

**STATEMENT OF
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BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY**

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Good morning, Mr. Chairman, Ranking Member Takano, and other Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs (VA) education benefit programs and the role of State Approving Agencies (SAA). My testimony will highlight the current partnership between SAAs and VA, and our collaboration with the National Association of State Approving Agencies (NASAA) on changes to improve the delivery of education benefits. Accompanying me this morning is Robert Worley, Director, Education Service, Veterans Benefits Administration (VBA).

Role of the SAAs

I would like to start by acknowledging and thanking NASAA for its leadership – and all SAAs for their continuing commitment to work with their respective educational institutions and VA to ensure the accurate and timely delivery of high-quality educational benefits to our Nation's Veterans and their families. As you know, VA administers educational benefits to eligible Veterans and Dependents, while the SAAs work to ensure the quality of the educational

and vocational programs pursued and monitor the institutions providing education and training to Veterans.

Title 38, of the United States Code establishes the parameters for the relationship between VA and SAAs. Section 3671 requests that each state create or designate a state department or agency as the “State Approving Agency.” SAAs are charged with approving courses, including apprenticeship programs, in accordance with the provisions of chapters 34, 35, and 36 of title 38. SAAs ensure that education and training programs meet approval requirements through a variety of approval activities, such as evaluating course quality, assessing school financial stability, and monitoring student progress. SAAs provide data on all programs approved under their authority to VA’s Education Liaison Representatives (ELRs), who review, accept, and enter data pertaining to the programs into VA’s approval system. With the implementation of Section 203 of Public Law (P.L.) 111-377, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010, VA was given the authority to use the services of SAAs to assist VA in conducting compliance surveys at GI Bill-approved institutions. SAAs also conduct outreach to Veterans and other eligible persons about available education and training benefits. VA believes SAAs add significant value to VA’s education benefit programs by assisting with these activities.

VA currently has contracts with 53 SAAs in almost all states and one territory. For varying reasons, there are four states with which VA does not have SAA contracts during fiscal year (FY) 2015. In these situations, VA performs the

duties that the SAAs would normally perform. SAAs continue to play a vital role in the approval of programs, outreach, training, and enforcement of VA-administered education benefits. In short, VA values its collaboration and partnership with SAAs.

Partnership

In September 2014, VA and NASAA conducted a Joint Summer Training Conference to provide essential training to both NASAA and VA compliance and liaison staff. The purpose of the training was to ensure solidarity, consistency, and adherence to contract obligations and requirements. The training strengthened the skill set and capabilities of SAAs and VA staff in several ways. One primary goal of the training was to ensure a comprehensive and consistent understanding of all aspects of compliance surveys, including payment accuracy; identification of school negligence; and fraud and misleading or erroneous practices. The training also reinforced the need to comply with present statutes, regulations, and the Principles of Excellence established by Executive Order 13607. Lastly, the training strengthened collaboration and partnership between SAA and VA staffs.

VA and NASAA recently chartered a Joint Advisory Committee (JAC) to serve as a standing forum for the resolution of issues related to the mutual responsibilities of VA and SAAs, as represented by NASAA. The specific objectives of the JAC include providing a forum to identify issues, deliberate, and implement positive change; facilitating communication between VA Headquarters

and SAAs; ensuring consistent interpretation and application of compliance and approval laws, regulations, and procedures; and streamlining processes. The JAC is co-chaired by VBA's Director of Education Service and the President of NASAA, and has 12 appointed members.

VA has a valuable relationship with its SAA colleagues and reaches out to them frequently for discussion and resolution of matters involving compliance, institution approvals, training of school certifying officials, and institutions identified as "at risk."

NASAA Legislative Proposals

VA is aware of the issues raised by NASAA and its submission of legislative proposals to the Committee in three areas: (1) compliance, (2) programs involving flight training, and (3) program approval.

