# The Consequences of the Post-9/11 GI Bill on Veterans and Higher Education

The Harvard community has made this article openly available. Please share how this access benefits you. Your story matters.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Citable link</td>
<td><a href="http://nrs.harvard.edu/urn-3:HUL.InstRepos:33797374">http://nrs.harvard.edu/urn-3:HUL.InstRepos:33797374</a></td>
</tr>
<tr>
<td>Terms of Use</td>
<td>This article was downloaded from Harvard University’s DASH repository, and is made available under the terms and conditions applicable to Other Posted Material, as set forth at <a href="http://nrs.harvard.edu/urn-3:HUL.InstRepos:dash.current.terms-of-use#LAA">http://nrs.harvard.edu/urn-3:HUL.InstRepos:dash.current.terms-of-use#LAA</a></td>
</tr>
</tbody>
</table>
The Consequences of the Post-9/11 GI Bill on Veterans and Higher Education

Adam B. Fullerton

A Thesis in the Field of Government
for the Degree of Master of Liberal Arts in Extension Studies

Harvard University
November 2016
This study investigates how the Post-9/11 GI Bill is used by veterans to attend higher education institutions offering 4-year college degrees. The Post-9/11 GI Bill was intended to give the benefit of payment assistance to all of those that served the United States military on, or after, September 11, 2001, as they pursue their college education. This study examines the school choices of the students utilizing that benefit and the implications of a large number of these students using their benefits to attend for-profit institutions.

To do this, the study first explores the history of the GI Bill, as well as its many sub-programs that provide assistance to unique subcategories of veterans and family members. The study then empirically shows that veterans are substantially more likely than non-veterans to attend for-profit colleges, which have lower graduation rates and higher student loan default rates than their non-profit and public counterparts. GI Bill funds thus flow disproportionately to the for-profit sector, raising concerns about the impact of such funds on student outcomes.

The study then explores the potential inadequacies of the 90/10 rule for for-profit colleges. Four potential solutions to the problem are considered, with a specific focus on the possibility of Military Universities being revamped to provide a better path to a college degree for service members.
Dedication

This dedication is to my wonderful wife Brenna. Without your love and support in every aspect of our lives this would not have been possible.
Acknowledgements

I would like to thank the following people:

Dana Sanford, you have been one of best mentors that a young officer could hope to have. Your guidance in the military, as well in my personal life, have been instrumental in my growth. I cannot express in words the impact you have had on my life.

Chad Clark, your attention to detail, and ability to sift through the paperwork in an effort to find the truth is something that I try to emulate on a daily basis. You never hesitate to answer when I have a question, and your insight has helped me, as well as the Marines that work for me. Thank you for everything you do.

Dr. Joshua Goodman, thank you for walking me through the thesis process. I am indebted to you. You were able to help me find my voice and articulate my passions. I could not have accomplished this without you.
# Table of Contents

Dedication.................................................................................................................................iv

Acknowledgments........................................................................................................................v

List of Tables.........................................................................................................................................viii

List of Figures........................................................................................................................................xi

I. Introduction to the Post-9/11 GI Bill.................................................................................................1

   Post-9/11 GI Bill...............................................................................................................................9
   Yellow Ribbon Program..................................................................................................................10
   Reserve Educational Assistance Program.......................................................................................11
   Montgomery GI Bill-Selected Reserves.........................................................................................11
   National Call to Service Program....................................................................................................12
   Branch Specific Service Schools......................................................................................................13
   Post-9/11 GI Bill Transfers..............................................................................................................14
   Marine GySgt John D. Fry Scholarship Program.............................................................................15

II. Research Methods and Results......................................................................................................17

   Data Collection...............................................................................................................................18
   Exclusion Criteria............................................................................................................................19
   Target Population............................................................................................................................21
   Data Analysis................................................................................................................................22
   Results............................................................................................................................................22
   Percent of Aid Received by Type of Institution.............................................................................23
   Average Graduation Rates by Institution Types.............................................................................25
   Average Default Rates by Institution Types..................................................................................26
Post-9/11 GI Bill Benefits and Costs by Institution Type.................................28
Breakdown of Amount of Students by School Type........................................30

III. The 90/10 Loophole..................................................................................31

Public and Private Veteran Shaped Educational Transformations..................33
For Profit Educational Transformation............................................................35
Online Programs.............................................................................................39

IV. Possible Alternatives..................................................................................41

New 90/10 Rule Guidelines..............................................................................41
TAPS.................................................................................................................44

V. Conclusion: Military Branch Universities and the Future of Veteran Education...50

The Future of Veterans in Higher Education..................................................55

Bibliography......................................................................................................57
List of Tables

Table 1.1 Programs covered by post-9/11 GI Bill.........................................................2
Table 1.2 Breakdown of benefits programs..................................................................7
Table 1.3 Breakdown of benefits awarded by months served active duty......................9
Table 1.4 Benefits of national call to service program..................................................12
Table 2.1 Characteristics of universities and colleges in study........................................22
Table 3.1 Military friendly benefits/assistance programs by schools............................33
List of Figures

Figure 1.1 Education programs beneficiaries, FY 2000 to FY 2012.................................5
Figure 2.1 Percent of aid received by type of institution..................................................25
Figure 2.2 Average graduation rates by institution types.................................................26
Figure 2.3 Average default rates by institution type.........................................................27
Figure 2.4 Post-9/11 GI Bill benefits and costs by institution type....................................29
Figure 2.5 Number of students by school type.................................................................30
Figure 3.1 Total number of students receiving military educational benefits as reported by 30 for-profit schools.................................................................36
The Post-9/11 GI Bill is designed to assist those that risked their lives in service to their country. It does this through a variety of ways, one of which is educational assistance. The goal of this assistance is to help the veteran population by assisting them in catching up to their peer group that continued to move forward professionally while the veteran paused their civilian life to support their country’s call to arms. Intent, however, does not necessarily produce the desired results. To explore the GI Bill and the results that can come from it, the first two questions that must be answered are, “what is the Post-9/11 GI Bill” and “what educational benefits does the Post-9/11 GI Bill provide for veterans.”

To begin to answer the above questions, one needs to first understand the history of the bill and the reasons behind its introduction. This understanding of the history will add context that is crucial in understanding that the intent was admirable, but that the implementation of the bill can be deemed inadequate, and possibly even harmful to the veterans that it attempts to serve. The United States Department of Veterans Affairs\(^1\) explains the coverage of the program on its website, stating that Post-9/11 GI Bill covers the following types of training:

---

Table 1.1
Programs covered by Post-9/11 GI Bill

<table>
<thead>
<tr>
<th>Programs covered by Post-9/11 GI Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Correspondence training</td>
</tr>
<tr>
<td>• Cooperative training</td>
</tr>
<tr>
<td>• Entrepreneurship training</td>
</tr>
<tr>
<td>• Flight training</td>
</tr>
<tr>
<td>• Independent and distance learning</td>
</tr>
<tr>
<td>• Institutions of higher learning undergraduate and graduate degrees</td>
</tr>
<tr>
<td>• Licensing and certification reimbursement</td>
</tr>
<tr>
<td>• Vocational/technical training, non-college degree programs</td>
</tr>
<tr>
<td>• National testing reimbursement</td>
</tr>
<tr>
<td>• On-the-job training</td>
</tr>
<tr>
<td>• Tuition Assistance top-up</td>
</tr>
<tr>
<td>• Tutorial assistance</td>
</tr>
<tr>
<td>• Vocational/technical training</td>
</tr>
</tbody>
</table>

The GI Bill first came into being in 1944 under the title of The Servicemen’s Readjustment Act of 1944,\(^2\) and was only known informally as the GI Bill during these early years of the program. This bill, in its initial form was not the one that is known today, but the spirit of it was the same as the current iteration. It was intended to help those veterans getting off active duty by providing low-interest loans, mortgages, one-year unemployment compensation, and the final part, which is the primary focus of this study, tuition and living expenses for attending university. At this time the bill would provide these benefits to a service member who had served a minimum of 120 days during war time and was honorably discharged. The bill was a success for those returning from World War II if one looks at the number of service members that utilized it. There

\(^2\) This version of the GI Bill was signed into law on June 22, 1944 by President Roosevelt.
were around 7.8 million³ service members utilizing the program for either higher education or some other form of training to assist in their reintegration into the private sector at this time. Incidentally there was no data that showed this sudden burst of veteran college students saw an increase in education attainment by these service members.⁴ It seems that even in these early years of the program, giving the veterans the capability of attending college did not necessarily give them the ability to graduate from a higher education program.

