

**THE ROLE OF THE STATE APPROVING AGENCIES
IN ENSURING QUALITY EDUCATION PROGRAMS
FOR VETERANS**

HEARING
BEFORE THE
**SUBCOMMITTEE ON ECONOMIC
OPPORTUNITY**
OF THE
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS
SECOND SESSION

WEDNESDAY, NOVEMBER 19, 2014

Serial No. 113-91

Printed for the use of the Committee on Veterans' Affairs



Available via the World Wide Web: <http://www.fdsys.gov>

U.S. GOVERNMENT PUBLISHING OFFICE
96-134 WASHINGTON : 2015

For sale by the Superintendent of Documents, U.S. Government Publishing Office
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THE ROLE OF THE STATE APPROVING AGENCIES IN ENSURING QUALITY EDUCATION PROGRAMS FOR VETERANS

Wednesday, November 19, 2014

**U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
COMMITTEE ON VETERANS' AFFAIRS,
*Washington, D.C.***

The subcommittee met, pursuant to notice, at 10:03 a.m., in Room 334, Cannon House Office Building, Hon. Bill Flores [chairman of the subcommittee] presiding.

Present: Representatives Flores, Coffman, Wenstrup, Takano, and Kirkpatrick.

OPENING STATEMENT OF CHAIRMAN BILL FLORES

Mr. FLORES. Good morning. The subcommittee will come to order. I want to begin by welcoming everyone here this morning, and I look forward to hearing from both panels here today.

Today, the subcommittee will conduct an oversight hearing entitled "The Role of the State Approving Agencies in Ensuring Quality Education Programs For Veterans." The state approving agencies, or SAAs, are VA's vital frontline partners in ensuring that veterans receive the quality education and training that they deserve. The SAAs have a long history of serving veterans dating back to when they were first created by Congress as part of the original GI Bill in the Veterans Readjustment Act of 1944.

Although the education system has evolved over the last 70-plus years, the need and function of the SAAs has not diminished. It is important that with the billions of dollars spent on GI Bill benefits annually, that there is proper oversight over education and training programs so that veterans are enrolled in quality programs that fit their needs.

Today, the need for correct and thorough oversight is more necessary than ever with the plethora of different programs available to veterans. There are now more schools, many of which have multiple campuses spread across the country. There are more training programs and options such as distance learning to access an extensive list of different programs. Furthermore, online education is becoming a more attractive option for veterans and many fully accredited institutions have a majority of their students participating through online courses.

With all of the different avenues of education now available, I believe that today's conversation is very important if we want to re-

main confident in the fact that we are doing everything we can to get veterans into programs that will be meaningful and useful to them for their future success. I want to take a minute to commend the current leadership of both the VA and the National Association of State Approving Agencies for their efforts in the past few years to work more collaboratively on their shared mission.

This partnership, along with the input and assistance from other stakeholders, such as the veterans service organizations, the National Association of Veterans' Program Administrators, and many others is what assures us all that veterans are getting the quality instruction they deserve from institutions that have the veterans' best interest in mind.

With the increased level of benefits under the Post-9/11 GI Bill over the years and the passage of the in-state provision and expanded Fry Scholarship benefits under the Veterans Access, Choice and Accountability Act, as well as the growing popularity of non-degree and OJT apprenticeship programs, it is important that these partnerships not only continue to grow, but that thorough oversight of education and training programs continue to be a focus. It is also important that, as the education sector continues to evolve, oversight over these programs evolves along with it.

I am looking forward to discussing the legislative changes that the National Association of State Approving Agencies has proposed as these proposals attempt to restructure the role and mission of the SAAs for decades to come. I hope that we can have a fruitful discussion on the proposal in the preparation for the subcommittee's legislative agenda in the 114th Congress.

I also look forward to hearing from all of our witnesses today on their view of the current state of the higher education system as it relates to veterans' education benefits, as well as how they view the current structure, duties, and mission of the state approving agencies, and how we can work together to improve the effectiveness and ensure quality education for all student veterans.

With that, I recognize Ms. Kirkpatrick, and I would ask unanimous consent that the submitted testimony from the National Association of School Advocates for Veterans Education and Success be entered into the record. Hearing no objection, so ordered.

OPENING STATEMENT OF HON. ANN KIRKPATRICK

Ms. KIRKPATRICK. Thank you, Mr. Chairman.

Today, we are here to discuss how state approving agencies help maintain the quality of education for our veterans using GI Bill education benefits. Now, we all know how important GI Bill benefits are to our Nation's veterans. They are often critical to ensuring veterans' success as they transition to civilian life.