With respect to changing the current statutory requirements for conducting compliance surveys, VA believes that it may be necessary to review the frequency and types of schools at which compliance surveys are conducted. Recognizing the importance of compliance work in ensuring timely and accurate payments to Veterans and their families, VA and NASAA formed a joint committee, the "Compliance Survey Redesign Working Group (CSRWG)," which met bi-weekly for over a year. The CSRWG streamlined and enhanced the compliance survey process. For example, the process by which a discrepancy at a school is corrected now takes advantage of available technology (VA Online

Certification Enrollment System) and is initiated more quickly. This results in faster adjustment action by the regional processing offices.

Currently, there are approximately 16,000 approved domestic and international institutions of higher learning (IHL) and non-college degree (NCD) institutions. Of the 16,000, 11,260 were active institutions in calendar year 2013. During FY 2013 and FY 2014, VA and SAAs completed well over 10,000 surveys, with just over 5,000 surveys completed in FY 2014. For FY 2015, the required number of surveys is nearly 5,700. This work will be split roughly in half between VA and SAAs, as it has been for the last two years. The current statutory language requires annual surveys at 100 percent of schools with greater than 300 beneficiaries and NCD programs. Schools with high numbers of beneficiaries are more likely to have one or more full-time school certifying officials and may not need a visit annually. Institutions with a smaller number of beneficiaries are more likely to have school certifying officials who have other duties, and these institutions may not be as well-versed in school certifying official requirements, especially as they relate to chapter 33 (Post-9/11 GI Bill program).

VA believes it would be valuable to review the criteria for compliance surveys requirements, and would be happy to work with the Committee on this. We want to ensure that compliance reviews are scheduled to include a diverse sampling of schools and take past performance into account, while providing the flexibility to perform risk-based reviews on an “as-needed” basis. The assistance of the SAAs in the performance of compliance reviews has been, and will

continue to be, invaluable in ensuring that Veterans receive the highest quality post-secondary education in accordance with statutory requirements.

VA also believes it would be valuable to examine how benefits are issued under the Post-9/11 GI Bill program. Like NASAA, VA is concerned about high tuition and fee payments for enrollment in degree programs involving flight training at public IHLs. VA would be open to discuss possible changes in how benefits are paid for degree programs involving flight training. Education benefit payments for these types of programs have increased tremendously with the implementation of P.L. 111-377. In some cases, public institutions seem to be targeting Veterans for their flight-related training programs. As a result, a number of these schools have had their approval suspended for violation of the 85/15 rule, whereby VA is prevented from approving programs in which more than 85 percent of the enrolled students are receiving VA benefits.

There has been a significant increase in flight training centers, specifically those that offer helicopter training, which have contracted with public IHLs to offer flight-related degrees. Sometimes these programs charge higher prices than those that would be charged if the student had chosen to attend the vocational flight school for the same training. This practice allows the flight schools to receive payments above the academic year tuition and fee cap imposed by statute, which is currently \$11,562.86. If those same classes are included in a public IHL degree program, VA can pay up to 100 percent of the in-state tuition and fee charges. This does not appear to be consistent with the intent of Congress as it relates to flight programs.

Additionally, VA has also noticed a growing number of VA beneficiaries are taking flight courses as elective courses. VA allows for “rounding out,” whereby non-required courses may be taken to bring a student’s course load up to full-time status in the student’s last term. Based on anecdotal evidence, some schools are enrolling students in these very expensive flight courses when “rounding out” is applicable. In most cases, these courses are not specifically required for the Veteran’s degree.

Finally, the NASAA proposal would clarify and codify state approval authority and oversight over all non-Federal facilities. VA is not opposed to NASAA’s proposal to clarify SAA approval authorities within the context of the other key functions SAAs perform, including compliance, training, outreach, and technical assistance. VA believes that the Secretary should maintain the approval-related authorities currently reflected in statute.

Conclusion

VA remains committed to working closely with NASAA and all SAAs as we deliver the accurate and timely educational benefits our Veterans have earned and ensure the proper oversight of those benefits.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions you or the other Members of the Subcommittee may have.