The bill began to evolve from this first version into the one that we know today with the Veterans Act of 1966. This was the first peacetime GI Bill, giving the benefits to anyone who served and not just in wartime. It was voted in unanimously by Congress and signed into law by President Johnson. With the transition in 1973 to an all-volunteer military, the GI Bill went from being just a benefit awarded to military members, to a primary selling point used by recruiters to entice individuals into serving.⁵ The GI Bill was now used to attract individuals from low-income backgrounds, and these service members would often become first-generation college attendees. The next major change to the GI Bill would arrive 35 years later, in the summer of 2008. It not only changes the potential future education of veterans that serve after 9/11/2001, but it will also reshape

³ More historical numbers about GI Bill use during this time ca be found at: http://www.benefits.va.gov/gibill/history.asp.


the landscape of higher education for, potentially, the entire generation of individuals going to college.

Congress approved Chapter 33 Post-9/11 Veterans Education Assistance Act of 2008 (this would come to be known solely as the Post-9/11 GI Bill) in the summer of 2008 (for the 2009 academic year). In the academic year immediately following the approval of this bill, over three hundred thousand service members started using these new benefits towards pursuing a college education in the next semester that they were able to. The figure below gives a number of students that began using this new benefit and puts this number into context. It shows that there was a 42% increase between 2009, when the new bill was enacted, and another increase in 2010. This record growth in the number of service members utilizing a new form of government subsidy on higher education came without any training of the individuals entitled to the benefits or instruction to the service members on even how to utilize the benefits. More often than not they were essentially handed a blank check and told that their rent would be paid for the next four years if they chose to attend college for free. In 1978 the benefits from the GI Bill came out to $10,209 in 1978, $17,717 in 1986 and around $22,000 as of 2015.

---

6 The act specifically amended Part III of Title 38, U.S. Code, by adding chapter 33, which specifically expanded education entitlements for those that served on or after September 11, 2001. The bill was signed into law by President George W. Bush, and had been written and managed by Democratic Senator Jim Webb. Reference H.R. 2642 and Pub. L. 110-252


This new chapter of the GI Bill gives a huge increase in the educational benefits that the service member would receive under the bill. Now anyone who had served other than dishonorably in the military would have their college education paid in full (or the equivalent full cost of the state tuition paid towards a private university degree). Because of this, educational benefits are the most commonly cited reasons for joining the military.\textsuperscript{11} When an individual is given the ability to merit aid outside of the Post-9/11 GI Bill, they are 10% less likely to pursue joining the military.\textsuperscript{12} This can be seen through

\textsuperscript{10} This information was provided by the National Center for Veterans Analysis and Statistics.

\textsuperscript{11} GWT; U.S. General Accounting Office, 2001. As of May 3, 2016, there is a move away from calling it the Global War on Terrorism, with a focus being now on the Inherent Resolve Campaign.

\textsuperscript{12} A. Barr, “Enlist or Enroll: Credit Constraints, College Aid, and the Military Enlistment Margin,” \textit{Economics of Education Review} 2015, 51 (2016):68
around 45% of Post-9/11 veterans attending college at a full-time or part-time pace.\textsuperscript{13,14} This version of the bill also paid for the student’s books and housing (at a standard E-5 Basic Allowance for Housing [BAH] rate in the zip code the student lived). With the benefits having evolved in this manners, the government began to see an increase of service members using their Post-9/11 GI Bill once they got off of active duty. The Bill was tweaked slightly, in 2010, expanding benefits again, primarily with respect to the reserve and National Guard components. With all of this funding available from this bill, funding that is considered Title V, schools began to notice these veterans.

While this bill has seen major changes over the decades that it has been in place, the overall theme of the bill has remained the same. This theme was to attempt and assist the veteran population in reintegrating into society after serving on active duty. In order to answer the question, “what educational benefits does the Post-9/11 GI Bill provide for veterans,” one must explore all seven of the main areas in which veterans receive their benefits (all but one, Tuition Assistance, are part of the GI Bill). The list of programs to be covered in this chapter will be The Post-9/11 GI Bill, The Yellow Ribbon Program, Reserve Enlisted Assistance Program (REAP), The Montgomery GI Bill for Select Reserves (MGIB-SR), The National Call to Service, transferring of the Post-9/11 benefits to relatives, and The Marine GySgt John D. Fry Scholarship.

To understand the implications of these program on the veteran, as well as the tax payer, one must first understand the intricacies of serving as well as utilizing the services offered. The vast majority of these benefits focus on the individual who have served a

standard 4-year contract. With this contract, one typically does not use their GI Bill during their 4 years of active duty service, and in turn get out and go to school as a form of reintegration into society. Upon completion of this contract, the service member receives 100% of their Post-9/11 GI Bill benefits. There are, however, numerous other benefits that need to be understood and considered, as they show alternate ways in which one can receive assistance outside of the GI Bill that work to supplement the GI Bill in areas that it falls short. The following programs, outlined in Table 2.1, are not meant to make up a comprehensive list. They are chosen specifically to illustrate the multifaceted educational assistance program that exists for veterans.

Table 1.2
Breakdown of benefits programs

<table>
<thead>
<tr>
<th>Minimum Length of Service</th>
<th>Post-9/11 GI Bill</th>
<th>National Call to Service</th>
<th>MGIB-SR</th>
<th>REAP</th>
<th>VEAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 days active aggregate service (after 9/10/01) or 30 days continuous if discharged for disability</td>
<td>2 yr. continuous enlistment (minimum duty varies by service date, branch, etc.)</td>
<td>6 yr. commitment (after 6/30/85)</td>
<td>90 days active continuous service (after 9/10/01)</td>
<td>181 continuous days active service (between 12/31/76 and 7/1/85)</td>
<td></td>
</tr>
</tbody>
</table>

<p>| Maximum # of Months of Benefits 2 | 36 | 36 | 36 | 36 | 36 |
| How Payments Are Made | Tuition: Paid to school | Paid to student | Paid to student | Paid to student | Paid to student |</p>
<table>
<thead>
<tr>
<th>Duration of Benefits</th>
<th>Generally 15 years from last day of active duty</th>
<th>Generally 10 years from last day of active duty</th>
<th>Ends the day you leave Selected Reserve</th>
<th>Generally 10 years from the day you leave the Selected Reserve or the day you leave the IRR</th>
<th>10 yrs from last day of active duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree Training</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Non College Degree Training</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>On-the-Job &amp; Apprenticeship Training</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Flight Training</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Correspondence Courses</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Licensing &amp; Certification</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>National Testing Programs</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Work-Study Program</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Tutorial Assistance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Yellow Ribbon Program</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>----</td>
<td>----</td>
</tr>
</tbody>
</table>

Post-9/11 GI Bill

The rules and guidelines for a reservist in any branch of service seem to stand in stark contrast to those of an active duty military member in regards to utilizing their Post-9/11 GI Bill. While a veteran that served on active duty receives 100% of their Post-9/11 GI Bill benefits upon completion of four years, the reservist receives a prorated amount. The amounts depend on their time served on active duty (excluding their initial training) and awards 100% of the bill with 36 or more months. Between 0 and 36 months is broken down as follows:\(^{15}\)

Table 1.3

Breakdown of benefits awarded by months served active duty

<table>
<thead>
<tr>
<th>100% - 36 or more total months</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% - 30 or more consecutive days with Disability related Discharge.</td>
</tr>
<tr>
<td>90% - 30 total months</td>
</tr>
<tr>
<td>80% - 24 total months</td>
</tr>
<tr>
<td>70% - 18 total months</td>
</tr>
</tbody>
</table>

\(^{15}\) Information regarding these percentages and more can be found at: http://www.military.com/education/gi-bill/guard-and-reserve-get-new-gi-bill.html. A typical deployment for a service member in the United States Marine Corps is seven months. There are also generally three months of work up prior to deploying. This leaves the typical Reserve Marine with ten months of active service, which their commander usually extends to 12 months, in order to award them 60%. This has created a unique phenomenon in some branches, as service members have been known to sign up for multiple deployments in order to be awarded closer to 100% of their benefit.
60% - 12 total months
50% - six total months
40% - 90 or more days

It should be noted that boot camp is not typically counted towards this amount, as well as Officer Candidate School, and The Basic School. This same exception is also consistent with all Military Occupational Schools (MOS) and any other branch specific entry level training courses that may exist specific to their program. This leaves a reservist that has only been basically trained, incapable of using even 40% of the Post-9/11 GI Bill benefits.

Yellow Ribbon Program

The Yellow Ribbon Program\textsuperscript{16} is one program that is not available for veterans currently serving on active duty. This benefit is actually a part of the Post-9/11 GI Bill, serving those veterans that have 100% of their GI Bill benefits available to them. The way it works is simple, with the first step being that a school has to be willing to participate. The premise of the program is to assist in paying tuition to non-state schools, as the GI Bill is only able to pay the price of in-state tuition. Under this program, if a University is willing to pay some of the cost for their tuition that is above the state school cost, then the V.A. will match them dollar for dollar all the way to the cost of their school’s tuition.