The education landscape has seen some major changes over the years with the swift growth of for-profit colleges, online programs, and other nontraditional forms of postsecondary education and training. With these changes, we must ensure that bad actors, particularly those interested solely in profit, are not taking advantage of our veterans in order to get their GI Bill benefits.

Unfortunately, due to a loophole in current law, those bad actors are being encouraged to aggressively recruit veterans. The 90–10 rule, which requires for-profit colleges and universities to receive at

least 10 percent of their revenues from sources other than Federal student aid, does not include GI Bill benefits as Federal student aid. That means the more veterans with GI Bill benefits that enroll, the more non-Federal student aid revenue they have and, in turn, the more Federal student aid they are allowed to take in. This loophole in the 90–10 rule is just one example of how ill-intentioned education corporations are taking advantage of veterans and other students.

I am looking forward to hearing from our witnesses about the role that state approving agencies have or would like to have in ensuring that institutions of higher education are meeting the needs of our veterans.

And, Mr. Chairman, I move that my colleague Mark Takano's statement be submitted for the record.

Mr. FLORES. Hearing no objection, so ordered.

Mr. FLORES. I thank Ms. Kirkpatrick for her comments. And I want to recognize our first panel. It is already seated. Today we have Mr. Ryan M. Gallucci, who is the deputy director of national veterans service for the Veterans of Foreign Wars; Mr. William Hubbard, vice president of government affairs for Student Veterans of America; and Mr. Steve Gonzalez, assistant director of the National Veteran Employment and Education Division for the American Legion.

I want to thank you for your past service and for your continuing service on behalf of our Nation's veterans.

And, then last but not least, we have Mr. Keith Glindemann, vice president and legislative chair for the National Association of Veterans' Program Administrators.

By the way, congratulations on your new position. We look forward to working with you.

Thank all of you for being here this morning. Your complete written statements will become a part of the hearing record and each of you will be recognized for 5 minutes for your oral statement.

Let's begin with Mr. Gallucci. You are now recognized for 5 minutes.

STATEMENT OF RYAN M. GALLUCCI

Mr. GALLUCCI. Thank you, Mr. Chairman.

Chairman Flores, Ranking Member Takano, and members of the subcommittee, on behalf of the VFW, thank you for the opportunity to discuss the role that state approving agencies play in ensuring success for today's student veterans.

We have made significant progress over the years to improve veteran access to education, not just by commissioning quality benefit programs, but also by improving access to pre-enrollment counseling and consumer resources, affording recourse to veterans who become victims of fraud, waste, and abuse, and most recently ensuring that no public school can hold a veteran's military service against them when determining eligibility for in-state tuition. The subcommittee and my fellow panelists should be proud of these accomplishments, but we are not done yet.

Today's hearing and any resulting legislative changes should serve as a starting point for the broader discussion on the future role of the SAAs. Some in higher education insist that SAAs only

duplicate the effort of accreditors and the Department of Education. The VFW refutes this notion because the scope of the SAA's responsibilities goes well beyond that of traditional higher ed.

The VFW believes that we must periodically revisit oversight mechanisms and at times change roles and responsibilities to suit the needs of an ever-changing veterans community. And we encourage this committee to host future hearings to candidly discuss new and innovative ways to leverage a strong network of SAAs to foster quality outcomes for student veterans.

The VFW proudly serves as constructive partner with the National Association of State Approving Agencies, as well as VA, in ensuring student veterans have access to quality training programs. With this in mind, much of our testimony will focus on NASAA's recommendations on ways to improve the effectiveness of SAAs.

For the past few years, NASAA has expressed frustration at the inability of SAAs to inspect and approve noncollege degree programs at nonprofit schools which were considered "deemed approved" through Public Law 111-377. After the law went into effect, the SAAs found that some schools started to develop NCD programs of questionable value. When SAAs sought to inspect these programs, they were denied access until VA intervened. However, SAAs still lack the statutory authority to properly approve NCD programs at nonprofit schools, meaning some programs continue to operate as deemed approved until SAAs learn about and inspect them. This is why the VFW supports extending statutory authority so SAAs can inspect NCDs to evaluate quality.

NASAA has also reported that public institutions of higher learning have started the commissioned flight training programs as free electives, targeting veterans for enrollment. According to the SAAs, schools are adding such programs because of the uncapped reimbursement offered by VA through the Post-9/11 GI Bill.

