

**STATEMENT OF
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NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES
BEFORE THE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES**

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Introduction

Chairman Flores, Ranking Member Takano and members of the Subcommittee on Economic Opportunity, I am pleased to appear before you today on behalf of the National Association of State Approving Agencies (NASAA) and appreciate the opportunity to provide comments on “The Role of the State Approving Agencies in Ensuring Quality Education Programs for Veterans”. I am accompanied today by Timothy Freeman, NASAA Legislative Director, We also will provide some additional comments that may be helpful to the Committee as it addresses concerns about maintaining the effectiveness and integrity of the administration of educational assistance programs administered by the Department of Veterans Affairs under Title 38, USC, particularly in regard to safeguarding educational quality.

Role of the State Approving Agencies: Past and Present

State Approving Agencies were established by Congress with the passage of the Veteran’s Readjustment Act of 1944, or the GI Bill of Rights, signed into law by President Franklin D. Roosevelt. That legislation changed forever the face of higher education in the United States and much has been written on the social, economic and cultural return on that investment.

Congress, recognizing that it was the responsibility of the states within our federal system of government to oversee the education of its citizens, required that each state establish a “State Approving Agency” and the governor of each state designated a state bureau or department as the SAA. The SAA was to be supported by reimbursement of its expenses by the US Department of Veterans Affairs (VA). Thus evolved a truly cooperative federal-state effort that maintains the rights of the states while monitoring and protecting a federally-sponsored program administered under the terms and conditions of federal law. And I would say that the present leadership of the VA has strived, particularly in the person of the Deputy Undersecretary and the Education Service Director, to both support and enhance that historic partnership.

From a role of simply advising VA as to which educational and training programs were state-approved, State Approving Agencies evolved to become the primary source of assuring institutional accountability. With specialized authorization under the Code of Federal Regulations and state statutes, they exercise the state’s authority to approve, disapprove and monitor education and training programs. SAAs also assist the states and VA with exposing fraudulent and criminal activity involving the payment of veteran’s benefits.

In 1948, SAA representatives met to form a professional organization to promote high professional standards, create a forum for the exchange best practices, and to promote uniformity of purpose and practice. For almost seventy years now, NASAA has worked with our VA partners, the VSOs, and all agencies to ensure that the greatest numbers of quality programs are available to those eligible for education and training programs. We do this through our primary mission of program approval and out related efforts; compliance, training, liaison and outreach. We would like to briefly discuss these in turn.

Practice and Partnership

Today, fifty-five SAAs in 49 states (some states have two) and the territory of Puerto Rico, composed of around 175 professional and support personnel, are supervising over 7,000 active facilities with approximately 100,000 programs (includes those considered “deemed approved”). The Subcommittee is no stranger to our fundamental role as it is the same today as when we were created by Congress. SAAs and NASAA work in collaboration with the VA and our other partners to promote and safeguard quality education and training programs for veterans and other eligible persons AND assist VA in preventing fraud, waste and abuse in the administration of the GI Bill. NASAA believes that the primary responsibility and focus of the SAAs is, and should continue to be, to review, evaluate, and approve programs at schools and training facilities, utilizing state and federal criteria. For that reason alone, it is important, as Congress intended, that each state have an SAA. Last year alone, SAAs across our nation approved over 39,000 education and training programs at universities, colleges, training institutions, flight schools, and correspondence schools. We also approved around 1000 licensing and certification exams providing for reimbursement of exam fees. We do this through an approval process that allows us to carefully evaluate many factors including curriculum, instructors, policies, facilities, equipment and advertising. After a careful review of the completed application, we schedule an inspection visit to the facility to ensure that the institution understands requirements and has the capability to oversee and administer the program. If we find that they do, we provide training on the approval process and our continuing expectations. And we continue to review the approvals on a recurring basis as schools add or change programs and policies. Also as a part of this approval process, where appropriate, we ensure that schools are in compliance with Public Law 112-249 and are not providing any “commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or financial aid to any persons or entities engaged in any student recruiting or admission activities.” And for schools who are signatories of the “Principles of Excellence (POE),” we provide training and information to them as well.

In 2011, with the implementation of Section 203 of Public Law 111-377, the Post-9/11 Veterans Educational Assistance Improvements Act, we began assisting VA with their requirement to perform compliance surveys at SAA-approved institutions. Over the course of the next three years, FY 12 through 14, SAAs conducted over sixty (60) percent of the compliance survey visits performed throughout the nation. Last year alone, we conducted 2,589 visits, or some fifty-one (51) percent of the visits accomplished. During those visits we ensure that schools are conducting the GI Bill educational program in compliance with state and federal requirements, talk to veterans (if possible) and if appropriate, review POE requirements with institutions. We are proud to have worked with our partners at VA on the joint Compliance Survey Redesign Work Group (CSRWG) to change for the better the way that compliance surveys are conducted. We believe there is more work to be done in that area and we look forward to addressing those needs (and others) through the recently chartered Joint Advisory Forum (JAC), made up of NASAA and VA leadership. And we are

suggesting as a part of our legislative proposal, a further refinement of the federal requirement for compliance surveys.

We consider an important part of our mission to be the training and professional development of our newly hired SAA personnel (and in recent years our VA Educational Liaison Representatives (ELRs)). As such, each year we offer our National Training Institute (NTI) at conveniently located sites around the nation utilizing our National Training Curriculum, which provides information on policies and procedures relating to the SAA mission. Last month, we trained a total of 54 students, 36 SAA personnel and 18 VA personnel, in Cincinnati, Ohio and the previous year, 29 SAA professionals were trained in Atlanta, GA. We consider equally important the opportunity to train school certifying officials, and we work closely with our National Association of Veteran's Program Administrators (NAVPA) partners to do so on a national level. In our individual states we work with the ELRs to provide training to SCOs at conferences and workshops each year. SAAs also provide training to school officials during our official visits (inspection and compliance) and when resources and time allow, we schedule training and technical assistance visits to schools that need additional training.