\textsuperscript{16}The website, http://www.benefits.va.gov/gibill/yellow_ribbon.asp, provides in depth details on the benefits and eligibility of the Yellow Ribbon Program. This program has been very successful, and utilized by many prominent schools. Harvard University is one of the better known participants in the Yellow Ribbon Program.
Reserve Educational Assistance Program

While all of the aforementioned programs were for either those currently serving active duty service members, or veterans that have served on active duty previously, the Reserve Educational Assistance Program (REAP) was designed specifically for those who served as reservists in the armed services, but had not yet been called to serve on active duty. This program was a critical one, providing benefits to those who joined the service, but were not yet able to use the GI Bill. As of November 25, 2015 this benefit was canceled, with those actively using it at the time of its cancelling having three more years of its service prior to its being completely shut down. This benefit was canceled, as Congress believed that the GI Bill was more all-encompassing than REAP. What was overlooked by congress was veterans who have not been able to deploy (the current deployment rotation does not involve many, if any, reservists). With this being the case currently, we now find many reservists who have not deployed have no benefits, even though they have sacrificed 1-2 years of their life to training away from home in terrible conditions.

Montgomery GI Bill-Selected Reserve

The exact reason that the government chose to argue for the removal of the REAP program is the Montgomery GI Bill-Selected Reserve (MGIB-SR). This is chapter 30 out of the overall education policy. It establishes that a Reservist in good standing qualifies for 36 months of benefits. This benefit is nowhere near the Post-9/11 (chapter 33)

17 More information on the reserve enlisted assistance program can be found at: https://www.vets.gov/education/other-educational-assistance-programs/reap/
counterpart, as it only gives each military member $333 a month to use towards their education.

National Call to Service Program

So far we have discussed programs for active service members as well as programs for reservists. There do exist programs, though, that are a mixture between both of these. Once such program is called the National Call to Service Program.\textsuperscript{18} This program awards the following benefits:

Table 1.4

Benefits of national call to service program

<table>
<thead>
<tr>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A cash bonus of $5,000.</td>
</tr>
<tr>
<td>• Repayment of a qualifying student loan not to exceed $18,000.</td>
</tr>
<tr>
<td>• Educational assistance equal to the three-year monthly Montgomery GI Bill Active Duty rate for 12 months.</td>
</tr>
<tr>
<td>• Educational assistance equal to 50% of the less-than-three-year monthly Montgomery GI Bill Active Duty rate for 36 months.</td>
</tr>
</tbody>
</table>

\textsuperscript{18} More information can be found at \url{https://www.vets.gov/education/other-educational-assistance-programs/call-to-service/}. The Call to Service was a concept popular with recruiters attempting to recruit college students. It was used substantially during the buildup of Operation Enduring Freedom and Operation Iraq Freedom, though has since declined in popularity, as recruiters have a very limited ability to recruit to this contract.
In order to rate these particular benefits, one must follow a very specific career trajectory within the military. One must serve in an active duty capacity for a minimum of 15 months, followed by 24 months in the Reserves.19

Branch Specific Service Schools

One final, seldom discussed, benefit that exists for the service member population is the ability to earn college credit without going to a traditional college. Instead of enrolling somewhere and using their benefits, service members, both active and reserve, have access to their branch specific university. The Marine Corps, for instance, has the Marine Corps University. This University consists of several accredited colleges, each with specific learning objectives20 that are tailored to certain ranks. This University is regionally accredited through the Southern Association of Colleges and Schools Commission on Colleges. It is currently only accredited to award master’s degrees. However, it is able to develop classes that are not at the graduate level. These classes are delivered in the classroom if it is entry Primary Military Education (PME), or distance courses via the Marine Corps Institute (MCIs) or through the MarineNet website.

19 Somewhere between a 4-8-year contract can be considered standard. Typically, a contract for active duty will consist of four years active and four years in the IRR, while a reserve contract will consist of six years in the active reserve and two years in the IRR. There are exceptions to these standards, but they are usually extraordinary.

20 The Expeditionary Warfare School is designed for Captains as their PME, teaching them through a two-year program, how to think and operate at a Battalion level. The Command and Staff College instructs Majors, and has the potential to end in a master’s degree if extra courses have been taken. The Marine Corps War College (MCWAR) and the School of Advanced Warfighting (SAW) Considered JPME, and result in a master’s degree. The college of distance education and training typically takes courses from the other schools and creates online versions. While they will count on the service members record as having completed the courses, and are thus eligible for promotion, the individual will not receive the master’s degree if they attended courses at a distance.
Once these classes have been completed, one can visit the Joint Service Transcripts website, formerly smart transcripts for departments of the Navy, in order to see if the class they took was ACE accredited. This accreditation is transferable to outside universities, and can give the student as many credits as the school of their choice will accept. Some schools accept as few as 12 credits, while others have been known to accept upwards of 66 credits (Metropolitan State University of Minnesota). While the Marine Corps University does not, in and of itself, give an Associate’s or a Bachelor’s degree, the ability to accumulate this many credits for use on a degree saves students thousands of dollars.

Post-9/11 GI Bill Transfers

The Post-9/11 GI Bill is able to be transferred to individuals who are directly related to the service member (spouse of children). This is one benefit that is used by recruiters to entice individuals to join the service, stating that they are able to transfer their benefits to their family if they have no desire to use them. Being able to have a family member take over one’s benefits is of interest, in particular, to those that are a few years past traditional college age upon enlistment. These individuals typically never pursue using their GI Bill educational benefits after they get out.21

While it is technically true that one can pass on their benefits to family, it is not actually possible for the vast majority of individuals who serve their standard contract. In fact, not even a veteran who served a four-year active contract, the most common type of

contract, are able to transfer their benefits. This is because the Department of Defense (DOD) is required for approval and has pretty strict guidelines for transferring. The guidelines that the DOD gives is that the individual requesting to transfer needs to have served at least six years, either on active duty or in the reserves. They must be willing, at the time of transfer, to sign a contract extending their service for an additional four years. They are able to waive the additional four years if the individual has at least ten years of service already, or are otherwise unable to sign a four-year contract. A transfer can only occur with an individual that is still serving, in some capacity, in the military or if they were killed while serving.  

Marine GySgt John D. Fry Scholarship Program

While the GI Bill might not be able to assist the family members of the veteran, there are three programs that attempt to bridge this gap that is created by the GI Bill’s lack of ability to be transferred. These programs are the Dependents Education Assistance Program (DEA), the Marine GySgt John D. Fry Scholarship Program, and the Military Spouse Career Advancement Accounts (MyCAA). These three programs, each unique from the other, help certain subsets of service member’s families and attempts to give them the benefits that are intended for them through the GI Bill.

The Marine GySgt John D. Fry Scholarship\(^{23}\) is technically considered to be an amendment to the chapter 33 benefits of the Post-9/11 GI Bill. This benefit primarily

\(^{22}\) Most benefits that are offered for transfer, with stipulation, to the spouse and children of a service member are waived upon the death of that individual while serving time on active duty.

\(^{23}\) More information on the Gunnery Sergeant Fry Scholarship can be found at: http://www.military.com/education/money-for-school/fry-scholarship.html.
extends to the children of the deceased, as well as the spouse, as long as the spouse has not remarried. This scholarship mirrors the benefits of the main Post-9/11 GI Bill, that is full in state tuition for veterans, monthly housing allowance accrued on a day basis and not a month basis, and a books/supplies stipend for each semester. The key difference between the two programs is that this benefit is accessible to each individual child/spouse, and is not contingent on dividing the service member’s remaining GI Bill benefits amongst them.
Chapter II
Research Methods and Results

The purpose of the research conducted for this study was to identify the answer to the question, “what college choices are made by veterans using Post-9/11 GI Bill and how do such choices affect their graduation and loan default rates”? Once this answer is found one may be able to draw a clear sight picture of what is occurring in the world of higher education in regard to the veteran. The process of finding answers to this question included data collection on the population, defining the target population, defining what the exclusion criteria would be for the study, an analysis of the data and the results from that analysis. With this knowledge we can then begin to discuss possible solutions and alternative methods that would make more efficient use of the money set forth for veterans through the GI Bill.