The fact that these programs have sprouted up in the few years since the new benefit ramped up is a clear indication that SAAs must have greater authority to inspect and approve these programs. Moreover, the VFW agrees with NASAA's recommendation to establish a reimbursement cap for flight programs commensurate with the private institution cap already established for the Post-9/11 GI Bill.

These new criteria are not an indictment of the quality of these new flight programs, but instead are a quality control measure to ensure that benefits are equitably administered for veterans who choose to enroll.

Next, under current law, VA must conduct annual compliance surveys on all facilities with at least 300 student veterans enrolled. The VFW agrees with NASAA's assertion that this is an impossible mission and one that neglects institutions that may face significant compliance issues. The current statutory requirement can mean that some schools will go years without a compliance survey as VA and the SAAs struggle to survey schools with large veteran populations. Such a requirement can hinder the response to at-risk programs that may enroll far fewer veterans while wasting significant time on inspecting perennial top performers.

The VFW agrees with NASAA that statutory requirements should change to ensure the VA can conduct compliance surveys at all institutions at least once every 3 years. VA and the NASAA should also be given flexibility in determining priorities in conducting annual compliance surveys. In the past, this kind of collaboration may have been difficult, but thanks to the new GI Bill complaint system, the VA is confident the VA and the SAAAs have access to information through which they can identify trends and conduct risk-based reviews.

Finally, after shopping around and speaking to school officials, the VFW could not identify a single preparatory course through which a veteran could use his or her GI Bill benefits. The ability to use benefits to prepare for complex entrance exams like the LSAT, GMAT, or GRE is a major selling point for veterans and a benefit readily discussed on VA's GI Bill FAQ. The VFW believes that the law is unclear about how these programs are to be treated for GI Bill approval, and we seek clarification on how VA should approve such courses so that veterans can take advantage of the opportunity.

The VFW firmly believes that the SAAAs remain a valuable partner in ensuring quality for veterans in higher education. We agree with many of NASAA's recommendations. However, we also reiterate our call for periodic discussions on how to better leverage the SAAAs to ensure veterans' success in higher education.

Chairman Flores, Ranking Member Takano, members of the subcommittee, this concludes my testimony, and I am happy to answer any questions you may have.

[THE PREPARED STATEMENT OF MR. GALLUCCI APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Mr. Gallucci.

Mr. Hubbard, you are recognized for 5 minutes.

STATEMENT OF WILLIAM HUBBARD

Mr. HUBBARD. Thank you, Mr. Chairman.

Chairman Flores, Ranking Member Takano, and members of the subcommittee, thank you for inviting Student Veterans of America to testify today. With this opportunity to discuss the state approving agencies and the National Association of State Approving Agencies, we will discuss their mission, effectiveness, and recent legislative proposal.

With only 230 staff across 49 States, the SAA are responsible for over 7,000 facilities and more than 100,000 programs—this, in addition to over 1 million annual users of GI Bill benefits.

Congress effectively established the SAA in 1945 when they passed Public Law 79–268, authorizing State governors to appoint their own approval agencies. As a mechanism to prevent so-called fly-by-night schools from taking advantage of returning veterans, the SAA became the frontline defense to ensure that those veterans receive a quality education.

Recent changes to the role of the SAA has affected the allocation of finite resources, shifting them from areas where those resources are needed most. Then, in 2011, Public Law 111–377 impacted how the SAA are expected to operate. Responsibility for performing ap-

provals was split to include the Secretary of VA, while the SAA were to increase their role in compliance measures.

This shift in resources away from the significant duty to perform approvals has diverted specialized resources away from mission-critical functions. The SAA bring an implicit capability which should be given greater emphasis: the capacity for judicious discretion.

For student veterans, the SAA across the country have the ability to call for a review of a school, even if no specific standards are triggered. The goal of the SAA, in our view, should be to have their success go unseen by the student veteran. If the SAA perform their job well, the true beneficiaries should remain unaware. Those that benefit from the due diligence of these professionals are the student veterans on campuses nationwide.

Student veterans who successfully transition serve as a demonstration of the important work performed by the SAA, that these student veterans can count on receiving a quality education for the GI Bill benefits they earned. Indeed, they do not have to question whether or not their GI Bill benefits will be well spent as the SAA provide necessary oversight to ensure their education will be one of quality.

To further advance the effectiveness of the SAA, several things should be addressed regarding the authorities and resources. Despite the general effectiveness of the SAA, we believe there are some areas that require attention. SVA agrees with NASAA that the assumed approval of schools is risky for student veterans. Implicit approval is not always a safe assumption. Additionally, VA being included in the state approval process is also an issue worth reviewing. The responsibility is no longer the primary duty of the SAA. This authority should be returned to the SAA, given their subject matter expertise in the field.