As State agencies working with a Federal program, SAAs are uniquely situated to network with stakeholders in education and training to coordinate the improved delivery of veterans' benefits. State Approving Agencies work with others to exchange information, facilitate the increased approval of programs and raise awareness of the veteran, their educational needs and benefits. SAAs have forged links with State Agencies such as Departments of Veterans Affairs, Departments of Education, Higher Education Governing Boards, Departments of Labor and other licensing boards. We meet with representatives of accreditation associations, the National Guard and the Reserve, apprenticeship councils, union boards, and veterans service organizations. In the past, some SAAs have also participated on accreditation visits. At a national level, contacts are made with the Departments of Defense, Education, and Labor, as well as the Federal Aviation Administration. State Approving Agency activities often complement what is being done at the state level and since not all states have program review offices, those SAAs become the de facto review entity for the State.

Legislative Proposals

Given the evolution of the role of SAAs over the past decade, NASAA has submitted legislative proposals to the committee which would serve to improve the service and protection provided to our veterans while enhancing the administration of the GI bill educational program. Our legislative proposals to the Committee are in the area of approval authority, payment for flight programs, and compliance reviews.

NASAA seeks to clarify and codify State approval authority and oversight over all non-Federal facilities. We wish to clarify 3672 in regards to the role of the SAAs by identifying SAAs as the primary entity responsible for approval, suspension, and withdrawal. These proposed changes would ensure that an actual process for approval, suspension, and withdrawal will be adhered to (as opposed to our current scenario under the present "deemed approved" idea). However, we are not seeking to do away with the idea that accredited degree programs at public and not for profit private institutions of higher education (IHLs) may be "deemed approved". Rather, we seek to maintain the intent of the statute by adhering to an expeditious list of approval criteria for those programs that have been reviewed and/or endorsed by another appropriate entity. Furthermore, these changes would lessen the opportunity for third-party contracted training programs to be "deemed approved" with no review.

In addition, since the passage of the Post 9/11 Veterans Educational Assistance Improvements Act of 2010 (111-377) in January of 2011, there has been no statutory authority for the approval of accredited NCD programs at public or private not-for-profit institutions. Our recommendations expand 3675 to cover all accredited programs not already covered under 3672, while maintaining all previous approval criteria for private-for-profit institutions.

NASAA is seeking measures to improve cost control for flight programs offered by colleges and universities. These programs frequently involve a contracted flight school. Some public higher education institutions have instituted extreme costs for flight fees as there are presently no caps in place for public IHLs. In some cases, benefits have been paid for aviation degree programs at public IHLs provided by a third-party flight contractor with no approval issued by the governing SAA. This was exacerbated by the implementation of 3672. And some students are taking flight classes as electives with no cost cap for flight fees. In those cases, students could foreseeably take flight classes as an “undeclared” student for up to two years. NASAA suggests limiting Chapter 33 payments flight programs at public institutions to prevailing cap, producing immediate cost-savings. There would be no impact on the institutions ability to access Yellow Ribbon funds. This would also eliminate the need to further investigate and micro-manage flight programs areas including the number of flight hours in addition to those minimally required or the types of aircraft used.

Finally, NASAA seeks appropriate changes to 38 US 3693 (Compliance Surveys) to maximize the opportunity to protect the G I Bill while changing the manner in which we perform these surveys to reflect the changes that have occurred in higher education and training in the past three decades. The current statutory requirements for VA to conduct Compliance Surveys represents an almost impossible mission, given present resources. The statute requires an annual survey be conducted at each and every facility that offers anything other than a standard college degree as well as each and every institution enrolling at least 300 GI Bill recipients. We would like to see changes in the law to allow for a manageable mission in which VA, with the assistance of SAA partners, can conduct compliance surveys on a regular scheduled basis at the majority of approved institutions, while allowing for continued waiver of those institutions with a demonstrated record of compliance. At the same time, we feel strongly that no school should go without a visit of some kind for longer than three years. Such compliance surveys should be designed to ensure that the institution and approved courses are in compliance with all applicable provisions of chapters 30 through 36 of this title, but should also allow for limited program review, interviews with veteran students and training for school officials. Plus, the changes should allow for flexibility to adjust resources towards specific high-risk educational institutions as specific needs arise, allowing both VA and SAAs to be nimble and proactive in response to risks identified through the new complaint system and will allow SAAs to provide needed technical assistance and training visits to schools. To accomplish this, Mr. Chairman, our legislative proposal is to amend the law to provide that “the Secretary will conduct a compliance survey at least once every two years at each institution or facility offering one or more courses approved for the enrollment of eligible veterans or persons if at least 20 veterans or persons are enrolled in such course or courses.”

Conclusion

Mr. Chairman, we remain strongly committed to working closely with our VA partners, VSO stakeholders and educational institutions to ensure that veterans have access to quality educational programs delivered in an appropriate manner by reputable providers. For we all share one purpose, a better future for our veterans and their dependents. As I told another gathering of NASAA and VA

personnel in Washington over a year ago, while attempting to define who are the SAAs, “We are not mere clerks or bureaucrats. We are not just state employees drawing a federally funded check. We are educators. We are the engineers of excellence and the gatekeepers of quality. We will not fail in our commitment to safeguard the public trust, to protect the GI Bill and to defend the future of those who have so nobly defended us.” Mr. Chairman, thank you again for this opportunity and I look forward to answering your questions.