This study focuses primarily on data sets that were obtained through the National Center for Education Statistics. Due to this, the only available data are for the academic year 2013-2014. The GI Bill funds numerous school types in an attempt to assist veterans’ adjustment back into society. In order to understand the implications of veterans’ choosing to attend for profit institutes disproportionately to their non-GI Bill recipient peers, the following course types that are able to receive funding have been excluded from the study:

- Foreign Schools ($15,439,605)
- Flight Schools ($5,285,041)
- Correspondence ($189,664)
- On the Job Training ($0)

These school types, consisting of only .042% of all Post-9/11 GI Bill spending, and do not require courses to be taken at a United States institute of higher education.

To answer the study research questions, I analyzed quantitative data from several data sets that were collected by The Integrated Postsecondary Education Data System, a system found within the National Center for Educational Statistics. This method of research was sufficient for capturing the trends and details of the relationships that exist between the private, for-profit, and public four years, Bachelor’s degree granting institutions. The quantitative data used assist in identifying potential selected external and internal factors on the ways in which the Post-9/11 GI Bill is used in higher education.

Data Collection

For this quantitative study, all data were obtained from one of three sources. For data on Graduation Rates, Student Financial Aid and Net Price, Admissions and Test Scores, Institutional Characteristics, Finance, and Military Service Members and Veteran’s Benefits, 2013-2014, The IPEDS System within the National Center for Education Statistics was utilized. For information involving annual performance of veterans, veteran school preferences, veteran enrollment and retention rates, the V.A. Benefits annual reports and comparison tool data were utilized. For any information utilizing loan default rates, the 2.ed.gov database on default management was used to develop the three-year default rates, published by all participating schools.
Exclusion Criteria

The following exclusion criteria were decided by this study, in order to create a list of 4-year schools that award bachelor’s degrees and compare them to the 4-year institutes that are utilized by the veterans using their Post-9/11 GI Bill. To that end, the following are the exclusion criteria, as well as the reasoning that were left out.

All schools outside of the United States (including all schools in outlying territories, such as Puerto Rico) were excluded by this study during the research process. US Service Schools, I.E. Marine Corps University and Air Force Community College, were excluded by this study, as the GI Bill does not apply to the students that participate in any of their programs. All programs from 4-year institutions that did not result in a Bachelor’s degree, as well as all community colleges were excluded by this study as well. Community Colleges, in this context, will be defined by this study as all institutes that provide a certificate program, licensing program, or associates degree, but do not award a 4-year degree. Degree granting institutes that did offer a 4-year degree, but less than 50% of all degrees they award are made up of this level of degree, were also excluded by this study.

Graduation rates for all included institutions were also reviewed by this study, obtained from the National Center for Educational Statistics, and are discussed for the year of 2008 (the most current 4-year graduation rate data). These are the graduation rates for 6-year completion rates specifically. Several schools do not meet the requirements that the Federal Government have on institutions that require them to report these numbers. Due to this 15% of all public schools, 12.9% of all private schools, and 54% of all for-profit schools that award 4-year degrees, were not required by the federal
Three-year loan default rates, for the years 2010, 2011, and 2012 were obtained by this study from 2.ed.gov, and were used to establish default rates across all three organizational types. During 2010, 88.8% of all public 4-year colleges were required by the federal government to submit data on this, as well as 86% of private schools, and 29.6% of all for-profit schools. During the year 2011 88.8% of all public universities submitted data, 85.4% of private, and 29% of for-profit schools submitted data. In 2012, 88.8% of all public universities, 83.9% of private universities, and 28% of for-profit schools submitted data on their default rates. The universities that have not submitted are excluded by this study from the default rates portion, as there is no relevant data on them that pertains to this point.

The use of the Tuition Assistance (TA) program, which can only be used by the active duty service members in order to be able to go to school part time, has been excluded by this study as well. The reasoning for this is that this money comes from Title IV funding and not from the V.A. money stream that establishes the Post-9/11 GI Bill funding. This money is limited by the federal government at a very low point each year, and few participate in the program. This data then does not provide any insight on the use of the GI Bill, which is predominantly used by those who have already left the service.

Basic Allowance for Housing (BAH) has also been excluded by this study due to the lack of data currently available on the subject. Currently, in order for a veteran utilizing their Post-9/11 GI Bill to be able to rate the use of BAH, they must be taking, at minimum, one course in person from their school. If they are doing this, then they rate
the Federal governments projected cost of living monthly (BAH) at the E5 (Enlisted-5) rate.

Target Population

The target population in this study were students seeking bachelor’s degrees, in the 2013-2014 academic year. Data taken from prior years (graduation rates in 2008, default rates in 2012) are used by this study to demonstrate the projected rates for the 2013-2014 cohort. A total of 2723 schools met the requirements to be in the study. The breakdown by type is: (1) Public Universities (n = 678); (2) Private Universities (n=1359); and (3) For-Profit Universities (n = 686). These 2723 include all universities that fulfill all inclusion requirements for each category.

In 2014 there was a total of 20.35 million Post-9/11 veterans in the United States. Of these 2.04 million were female and 16.28 were male. 4.24 million veterans in this group had a High School Diploma or less in 2014. 8.81 million had some college accomplished and 3.2 million had achieved a bachelor’s degree. Only 2.07 million had obtained an advanced degree (Master’s, Phd, JD, MD, or other professional degree) as of 2014. The target demographic for this study is the 8.81 million veterans that make up some college category.24 This category has seen a steady increase in size since 2009, with a higher percentage of women typically in some college category until 2014, at which time 48.1% of the male Post-9/11 veterans had attended some college and 48.1% of female Post-9/11 veterans had attended some college.

Data Analysis

To interpret the data, five categories were developed for this study that were used to analyze similar data sets, compared by school type. These sets are as follows: (1) Percent of aid received by type of institution (2) Average graduation rate by institution type; (3) Average default rates by institution type; (4) Post-9/11 GI Bill benefits and costs by institution type, (5) Students receiving GI Bill by institute and non GI Bill recipients by institute type (admission statistics by institution type).

Results

The table below compares the three school types being studies in a variety of different fields. Of all below fields, five will be focused on by this study specifically for the remainder of this chapter. These five are: Percent of Aid Received by Type of Institution, Average Graduation Rates by Institution Types, Average Default Rates by Institution Type, Post-9/11 GI Bill benefits and costs by institution type and break down of amount of students by school type.

Table 2.1 Characteristics of universities and colleges in study

<table>
<thead>
<tr>
<th>Variable</th>
<th>Public (n = 678)</th>
<th>Private (n = 1359)</th>
<th>For Profit (n = 686)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average 6-year Graduation rate - bachelor's degree</td>
<td>46.74</td>
<td>52.51</td>
<td>29.55</td>
</tr>
<tr>
<td>Average Default Percentage yr3</td>
<td>10.86%</td>
<td>8.46%</td>
<td>16.80%</td>
</tr>
<tr>
<td>Number receiving Post-9/11 GI Bill Benefits - undergraduate students</td>
<td>166992</td>
<td>98603</td>
<td>111054</td>
</tr>
<tr>
<td>Amount of GI Bill funding awarded by school type</td>
<td>$1,001,114,444</td>
<td>$815,133,458</td>
<td>$1,101,910,861</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Average amount of students that will receive Post-9/11 Bill Benefits - undergraduate students</td>
<td>6465.79</td>
<td>13401.156</td>
<td>12190.289</td>
</tr>
<tr>
<td>Percentage of undergrads who have Post-9/11 GI Bill</td>
<td>2.58%</td>
<td>2.66%</td>
<td>10.41%</td>
</tr>
</tbody>
</table>

Percent of Aid Received by Type of Institution

As seen in Row 1 of Table 2.1 there are 2,723 schools that met the criteria to be included in this study. Figure 2.1, shows how four different funding allocations are split between the three school types. Specifically, it reviews GI Bill funding, Pell Grant funding, Non-Pell Grant Federal, State, Local, and institutional grant aid, and Federal student loans. When the three types of schools are reviewed beside each other, there is a noticeable difference in the level of GI Bill funding that for-profit schools receive, as opposed to the other categories of aid. They receive approximately 15% of Pell Grant aid, less than 5% of all non-Pell Grant federal, state, local and institutional grant aid, and approximately 15% of all federal loan funding. As there are only 686 for profit schools in the study, these numbers are low, considering there is an almost equal amount of Public universities in the study, and they draw 61% of Pell Grant funding, 35% of non-pell grant federal, state, local and institutional grant aid, and 55% of all federal student loans given. With this being the case, it becomes clear that the category of Post-9/11 GI Bill Benefits is awarded, disproportionately, to the for-profit schools. Specifically, even though they make up only 25.2% of the study population, they receive almost 40% of all GI Bill funding spent. In USD, 2014, this would be approximately 1.16 billion.
While 2.9 billion, the amount of GI Bill money received by all universities combined, is not a large number compared to the other three categories, it is important to note where it comes from. While the other three categories below are all considered Title IV funding, and thus count toward the 90% of funding received by a school, the GI Bill funding constitutes Title V funding, and is therefore able to be used in conjunction with the other types of funding. The way that this is setup enables a university to come up with arbitrary costs for their programs, and not need to have anyone actually pay the sticker price for these courses, as all of their funding has come from the government, either through the GI Bill, grants or through subsidized loans. An interesting note on the program is that during the first year that the program was implemented, there were near equal amounts spent at public and for-profit schools. Public schools received $697 million and for profit schools received $640 million from the GI Bill funding.\textsuperscript{25} With this similar amount that first year, there were 203,790 students that the public school money was split between, and only 76,746 students at the for profit schools. These amounts break down to an average of $3,420.19 received by each public university student, and an average of $8,339.20 received by each for profit university student, nearly two-and-a-half times the amount of the public school student.