Lastly, we have serious concerns about the potential abuse of GI Bill benefits. While no specific cases have been yet addressed, the ability of schools to contract out certain programs for exorbitant fees is a serious issue. For some flight programs or electives, the results of the government covering these costs of these programs is well beyond the market norm. With the intent of creating a clear and reasonable solution, SVA accepts the NASAA proposal to reasonably cap such programs.

Ultimately, we believe the approval process to be the preventative medicine for issues which would otherwise stem from low-quality programs underserving the interest of student veterans. SVA accepts the legislative proposal presented by NASAA, and it encourages the body to empower the SAA to pursue their mission with the original intent of Congress.

We thank the chairman, ranking member, and the subcommittee members for your time, attention, and devotion to the cause of veterans in higher education. As always, we welcome your feedback and questions. And we look forward to continuing to work with this subcommittee, the House Committee on Veterans' Affairs, and the entire Congress to ensure the success of all generations of veterans through education. Thank you.

[THE PREPARED STATEMENT OF MR. HUBBARD APPEARS IN THE APPENDIX]

Mr. FLORES. Mr. Hubbard, thank you for your testimony.
Mr. Gonzalez, you are recognized for 5 minutes.

STATEMENT OF STEVE GONZALEZ

Mr. GONZALEZ. Thank you, sir.

Good morning, Chairman Flores, Ranking Member Takano, and distinguished members of the subcommittee. On behalf of the national commander, Mike Helm, and the 2.4 million members of the American Legion, we thank you and your colleagues for the work you do in support of our servicemembers, veterans, and their families. We thank you especially for holding this hearing.

With the constantly shifting economic and social landscapes faced by veterans, it is important to continually evaluate, reevaluate, and, if needed, revise the roles of the state approving agencies in order to protect veterans and taxpayers. The American Legion is proud to work with the National Association of State Approving Agencies in order to provide veterans with the best education and training opportunities possible.

In December 2010, Congress passed Post-9/11 Veterans Education Assistance Improvement Act of 2010, which was signed into law in January 2011. That bill contained language that impacted the role of the SAAs in terms of program approval authority. Due to the expansion of the GI Bill, eligible programs, to include many for-profit vocational training programs, nonregistered apprenticeships, and on-the-job training establishments, the law deemed approved many programs that were otherwise accredited or approved by other institutions, such as the Department of Education recognized accrediting bodies. That was done in order to relieve some of the workload of the SAAs and to avoid redundancies between the work done by the SAAs and other accrediting bodies.

While the American Legion applauds the expansion of the GI Bill applicability, we find it problematic that SAAs have been removed from a large portion of the approval process. SAAs focus specifically on the GI Bill and serve to protect it, and, by extension, the veterans using it. Furthermore, as federally authorized arms of their respective State governments, SAAs are in a unique position to evaluate programs that are offered in their State, given the proximity. This arrangement also maintains the federalism required by the Constitution. Therefore, the American Legion supports the SAAs and believes that they should have a role in the reviewing, evaluating, and approving all educational and training programs for GI Bill use.

While some may argue that the work that the SAAs do is redundant to the work of accrediting bodies, the American Legion believes that the SAA's approval is, in fact, unique. This is because the charge of the SAAs is to specifically focus on protecting GI Bill funds, while traditional accreditation provided by the Department of Ed-recognized accrediting bodies does a significant portion of work toward ensuring quality programs. SAA approval should work in tandem with that accreditation, rather than the stark division that is represented in the current statute. However, under current law, SAAs lack the statutory authority to inspect many questionable programs that have sprung up since the passage of the Post-9/11 GI Bill at not-for-profit institutions.

The American Legion supports the portion of the legislation proposed by the NASAA that would statutorily make SAAs the primary approving body for all programs approved for GI Bill use. Programs may still be deemed approved, but at the discretion of the SAAs, not the Secretary of VA.

The American Legion agrees with the NASAA recommendation regarding changes to flight training. Not-for-profit institutions would take advantage of the GI Bill by charging exorbitant tuition and fees for this training is disheartening. Fixing this loophole helps to protect the GI Bill by ensuring that the costs are kept low while still allowing beneficiaries to pursue such training, if required or desired. Furthermore, in cases where the institution contracts with a third party to provide the training, the American Legion believes that the SAA should still have approval authority.

