exchange emerging information among the partners such as:

- requirements reports from accrediting agencies;
- school monitoring reviews; and
- requirements for VA and State authorization of schools.

Sharing this information allows the agencies to work together in a coordinated fashion to take the appropriate action. In addition, DOD participates in quarterly, information-sharing meetings with the partners to focus on common issues concerning administration of Federal education benefit programs as they relate to the agencies involved and the benefits provided to servicemembers and Veterans.

Question. Does it bother you that the Federal Government is paying for Tuition Assistance to a school that has 36 percent of its students defaulting on their loans within 3 years?

Answer. The Department of Defense (DOD) is not aware of a current standard used by either the Departments of Education or Veteran Affairs regarding unacceptable loan default rates. Until one is developed, the most we can do is to ensure all servicemembers have the maximum information available to them as they select their personal 'best fit' from among the fully accredited institutions participating in the Tuition Assistance (TA) program.

The Department of Defense Voluntary Education Partnership Memorandum of Understanding (DOD MOU) strengthens institutions' transparency requirements. Prior to enrolling a student using (TA), an institution must do the following:

1. Provide each student with specific information on locating, understanding, and, where appropriate, completing the following personalized standard forms:

—Department of Education Financial Aid Shopping Sheet, which may supplement or replace an institution's existing award letter and may be used for any student. The template is located at http://www.collegecost.ed.gov/shopping_sheet.pdf.

—The College Scorecard from the College Affordability and Transparency Center within the Department of Education, located at <http://www.collegecost.ed.gov/catc>. The College Scorecard is a planning tool and resource for prospective students and families to compare college costs.

—The Financial Aid Comparison Shopper worksheet from the Consumer Financial Protection Bureau, located at <http://www.consumerfinance.gov/paying-for-college/compare-financial-aid-and-college-cost>, is a cost comparison worksheet tool. The Web site allows prospective students to enter the names of three schools and receive detailed financial information on each one. The site also provides the first-year sticker price for each school as well as the average grants and scholarships packages and the total borrowing per year based on these figures. Once the prospective student enters additional financial aid award information or

- personal contributions, the program calculates the student's projected financial burden, along with an estimate of any possible monthly student loan payments once the student has graduated.
2. Designate a point of contact or office for academic and financial advising, including access to disability counseling, to assist servicemembers with completion of studies and with job search activities.
 - The designated person or office will serve as a point of contact for servicemembers seeking information about available, appropriate academic counseling, financial aid counseling, and student support services at the institution;
 - Point of contact shall have a basic understanding of the military tuition assistance program, Department of Education Title IV, education benefits offered by the VA, and familiarity with institutional services available to assist servicemembers; and
 3. Provide servicemembers access to an institutional financial aid advisor who will provide a clear and complete explanation of available financial aid, to include Title IV of the Higher Education Act of 1965, as amended, and appropriate loan counseling before offering, recommending, or signing up a student for a loan.
 4. Refrain from automatic program renewals, bundling courses or enrollments. The student and Military Service must approve all course enrollments prior to the start date of the class.

QUESTION SUBMITTED BY SENATOR LAMAR ALEXANDER

Question. Finally, all institutions are governed by State and Federal laws, in addition to oversight by the U.S. Department of Education. And only institutions of higher education accredited by an accrediting body recognized by the U.S. Department of Education may be approved for TA receipt.

Please explain, in detail, your thoughts on each of these layers of oversight and how they work to ensure quality. Please also describe in detail where each or any of these existing layers are deficient in ensuring quality and recommendations you may have for improving these existing layers instead of simply adding more layers of bureaucracy.

Answer. The quality of education received by our servicemembers is very important to the Department of Defense (DOD). DOD relies on all of these layers, the Department of Education (ED), Department of Veterans Affairs (VA), and State governments to ensure oversight protections are in place at all levels. The requirement that all post-secondary institutions participating in the military Tuition Assistance Program (TA) must be accredited by an accrediting body recognized by ED underpins all of our quality control efforts and serves as the essential filter for quality assurance. DOD also requires institutions to sign the DOD Voluntary Education Partnership Memorandum of Understanding (MOU), which outlines DOD's requirements for participation in the TA program. In addition, DOD is implementing new policy during the 2013–2014 school year that requires all schools to participating in the TA program be:

- Higher Education Act Title IV participants;
- VA approved for the use of VA education benefits; and
- In compliance with State requirements for approval to operate and offer post-secondary education in the State where the services are rendered.

CONCLUSION OF HEARING

Senator DURBIN. Our next hearing is going to be on another interesting topic. It will be the Joint Strike Fighter, F-35, the most expensive acquisition project in the Federal Government. So stay tuned.

We will be resuming on Wednesday, June 19 at 10 a.m., for that and the subcommittee stands in recess.

[Whereupon, at 11:46 a.m., Wednesday, June 12, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]