\textsuperscript{25} Tom Harkin (2010): “Benefiting Whom? For-Profit Education Companies and the Growth of Military Education Benefits,” Discussion paper, Health, Education, Labor and Pension Committee of the United States Senate. Senator Harkin served in the United States Navy as an officer from 1962 to 1989, and as an Iowa Senator from 1985 to 2015. During this time, he was the chair of several committees, with the Health, Education, Labor and Pension Committee being one of them.
Average Graduation Rates by Institution Types

With for-profit universities receiving 40% of all GI Bill education expenditures, a specific focus should be made in regard to these schools and a few pertinent factors stated. The first of these is the average graduation rates by institution types, specifically the 6-year graduation rate.

When looking at the 6-year graduation rate and comparing them to those of the 4-year graduation rate category, there is a notable increase in the percentages of graduates for the public, as well as the private universities. Specifically, Public school graduation rates are up by 21.9% and private school graduation rates are up by 12.6%. The for-profit
industry does not see the same growth, only increasing by 7.5%. This difference leaves the public and private sector schools hovering around the 50% graduation rate, and the for profit schools just below 30% graduation.

Figure 2.2 Average graduation rates by institution types

![Average graduation rates by institution type](image)

Average Default Rates by Institution Type

With the noticeable disparity between graduation rates of for-profit schools and their counterparts in the other two categories, the average default rate by institution type further develops the picture. In the first year following the implementation of the Post-9/11 GI Bill, four out of the top five schools receiving the most GI Bill funding were for profit. Of them the loan repayment rates were between 31 and 35%. For the study, the
default rate in the third year following leaving a program were examined by this study, based on the 2010 cohort.

In the third year after leaving the university, the default rates for all three categories increase over what they were for the first two years. The public sector default rate increases by .8% from its second year default rate, to 10.9%. The private universities increase by 1% from their two-year default rate, resulting in a rate of 8.5%. For-profit default rates increase by 1.9%, resulting in a third-year default rate of 16.8%. The trend, developing over these first three years, is of a 2% default rate increase a year for the for-profits while the other two categories remain well below this 2% average.

Figure 2.3 Average default rates by institution type

Average default rates by institution type

<table>
<thead>
<tr>
<th>3rd Year Default Rate</th>
<th>0%</th>
<th>2%</th>
<th>4%</th>
<th>6%</th>
<th>8%</th>
<th>10%</th>
<th>12%</th>
<th>14%</th>
<th>16%</th>
<th>18%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

27
Post-9/11 GI Bill Benefits and Costs by Institution Type

Figure 2.4 shows the average amount of Post-9/11 GI Bill benefits received by students, as well as the in-state cost of tuition and fees. It then breaks down the cost further, by credit hour. The reason that in-state tuition and fees are used as opposed to the for profit or private tuition costs is that the GI Bill bases the funding it will provide each individual on the state that the school is located in.

The average amount that a veteran can receive from the GI Bill does not vary all that much. However, the yellow ribbon amendment to the program does allow for schools to break the instate tuition cap. This ability can be seen in the differences between three categories. Even though the in-state per credit cost does not vary that much from each school, with the private university having the highest per credit cost, the private and for profit universities are able to bring in substantially more money from each veteran than their public school counterparts. This extra money is due to the schools participating in the yellow ribbon program.

If a school is not going to be required to find anyone to take its course work at sticker price, then it is able to claim the courses cost however much it sees fit. Once it caps out the instate tuition cost for the GI Bill, then it can become a member of the yellow ribbon program. In this program it agrees to pay half of whatever the remaining cost to the veteran would be to take their courses, as long as the V.A. pays the other half. This program increases the amount of money that each student would be able to accrue, and is the reason that the by student average for benefits at a public school is around $6,000, but is higher than $12,000 at private and for profit schools.
The ability to acquire extra money from the federal government through the yellow ribbon program would also help to explain the disparity of tuition costs overall between the school groups. Public schools cost, on average, $8,000 for a student to attend full time as opposed to the $16,000 for a for-profit school or approximately $25,000 for private schools. So even though the default rates are much higher than public school counterparts, and graduation rates are significantly lower, the cost to attend these for profit schools is double that of their public counterparts. This higher cost occurs even though the student will have a higher chance at success if choosing the public option.

Figure 2.4 Post-9/11 GI Bill benefits and costs by institution type
Breakdown of Amount of Students by School Type

Now that the amount of Post-9/11 GI Bill benefits received by institution and the amount spent on average per student (GI Bill funding) have been reviewed by this study, Figure 2.5 shows how many GI Bill recipients there actually are by school type. Beside this chart is the same chart, with the breakdown of all students’ school type that do not have the GI Bill. This breakdown shows that 30% of the veteran population, utilizing the GI Bill, attend school at a for profit institute. Their Non-Post-9/11 counterparts attend the for-profit schools at only 9%. This shift occurs congruently with the public sector, with 44% of veterans going to Public Universities and 65% of non-veterans attending the same public sector universities.

Figure 2.5 Number of students by school type
Chapter III

The 90/10 Loophole

There are many choices out there for any student that is planning on attempting to obtain a bachelor’s degree. Why then do veterans choose to go to for-profit colleges and how does the 90/10 rule encourage enrollment in for-profit institutions. Veterans choose, at a higher percentage than their non-veteran counterparts, to attend for-profit universities over private and public universities. With lower graduation rates, higher default rates and higher prices, this might not be the most fiscally responsible decision. Recently, there have been for-profit universities that were found guilty of predatory targeting of the veteran population. This predatory targeting is, in large part, due to the 90/10 loophole that exists.

The 90/10 rule was established to require for-profit, or proprietary schools, to receive no more than 90% of their income through Title IV federal student aid, with the other 10% coming from individuals paying full price for the classes. The 90/10 loophole allows for the school to obtain 90% of their income from Title IV income, while obtaining the remaining 10% through Title V, as it is considered “private” money and not money from the government. This is seen as a loophole as Post-9/11 GI Bill funding is Title V funding and is not considered federal student aid. Enrolling enough veterans allows for some schools to obtain upwards of 100% of their revenue then from federal student aid.
The reason that this money is considered not a part of Title IV funding is that it comes through allocations from the Department of Veterans Affairs (V.A.). The V.A. also has a rule similar to the 90/10 rule. It is called the 85/15 rule. This policy states that a student veteran is not allowed to enroll in a program that has more than 85% of the students enrolled receiving money from the Department of Veterans Affairs. This rule was designed and implemented with the end result desired being that neither the tax payer nor the service member is abused by the institute.

This concept, of allowing for only a portion of the school’s income to come from the government, is also used in the Higher Education Amendments of 1992. In this amendment, any university was only allowed to receive 85% of its income from the federal government Title IV funds, such as government subsidized loans and grants. This number was changed in the Higher Education Amendments of 1998 to 90%, and became known as the 90/10 rule. While in theory both of these programs have set up safeguards for the tax-payer and the service member, the one thing that was over looked is the allocation of funding coming from two separate pots of government funding. This loophole allows for institutes to receive 100% of their income from government funding.

According to Riegel:

“Between 2009-2010, four of the five largest recipients of Pell Grants – the University of Phoenix, Kaplan University, DeVry University, and Ashford University received a combined $1.65 billion……Between 2009 and 2011, RFPC’s were eight of the country’s top ten recipients of GI Bill Disbursements. These eight RFPCs collectively received over $1 billion in revenue from GI Bill funds – more than ten times the $96 million secured by the two largest public recipients of GI Bill funds.”

---

26 The graduation rates of these schools is far below the average of nonprofit and private schools. For example, according to Reigel, 84% of Associate degree seekers and 63% of Undergraduate degree seeker dropped out of their Ashford University programs over the course of a two-year gap from 2008 to 2010.
Public and Private Veteran Shaped Educational Transformations

The next thing that is critical to review involving the pursuit of higher education by veterans is which programs and which states are willing to work with veterans. Many states have evolving programs that are being implemented in order to assist the veterans with their transition from the service into the environment of higher education.