Additionally, the American Legion supports a proposed shift in the statutory requirement for SAA compliance surveys. As NASAA has indicated, the current mandate is needlessly burdensome, and it is frankly impossible, given the limited resources available. In light of this, the American Legion believes that their funding should be increased to ensure that they are able to adequately perform their crucial role. Even if SAA's compliance service requirement is reduced, an increased role as primary approving body seems likely to require the resources.

The American Legion supports SAAs and recognizes the crucial role they play in ensuring quality programs for veterans using the GI Bill benefit. This hearing should serve as a starting point for an ongoing conversation regarding the role that SAAs currently playing in quality assurance. How SAAs' approvals interact with accreditation remains somewhat unclear. This legislation would make strides toward clarify and codifying the terms of that interaction.

Chairman Flores, Ranking Member Takano, we thank the subcommittee for looking into this issue, and it is crucial to veterans, and look forward to your questions.

[THE PREPARED STATEMENT OF MR. GONZALEZ APPEARS IN THE APPENDIX]

Mr. FLORES. Mr. Gonzalez, thank you for your testimony.
Mr. Glindemann, you are recognized for 5 minutes.

STATEMENT OF KEITH GLINDEMANN

Mr. GLINDEMANN. Thank you.

Chairman Flores, Ranking Member Takano, and members of the Subcommittee on Economic Opportunity, my name is Keith Glindemann. I am the vice president of the National Association of Veterans' Program Administrators, NAVPA. I appreciate and thank you for the opportunity to appear before you today to discuss NAVPA's view on the role of state approving agencies in ensuring quality education programs for veterans. I am accompanied on this trip by Marc Barker, who is our current NAVPA president.

It is my hope to help provide some insight on this topic from the viewpoint of the individuals that are charged to implement the policies and procedures on veterans' education benefits at our colleges and universities across this great Nation.

NAVPA was founded in 1975 and it is a nationally recognized nonprofit organization of institutions and individuals who are involved in the operation of veterans affairs programs and/or the delivery of services to veterans as school-certifying officials. We are devoted to promoting professional competency and efficiency through our association's membership and with others involved in veterans education assistance programs. We believe that the development, improvement, and extension of opportunities to any veteran or their dependent for their personal growth or development to be a noble cause.

Relationship with the SAAs. NAVPA has worked hand in hand with our Nation's state approving agencies for many years. They have been instrumental in helping our organization provide our members with comprehensive training sessions at national and regional conferences, offering technical assistance with complex issues regarding the certification of GI Bill benefits, as well as providing subject matter expertise on policies and procedures.

We, as an organization, have seen the state approving agencies always assist in a timely manner. This is especially beneficial as it is often hard to get a quick response from our overburdened VA education liaison representatives.

Compliance surveys. Current statutory requirements require that any institution with at least 300 GI Bill recipients have a compliance survey conducted annually. This requirement is mandated regardless of the results of the prior year's survey. This requirement results in overburdened inspectors revisiting schools that have proven to be good stewards and in full compliance. The negative effect of this requirement results in many smaller institutions with less than 300 GI Bill recipients to go years between surveys. This creates an inequity among schools where benefits are being applied. Within NAVPA, we have been told of institutions that have not had a compliance survey since the inception of the Chapter 33 Post-9/11 GI Bill.

By relooking at the 300 mandated inspection rule, a more favorable one could be determined that would allow institutions to be on more equal footing in regards to compliance surveys. This could also allow SAAs to be freed up to provide additional technical assistance and training. Potential compliance issues could be avoided by having better-trained SCOs on the front end of the process. This would reduce issues of noncompliance and help to preserve benefits.

Deemed approved. Section 203 of Public Law 111-377 deemed certain programs of education to be approved for VA educational benefits. NAVPA's membership supports the current deemed approved language in 38 U.S.C. 3672 for accredited standard college degree programs offered at public or not-for-profit proprietary IHLs that are accredited by an agency or association recognized by the Secretary of Education.

NAVPA respectfully asks the legislature and the Department of Veterans Affairs to clarify and define "deemed approved" relative to what the interpretation of a standard college degree program is. In the absence of a clear definition of standard college program, our member institutions are being inundated with proposals and requests from training programs to enter into third-party contracted

training agreements so that the nonapproved programs can operate under the umbrella of “deemed approved” as standard college degree programs without actually going through the approval process, be it the VA or the SAA.