These programs are also incentives that the public, private, and for-profit schools have created in order to draw in the veteran students. They are typically titled something akin to “Military Friendly,” and will consist of some or all of the following benefits/assistance programs: 27

Table 3.1

Military friendly benefits/assistance programs by schools

<table>
<thead>
<tr>
<th>Benefits/Assistance Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Offering priority registration for military students</td>
</tr>
<tr>
<td>• Simplified or expedited application process</td>
</tr>
<tr>
<td>• Flexible enrollment deadlines</td>
</tr>
<tr>
<td>• Academic and counseling services targeted to military students</td>
</tr>
<tr>
<td>• Special Web pages for returning military students</td>
</tr>
<tr>
<td>• Support groups</td>
</tr>
<tr>
<td>• Transfer credit policies that minimize loss of credit and avoid duplication of coursework</td>
</tr>
<tr>
<td>• Limited academic residency requirement of 25% of undergraduate degree programs on campus and 30% for fully online programs</td>
</tr>
<tr>
<td>• Acceptance of ACE credit recommendations for learning experiences in the armed forces</td>
</tr>
<tr>
<td>• Awarding of credit for college level learning validated through testing (College Level Examination Program [CLEP], Defense Activity for Non-Traditional Education Services [DANTES] exams, and Excelsior College Testing (ECE)</td>
</tr>
</tbody>
</table>

Some of these, such as the limited academic residency requirement, is imperative for the service member on active duty. It also entices individuals to engage in their education earlier on, as they will be able to perform their residency when they are in the same area as the school, but they will also be able to leave the area the school is located once their service is completed.

The first thing these schools have been doing is finding ways to give military members a few college credits for some of their service-related courses. The most common way in which this occurs is for service members to be awarded around six to eight college courses, all lower division, and mostly in the realm of physical training education. These credits are largely symbolic, as they do not actually help the service member to achieve their degree. A few schools, are going a step further than symbolic credits. These schools are organizing certain degrees to encompass the majority of the veterans’ training, allowing for a greater portion of their credits being counted towards their degree. For instance, there is a school in South Carolina that is offering the veterans of the army that had a paramedic Military Occupation Specialty (MOS), an AA in paramedic studies. Another School is offering a Master’s in Social work. These programs show the potential to reshape the way veterans are utilizing their benefits, giving them a degree and a place to use it.

---

While these schools are developing programs to assist the military members in their path to higher education, one significant effort they make is for the reservists who are involved in their program. These veterans are still in the service (in some degree). They are generally required to attend one weekend a month (which can reach from Saturday through Sunday, Thursday through Sunday, Saturday through Tuesday, or numerous other combinations). With a schedule like this that keeps the service member from being able to guarantee their attendance, many of these schools, and the professors who work at them are willing to bend for the military member and rearrange their own schedule.

For-Profit Educational Transformation

For-profit colleges have also developed robust plans in an attempt to lure in the veteran student population. Because most for-profit schools maintain close to 90% of all funding through the Title IV funding, this money is imperative for their being able to function. It is for this reason that they are known to actively recruit not only veterans but family members of Post-9/11 service members as well.29 To this end there was a noticeable shift in the amount of students receiving GI Bill benefits between the 2008 and 2009 academic years, when the policy was enacted. In 2008, when the policy was being drawn up, the figure on the following page also shows a significant buildup prior to the levels that had ever existed before.

A few of these schools have gone as far as acting out in an illegal manner in an attempt to entice veterans in through coercion. These are the for-profit universities\textsuperscript{30} that have really become an issue in the last two decades. There was an explosion in these companies following 2009 and the creation of the post-9/11 GI Bill.

The value of the for-profit university’s degrees is another issue, as they have not yet determined. Often they claim accreditation, but do not have regional accreditation, relying on national accreditation standards, which are not acceptable by several

\textsuperscript{30} According to data available at http://www.Edtrust.org/sites/edtrust.org/files/publications/files/subprime_report_1.pdf only around 22\% of students at for profit institutes that issue four year undergraduate degrees graduate. This is in stark contrast to the 56\% that will graduate from a public or non-profit university in the same tier.
employers. Notably, one may not become an officer in the military if their degree does not come from a regionally accredited school. These accreditation issues give way to other issues, notably the degrees will not share reciprocity with any other school systems and as such, the veteran would have to restart from the beginning if they were to decide to try and obtain a higher degree (PhD or Masters). With several of them filing bankruptcy, and others being prohibited from using title four or the Post-9/11 GI Bill benefits, it leaves the future of these institutes unknown and their legacy hazy.

The largest and most popular online for-profit institute is the University of Phoenix.\textsuperscript{31} This university warrants the attention of this study, not just because of its prominence in the market and name recognition, but also because of its recent involvement with the United States Department of Defense. After several months of investigations by the Department of Defense, the University of Phoenix was put on the prohibited list. What this means for the company is that service members were no longer to use their Tuition Assistance (TA), which is a tuition benefit provided to those serving on active duty, or their post-9/11 GI Bill benefits at the school. Those that were currently actively pursuing a degree from the company would be allowed to continue their program, as long as they did not take any breaks from the program. This move by the Department of Defense came as no surprise to any involved. However, it has gained negative feedback from John McCain,\textsuperscript{32} who believes it is unfairly punishing a private

\textsuperscript{31} One can find gainful employment information at the website studentaid.ed.gov/sa/node/275, which shows the current rates at which student debt is paid back for any program at any school. Currently the pharmacist assistant A.A. degree at the University of Phoenix is being repaid by only 12.12% of all that have participated in the program.

\textsuperscript{32} John McCain has been the Senator from Arizona since January 3, 1987, which is incidentally the state that the University of Phoenix is headquartered in.
corporation in an unethical witch hunt. Senator McCain’s statement is not one that is new, as for-profit institutes have for years had a terrible perception, that they were taking individual’s money without providing anything in return (in this opinion the degree is not worth the piece of paper that it is printed on).

The actual reason, though, that the University of Phoenix was put on the Department of Defense prohibited list has more to do with their continued illegal use and manipulation of military programs. They are being reviewed for their illegal sponsoring of recruitment events that violate executive orders that gave them preferential access to military members and helped them develop relationships with service members that appear to have culminated in illegal lending practices. They were able to use their low admission standards coupled with a growing desire by junior enlisted military members for flexible programs to achieve this end. According to Charles Deravics: “Demand for private sector colleges and universities by members of the military has grown because of flexible and accelerated schedules, targeted programs and focus on educating adults for specific careers.”33 While they are currently under investigation, any service member who was able to successfully gain a degree from them now has to worry about the value that will be credited to that degree.

Not all of these for-profit universities are guilty of abusing the veteran population, or of abusing the GI Bill to exercise a loophole in the 90/10 rule. Some were caught at the state level and suffered so many lawsuits and indictments that they have simply gone out of business. Through poorly executed plans, being investigated, and put on prohibited

---

lists by individual states, several for profit schools have gone under. The problem is, as was the case with Corinthian colleges, many of them will be owned by the same parent company, meaning that it is the parent company that often files for bankruptcy, leaving people all over the country wondering why they are stopping half way through a degree as their school has disappeared.

Online Programs

While not a specific school type, the online programs of colleges is one way in which veterans are becoming able to attend any of the college types. All three types of colleges discussed in this study utilize online programs for all their students to some degree. One of the reasons that veterans historically go to the for profit colleges at such a higher rate than their non-veteran peer groups is that these schools are typically supportive innovative learning platforms, such as online learning. These programs allow for veterans to go to Harvard, via the Extension School, even if they live on the other side of the world. As these programs continue to develop at the different universities, there is a possibility of a shift away from for profits to the more well-known public and private universities.

All colleges, whether public, private, or for profit, stand to gain from having the veteran population attend their school. With that being the case, and the Post-9/11 GI Bill funding having the flexibility of being considered private funding, veterans are in a vulnerable state. They are sitting with a very large amount of money, one that would assist any individual school in staying well within the required margins of the 90/10 rule.
With this being a potential risk to the veteran, there are a few ways to alleviate the risks that have been established with the current set up.
Chapter IV

Possible Alternatives

There are four different policy options that would effectively alleviate the problems that are occurring due to the structure of the Post-9/11 GI Bill. The first option would be a change to the 90/10 policy. The second two would leave much of the current policy in place but educate the service members on the higher education system. The fourth option is more radical than the other three, but if it is put into practice it would have the potential to redesign the landscape of higher education, not only for the service members but for everyone involved in higher education. This fourth option will be discussed in chapter five. This chapter seeks to explain the three processes that would have the lowest level of overhaul of the current system, and explores how and why these steps could be taken to modify the Post-9/11 GI Bill or otherwise improve the way in which veterans utilize their educational benefits.

New 90/10 Rule Guidelines

The first potential policy change would be to have an overhaul of the 90/10 rule. This policy is where a vast majority of the issues, potential mistreatment of veterans, comes into the equation. There are a few ways that this policy could be altered, each with its own benefit.

Changing the funding allocation of GI Bill to Title IV funding would drastically reshape the landscape of higher education funding. With many schools sitting at exactly a
90/10 distribution, this would require them to find more individuals that were willing to pay sticker price for their degree. This change would potentially create overhauls at universities, as they will have to make themselves appeal to individuals willing to do this. This change will typically mean they will try to raise their graduation rate, assist in job placement and create more rigid admission standards. This policy change would also stand a chance of harming the veteran population, as schools will no longer have an incentive to create and implement programs that would assist veterans.

A second potential change could occur in regard to the GI Bill funding, involving stepped limitations on the amount of GI Bill funding they receive. Under this concept, a school would be rewarded with the 90/10 limit if it meets prerequisites. These would be based on predefined graduation rates, placement rates, and loan default rates. When a school’s graduation or placement rate goes down, or the default rate goes up, then the school would be “punished” with a change to the standard (i.e. 95/5 limit.)

The option to revamp the 90/10 rule seems appealing. However, it would actually be far more difficult to apply then it would appear on the surface. There are numerous reasons for this difficulty. One such reason is that while the GI Bill is not a loan, it is not a grant. If a veteran has to withdraw from a class, or receives what the V.A. calls a “non-punitive” grade, then they are responsible for reimbursing the V.A. the money spent on that class. Class grades that result in academic probation or suspension also fall into this non-punitive category. This factor causes the categorizing of the GI Bill to be difficult. If one categorizes it as student aid, beside Pell Grants and student loans, there will be confusion as it does not fit the parameters to be included in either of those two groups. No matter how it is categorized, there will be limitations on any policy that is
implemented. These limitations will always allow for certain companies to take advantage.

A second reason why it would be difficult to enact a change to the 90/10 rule is that creating stricter policies on for-profit colleges has been seen as targeting low-income students, as they are the predominant type of student at for-profit schools. Those students will be less likely to have performed at a level in high school to be able to be accepted into an average public or private college. This group of individuals will also not be able to afford college without the use of student loans, and a change to the existing policy could potentially ensure that they lack the ability to attend college at all. These low-income students rely on the for-profit option, and the for-profit option relies on the GI Bill.

These policies would also strain a significant portion of the veteran population as well. A significant portion of the United States veteran population is unable to use their GI Bill at 100%. This lack of access to funding means that they have to take out student loans in order to go to school. With a substantial amount of enlisted personnel coming from lower income backgrounds, the same reasons that the 90/10 rule impacts others also applies to them. If they are unable to afford college, and did not do well in high school, they potentially have their options limited to the for-profit schools. This revamping of the policy would potentially cause even fewer veterans to be able to utilize their benefits, and therefore not attend college. While these for profit schools are not necessarily the answer

---

to the higher education puzzle, taking away this option completely potentially limits the amount of veterans that can attend college.

TAPS

The second policy option has its root in a program called TAPS, which stands for the Department of Defense Transition Assistance Program. This program is currently being implemented everywhere there is a service member, and instructs them on how to transition from their lives in the military to their new lives as a civilian. This program specifically assists the veteran in most of the problems that plague service members transitioning to civilian life, but currently does not have a course on education programs or educational benefits per se. Through TAPS individuals are instructed in three different areas on this transition.

The first is a course on the new curriculum for Transition GPS (Goals, Plans, Success). The course teaches the basics in how to design realistic life goals, plan to accomplish them, and seeing them through to completion. This training can be instrumental in assisting these soon to be transitioned veterans, as most of them left the civilian population at the age of 18 and have not spent much time in developing a direction past their service.

The second piece of transition support offered through TAPs assists the individual in deciding when, where, and how they should start planning on transitioning to the civilian side. This portion can be critical, with high numbers of individuals getting out and seeking employment in public service (i.e. law enforcement and firefighting). These
programs often take a year or more to get into, and the process should be started well before one is actively separating from the military.

The third and final piece offered at the DOD level is instructing the individual service members on the online resources that the V.A. has, in relation to their benefits, financial planning assistance, and assessing and documenting their skills for transition to civilian life (resumé building).  

There are also branch specific Taps Assistance programs that exist, giving targeted information to the individuals in their branch. The Army, for instance, will typically create and list job fairs at the various bases, both in CONUS (contiguous United States) and OCONUS (outside contiguous United States) environments. This information can be found on an Army specific TAPs site,  that is linked through the DOD site. While this program covers many of the problems that plague the veteran getting off of active duty, it blatantly overlooks instruction on the education benefits available. Even the period of instruction on V.A. online resources only instructs individuals on how to fill out the documents, and not on how to navigate the system of higher education, the system that they have just been granted access to with a large amount of money attached to their name.

Adding a class to TAPs that explained higher education, the use of veteran benefits including, but not limited to, the GI Bill, and the overall climate of the job market (lack of attractiveness associated with for-profit degrees, lack of jobs for law

---

35 The website, https://www.dodtap.mil/, provides the veteran with an in depth look into the TAPs program at the Department of Defense Level, as well as Branch specific transition assistance.

36 The Army Taps Site is https://www.sfl-tap.army.mil/.
degrees obtained from non-top-tier-schools, etc.) could change the use of the GI Bill by individuals. A requirement to sit through this course, and pass a test at the end in order to rate one’s benefits, would go far in helping individuals in making responsible choices about their education path. The TAPS program is already in place and it would not be that difficult to add a course like this. This potential solution would be the cheapest, and least invasive of the three discussed here. While it would be somewhat difficult to ensure that the program is working effectively, it is also difficult to ensure that training service members on life goals is something that is helpful. Not all veterans that sit through these classes will pay attention, but those that do could receive invaluable information that would assist them in their transition to college life.

V.A. Resource Courses at University

The veteran climate at each university varies, ranging from veteran specific clubrooms and staff, to no direct support from the school at all. This is an area in which for-profit universities are better than their conventional peer groups, having developed in depth “veteran assistance” sites. These sites are designed to entice the veteran in, and introduce them how to utilize their benefits at that particular school. This is specifically the reason that the Department of Defense no longer recognizes the University of Phoenix, as it can quickly cross lines in enticing veterans. An example of this is even though they are not recognized as being allowed to accept the GI Bill, the University of
Phoenix maintains their website explaining the benefit and stating that students are eligible for it at their school.\textsuperscript{37}

This idea has merit and could potentially be used across all school types. There is a need for this assistance, and it is something that the veterans understand, as this is an alluring part of their program. It would be possible to make the GI Bill more efficient by mandating schools that receive funding allocations through the bill must have programs that are able to receive and train the individual veteran in programs of higher education. There is a nonprofit, the Student Veterans of America, that works with universities to establish veteran’s associations on campus. Groups like this would be uniquely qualified to assist in establishing programs such as this V.A. Resources Course for students to learn about their benefits.\textsuperscript{38}

This program could take form in two different ways. The first way would be to require a veteran to take a class, worth a set amount of college credit, their first semester at the university. This class would help them to design their degree path, as well as to understand how to navigate the specific programs that exist at that university to serve the veteran population. This class would also include an in-depth break down of the benefits awarded to them by the Post-9/11 GI Bill.

The second way that this program could take form would be to establish a minimum required amount of time working on the staff of a veterans’ team for the school. Several schools have programs that are in place to give veterans a sense of

\textsuperscript{37} Information on the University of Phoenix recruitment efforts of veterans can be found at: http://www.phoenix.edu/colleges_divisions/military/military_programs/veteran_benefits.html. This site has remained active even though DOD does not authorize anyone to take courses there with Title V money.

community, and these programs would only need to be changed slightly in order to allow for this program to exist. In this concept, veterans would be required to work, at least 20 hours in their first semester at the center. During this time, they will take modules that explain the system as well as contribute the community that exists. This program would also assist in alleviating the common theme of veterans not finding a sense of community when they start to live as civilians in the college environment.

The pitfalls of this concept would again be that a student would already need to be enrolled in the university in order to receive the class. This requirement would critically lower the veteran’s ability to exercise choice of where they would like to attend school, and would limit the overall effectiveness of the process. With the level of depression and PTSD within the veteran community, this process comes with a multi-faceted appeal.