In closing, NAVPA’s membership institutions strive to always be in compliance with all regulations when assisting our students in utilizing their VA educational benefits. As an organization, NAVPA looks forward to a continued strong relationship with the state approving agencies, the VA, and others charged with assisting our veterans in achieving their educational goals.

Chairman Flores, Ranking Member Takano, and members of the committee, thank you, and I look forward to your questions.

[THE PREPARED STATEMENT OF MR. GLINDEMANN APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Mr. Glindemann, for your testimony. I thank the panel for your testimony. And I now yield myself 5 minutes for questions.

For each of you—and we will start with you, Mr. Gallucci—what is your position on the SAA’s proposed legislative changes to the GI Bill as it pertains to flight schools?

Mr. GALLUCCI. As we laid out in our testimony, we support establishing a cap and allowing SAAs broader authority to inspect these programs and evaluate them for quality. The reason we support establishing that cap is because what the SAAs have reported and what VA seems to have confirmed is that these schools seem to just be charging whatever they want. It is not commensurate with what the economy would reflect the cost of that program should be.

So our concern is they are basically optimized to what the Post-9/11 GI Bill will pay out right now. And unless we get that under control, they are going to continue to charge exorbitant fees for that, which VA will have to reimburse for.

Mr. FLORES. Okay.

Mr. Hubbard.

Mr. HUBBARD. Thank you for your question. Similarly, we support NAVPA’s proposal, more from a standpoint of the concerns over waste of the GI Bill. As money goes out the door way beyond market norms, this is ultimately decreasing the return on investment with the GI Bill, which is of serious concern to us.

Mr. FLORES. Okay.

Mr. Gonzalez.

Mr. GONZALEZ. Yes, Chairman. I will echo the same sentiment as my two colleagues. We support SAA’s recommendation on flight school. Just like Will and Ryan have indicated, it is also ensuring that we are fiscally responsible in how the GI Bill is being applied, what is the return on investment, and ensuring that the SAAs can actually review the actual programs that are being offered, regardless of where they are being offered.

Mr. FLORES. Okay.

Mr. Glindemann.

Mr. GLINDEMANN. Thank you, Chairman Flores, for the question. Our position at NAVPA would be that we support the State Approving Agencies’ recommendation on this. Fee caps are necessary to help preserve the whole program as we look at the use of the

Post-9/11 GI Bill. The other piece would be that we need to ensure that people aren't taking flight classes in an open elective status and therefore burning through the benefit.

Mr. FLORES. Okay. Thank you.

Mr. Hubbard, throughout your written statement you referred to your belief that the SAAs need to return to their core competency. Can you expand on that recommendation?

Mr. HUBBARD. Yes. And thank you for the question.

The SAAs, their original role—and it is an approval body—has been somewhat mitigated by additional expectations placed on them, in particular their performance of compliance measures. We believe compliance measures are more of an audit function and could be done in other entities. For them to take their subject matter expertise and place it toward activities that are not their core competency is ultimately denigrating their comparative advantage in the space.

Mr. FLORES. Okay.

Mr. Glindemann, one of the biggest challenges that arises when it comes to veterans' education, as I understand it, is the high turnover rate and the need for enhanced training for school-certifying officials. Can you comment on these issues—you touched on it a little bit—and how we can work collaboratively to address the retention and turnover and training of these individuals?

Mr. GLINDEMANN. Thank you.

Yes. The main thing with our school-certifying officials are that they often could be at a college where they wear many hats. They are not only a school-certifying official. They could also be an admissions person, evaluations personnel. The other thing is that school-certifying officials who only do that duty also may move within the structure of their college, therefore having a high turnover.

Currently, we have the School Certifying Official Manual that the VA updates and puts out to us every 6 months, which is a great tool. It is approximately 280 pages. The Quick Reference Guide for Certifying VA Benefits is 120 pages.

Mr. FLORES. Wow.

Mr. GLINDEMANN. Sometimes that can be like drinking from the fire hose when you are just trying to do that.

The best types of training are physical training where the people can actually be in front of the system. When being certified to be able to certify benefits, the VA once system offers a training program prior to being able to enter stuff. That is a great first step. However, something more thorough and that could be offered, whether regionally trained or SAAs actually in the schools, would be beneficial.

Mr. FLORES. Okay. So you believe there should be some sort of standardized training with a certification for this position at schools?

Mr. GLINDEMANN. Absolutely.

Mr. FLORES. Okay.

Approaching the end of my 5 minutes, I am going to release the rest of my time. And I will recognize the ranking member, Mr. Takano, for 5 minutes for his questions.