This concept has a huge potential blind spot in it, however, as it requires the individual to once again already be accepted by the school. If they have already started classes at a specific university then there is not much of a point in instructing them what to look for in a university. Likewise, a University would resist speaking to reasons why it might not be the best choice for the veteran. One way to potentially reduce this issue would be for a third party to run the classes on each campus. They would answer to the government, and not the school, and thus would be more likely to speak to the students more directly than they might otherwise do.

Both of these proposals are similar, as they require a student to be enrolled at University in order to be able to utilize them. The proposal before it requires a class through TAPs upon exit from the military before veterans utilize their benefits. The third proposal is starkly different from the others, and its results would have the potential to
change the face of higher education, as well as alleviate the need for the education portion of the GI Bill altogether.
Conclusion: Military Branch Universities and the Future of Veteran Education

Now that the minimally invasive options have been reviewed, one that would require a substantial overhaul over the system is next. To this end this chapter explores the option of moving away from the GI Bill completely and what opting for a branch specific education could look like. Each branch has its own institute of higher education. This proposal will utilize the Marine Corps University in an effort to explain the process, and define the proposal. This University has had, for many years, offered hundreds of Primary Military Education (PME) courses online for any Marine to take. Some of these courses are required to be taken by Marines, and others are optional. A quick glance over the offerings will show that many of them are given accreditation though ACE (American Council on Education). It stands to be noted here that the Army’s correspondence courses are not ACE evaluated, even with the similarities that they have with the Marine Corps courses. The reason for this is that they have not established a testing procedure that is considered rigid enough for the tests to be counted. Not all Marine Corps courses are evaluated however. This is due to the courses having not been submitted for evaluation yet. Those courses that have been evaluated give college credit that can be accepted by most universities in the United States, although value for specific credits and the way that they fit into one’s individual degree plan will vary from each individual. The point of the

---

39 To review more on the reasons for some correspondence courses being given credit and others not being giving credit, specifically in reference to the Army not awarding credit, more information can be found at https://www.acenet.edu/news-room/Pages/Transfer-Guide-Frequently-Asked-Questions.aspx.
matter, however, is that the Marine Corps University already has set in place a system that can be utilized to support higher education for the individual Marine via online classes and correspondence courses, even going as far as to already have a proctor system set up for examinations, one that has been evaluated as rigid enough to meet the requirements and standards of the community of higher education. This system that the Marine Corps already has in place would require very little adjustment to be able to accomplish the following proposal in its entirety.

The Marine Corps University also has accredited most of the Military Occupation Schools (MOS) that exist within the military. This means that, for example, if you become a military policeman,\(^{40}\) then approximately 30-40 credits will be received towards a degree through the MOS school, as well as post certifying you in several states. If this process was vetted just a little more, and the courses added were assigned a weight of approximately 30 credits, than a new degree plan can start to take shape.

With this new proposal on the education of the veterans of the United States, the choice for education would begin at the same time as the other people the service member graduated with their scholastic peer group. When they decided to join the military they were able to choose what job (MOS) they would like to work in. If they went into it knowing that they would be receiving at minimum an A.A. from the Marine Corps University in this MOS, then they would be more diligent in their selection process. The system is already set in place so as to have an entrance exam (ASVAB) that

\(^{40}\) The MOS of Military Police Officer (5811), is unique as the school is collocated with the Army Military Police school house in Fort Leonard wood, MO. The Army has established a plan with the state government to allow all service members going through MP school to be POST (Peace Officer Standards and Training) certified. This plan allows for them to leave this school house, and be employable by all states that share reciprocity with Missouri.
shows the potential veteran what programs they are a.) best suited for and b.) allowed to enroll in.

From there the program would commence with the military member going to boot camp, MCT (Marine Combat Training)/SOI (School of Infantry), and finally MOS school. By the time that they have completed these schools they would have theoretically obtained 30 credits (most do in fact obtain this many if not more). At this point the program would become much more relaxed, and more of an adult learner concept would come into play. This design would allow the military member to take the courses (30 more credits) on their own time frame. In fact, their superior (platoon commander) is already set up to proctor examinations within the ACE accredited Marine Corps University System, as is the platoon sergeant.

This program would apply to the reservist in the exact same way. As is currently the case, they would be given the exact same schooling as their active duty counterparts until they arrive to their first duty station. From there they would still be able to take the programs online from the Marine Corps University. The only difference for the reservist is to make the plan more manageable, the recruiting depots around the country would also need to ensure that they were qualified to proctor the reservist. A policy like this would allow for reservist to arrive at drill and be proctored, but having the recruiters able to proctor exams would also give the reservist more options on where they would go to perform their test. Recruiters are currently authorized to proctor any Marines Physical Fitness Test (PFT), something that not even all Platoon Commanders are capable of doing on their own.
With this program in place everyone that serves would be guaranteed the chance to earn, at minimum, an AA in their first 4-6 year contract. Because the programs are already in place, they would even be able to, if properly motivated, obtain their BA or BS in the same manner. Once a Marine reaches the rank of Corporal they become a non-commissioned officer and a new set of responsibilities fall on their shoulders. One of which is the intensive corporal and sergeant courses that they are required to take to become small unit leaders in their occupation specialty. These courses are long, intensive, and highly educational. If vetted this system could make obtaining the rank of Sergeant also come with a BA in a military field. This BA would have a heavy emphasis on leadership, which would assist the service member in obtaining a leadership position in their MOS specific field in the civilian sector. It takes approximately 4-6 years in order to pick up the rank of Sergeant. This amount of time would allow the Marine to take their courses on a part time basis and still have the degree accomplished by the time they are ready to be promoted to the next rank.

The Marine Corps University would not have to stop there, as they could offer Masters and Doctorate level degrees to high ranking enlisted personnel, and all Officers. These programs would generally be offered at these ranks where the assumption is the military member is staying in for a career, and would offer a master level education in their specific subject matter. For instance, a Logistics Officer (0402) would be able to receive a Master’s in supply management chains. This degree has considerable value according to Forbes.41

41 This website provides the entire list of degrees that have the highest earning potential in 2016: http://www.forbes.com/sites/susanadams/2015/11/25/top-degrees-for-getting-hired-in-2016/#51dc2056d485.
One potential issue with this plan is if the military member develops a desire to lateral move to another Military Occupation Specialty. There would have to be a regulation against obtaining two AA’s through a lateral move, or we would see an influx of requests to do so. In order to obtain the AA then, one would need to either a.) reach the rank of corporal, or b.) be getting out of the Marine Corps. The AA then would be in the last held MOS of the individual.

With this program in place in the Marine Corps, as well as the other branches, the GI Bill’s education clause would be rendered obsolete. Military members would no longer need the option of obtaining their degree through these outside sources, and there would not be the public outcry of the for profit companies abusing the system, the tax payers, and the veterans. The only ones who would be responsible for their own education decisions would be those who would want to come into the military as Officers. These individuals will be responsible for choosing their own path prior to their commitment to the military. They are not currently offered any restitution for those degrees and this is not something that should change. The current pay structure of the officer corps is such that they are able to pay off college debt and still live comfortably.

This potential policy change would have minimal cost associated with it, as the structure is already there. The school as well as the majority of the courses and the proctoring service are in place. The only change that would be necessary would be 2-4 classes on Marinenet that would allow for veteran students to take a math, science, writing type core class. The obstacles that exist in regard to this potential option is that there is no incentive for a branch to do this. Each branch would have to fund this independently from each other. The GI Bill funding currently comes out of V.A. funding
and has nothing to do with branch specific costs. Without dismantling the GI Bill first, there would be limited additional money for this program at first, leaving it a gamble by the individual.

The benefit of this concept to the veteran, as well as the tax payer, is the quality of the degree. The veteran, as well as future employers, will know that the degree the veteran comes with is not just two years of class. This degree comes with 4 years of practical application in their specific field, giving the veteran far more real world experience to draw on. It also has second and third order effects. The employer of the veteran will find that they understand the need to complete a task on a deadline over many of their civilian counterparts.

The Future of Veterans in Higher Education

Veterans make up approximately 3% of the overall population of the United States. With being such a small portion of society, the money that is tied up in this 3% is quite substantial, especially in its ability to circumvent the 90/10 rule. If the system is not changed in order to assist the service members in utilizing their benefits more efficiently, then soon they run a chance of losing these benefits altogether. It is not uncommon in recent years for similar benefits, such as tuition assistance, to be frozen by the federal government.

With TA being frozen, and Congress talking about requiring active duty members to pay for their own health insurance (a product that is mandatory to ensure the health and welfare of the service members) it is not out of the scope of possibility to see the robust educational offerings of the Post-9/11 GI Bill come under fire soon. Without them, the
military would lose one of their greatest recruiting assets. In order to make the option of serving more appealing, there needs to be an option in place that will give potential veterans the opportunity to serve and not fall behind their peer group.
Bibliography