Mr. TAKANO. Thank you, Mr. Chairman. I thank you for holding the hearing on this really important topic.

Mr. Gonzalez, can you elaborate a bit more about how you perceive the difference between what SAAs do and what an accrediting body does?

Mr. GONZALEZ. Yes, sir. The accrediting body that is usually recognized by the Department of Education, they look at the whole institution, and that is sometimes done within a 1-year to 10-year time span, where the SAAs, of course, work in tandem with the accreditation body. But what they do is they accredit the actual programs that are being offered to the actual beneficiary, and that is an ongoing process where, again, they are different in their scope and their bandwidth and what their actual jobs and role is.

And to be honest, SAAs, when they were created, were totally created—like my colleague Will has stated—out of the first GI Bill and then, of course, leading into the second GI Bill in the 1950 for the Korean War vets where it actually helped create the regional accreditation body to help ensure that these public institutions that were being created to absorb the returning veterans, that they had quality programs and the institutions had the right faculty and the institutions had the right type of policies in place. And, again, the accreditation body is really a peer-to-peer, once every 10 years type of evaluation, where the SAAs is an ongoing process.

And they continue to have an ongoing process because for individual institutions to continue to have their programs approved, they have to resubmit any time a course is changed. So the course catalogues always have to be resubmitted to the SAAs to make sure that those programs are meeting the standards.

Mr. TAKANO. And that happens ongoingly and more frequently?

Mr. GONZALEZ. Yes, sir.

Mr. TAKANO. Do you believe the VA, as a fiduciary, should still play a role in the approval process or that SAAs should be entrusted to make the decision on their own?

Mr. GONZALEZ. We think that the SAA, being that they are the primary, they are actually on the ground, they know the schools that they are working with, they have the knowledge and institutional knowledge, that they should be the primary approval authority when looking at programs.

And if you take it one step further, that is the whole purpose of being approved. You have everything, roughly, 137 to 140 SAAs, individuals throughout the 50 States and, I think, U.S. territories, and you have 7,000 programs. That is the whole reason why “deemed approved” was put into play.

Now, that shouldn’t say that an SAA shouldn’t be able to go, as an example, go to Harvard and not look at their program. Granted, I wouldn’t think Harvard would not have a great program. But it shouldn’t take away that the SAA should not be able to still go to Harvard and say, I want to at least inspect to make sure that you are still meeting the standards we need to protect the GI Bill, and by that to protect the veteran themselves.

Mr. TAKANO. But should the VA still play a role in the process or—

Mr. GONZALEZ. Yes, sir.

Mr. TAKANO. Okay.

Mr. GONZALEZ. I mean, we shouldn't take VA out completely neither.

Mr. TAKANO. Well, VA should be the primary.

Mr. GONZALEZ. Yes, sir.

Mr. TAKANO. VA should be the primary.

Mr. Hubbard, do you think that the SAAs—on a little bit probably different track—do you think that the SAAs are successfully weeding out programs that lead to essentially worthless degrees, like those that promise to prepare student veterans for entry in a particular profession but do not qualify them for the necessary license or exam?

Mr. HUBBARD. Thank you for the question. In short, yes. They are the best option for quality that we have right now. There are a lot of different measures in conversation to try and approach that level of quality. But right now the SAAs for student veterans are the best option we have. Again, they have that judicious ability to look at the program and if something doesn't quite look right they can ask for a review. I think that is a very valuable quality that they bring to the table, and it is something that just hasn't been achieved otherwise.

Mr. TAKANO. But are they—I mean, you say they are the best option—but are they successfully able to weed out these programs?

Mr. HUBBARD. I will give you an example. In Virginia there were a couple schools that were performing some questionable activities. Strong SAA there. They were able to review the program, and the end result was convictions and jail time for those who were taking advantage of the system and really at the end of the day harming student veterans.

Mr. TAKANO. Could we do this better? I mean, could the SAAs be doing a better job? I mean, I don't dispute that you think they are the best option now. But I have got a sense that there are a lot of programs that still are out there that are wasting our veterans' money—

Mr. HUBBARD. Right.

Mr. TAKANO [continuing]. And wasting the Federal Government's money. How could we do this better? If you would take that.

Mr. GALLUCCI. Oh, Mr. Takano, I would like to jump in there, if I could, quickly.

Mr. TAKANO. Please.

Mr. GALLUCCI. I think that is one of the reasons we are here today, to talk about the way that they conduct compliance surveys. And I think this is one of the reasons why we support changing the statutory requirement that they only go to schools that have more than 300 veterans every year.

With the commissioning of the complaint system, we now have access to a lot more information. We have seen the SAAs do it. It was brought to our attention about the expansion of noncollege degree programs, about the flight school issue. They are aware that this is happening. But giving them the authority to go in and conduct more audits will strengthen their ability to do it.

I agree with Will that they are the best option we have right now, and I think the proposals that we are discussing today would only strengthen their ability to serve as that frontline defense.

Mr. TAKANO. Mr. Chairman, I am sorry I went over my time, but I thought it was an important question. But I yield back.

Mr. FLORES. Thank you, Mr. Takano.

Mr. Coffman, you are recognized for 5 minutes for questions.

Mr. COFFMAN. Thank you, Mr. Chairman.

First of all, I want to thank you all for your service, those who have served in the military, and thank you so much for what you do on behalf of veterans in achieving their educational goals.

I think that the fundamental mistake made by the Congress—and I was an Army veteran, I went to the University of Colorado under the Vietnam-era GI Bill, which gave veterans an amount of money in order to pay for room and board and tuition based on pretty much the average cost of going to a public university in the country. And then, we made decisions. We were the ones, empowered to make decisions based on cost and quality.

I think after Congress tried to save money in post-Vietnam by going to this VEAP program, that I don't think was very effective. That was a matching program. Then we have the Post-9/11 GI Bill, that I think was pretty much written by institutions, educational institutions, for educational institutions, whereby it was bifurcated from living expenses to tuition and with tuition is uncapped.

I think you get the spiralling of inflation of tuition where there is no shopping around, where the veteran is in the marketplace. I think that was a big mistake, and I think we ought to look at going back to that Vietnam-era plan where we give an amount of money to a veteran and let the veteran shop for what program. If they want to go to a private school. They pay the difference, as we did. My decision then was to go to the University of Colorado where my costs were covered.

Secondly, I am very concerned in our discussion today about proprietary schools. Granted, there are abuses. This administration has a gainful employment rule on proprietary schools, and I think there are certainly bad ones, as there are bad programs in public institutions that don't lead to jobs.

My father retired as a master sergeant from the United States Army. He had no more than a GED. Started out at a community college where he wanted to learn heating and air conditioning repair, but he was forced to take electives. He dropped out of that college, went to a proprietary trade school under the GI Bill, learned the specific trade that he wanted, heating and air conditioning, and eventually had a successful small business that did that.

I am very concerned that it is more that this whole attack on proprietary trade schools is really focused on the working class Americans in terms of their ability to advance to the middle class. My father could have gone to where I went to school and studied anything that didn't lead to a job, taken a major that wouldn't lead to a job, and that would have been okay. But to go to a proprietary trade school to try and better himself, that is not okay. There has got to be a balance.

The problem I have in asking a question is I am so opposed to the existing system we have, because I think it doesn't serve veterans, it doesn't serve taxpayers, and we need to abandon it and go back to Vietnam-era plan.

Let me ask you, what you all are evaluating in terms of these folks that go out and evaluate programs that are available under the GI Bill. Do these same personnel look at apprenticeship and on-the-job training for veterans? Do they help in that process? And what can we do to make more opportunities available to veterans who come back and want jobs?

Mr. GALLUCCI. Well, thank you, Mr. Coffman. And, again, thank you for your service as a fellow veteran. Always good to have fellow veterans in Congress.

But, again, to your question about evaluating quality of OJT and apprenticeship programs, this is one of the other primary functions of the state approving agencies.

Mr. COFFMAN. Okay. Good.

Mr. GALLUCCI. This is one of the reasons that we each, I believe, outlined in our testimony, that we feel they play a critical role. These are underutilized programs and for veterans who don't want to pursue traditional higher ed, they are certainly a viable career path and it is something that we fully support.

Mr. COFFMAN. Okay.

Mr. Chairman, may I have an extension of my time so they can answer the question?

Mr. FLORES. Give you another 30 seconds.

Mr. COFFMAN. Thank you, Mr. Chairman.

Anybody else have anything?

Mr. HUBBARD. If I can just add to that. I do like the point that you made originally about being able to shop around with your benefit. To the credit of the VA, the GI Bill comparison tool is getting closer to that. It allows veterans to see the benefits that they have and then compare that at different schools. So I think that is getting closer to that ability to shop around in that sense, and I think that is something that is worth exploring in more detail.

Mr. COFFMAN. Okay. Thank you, Mr. Chairman. I yield back.

Mr. FLORES. Okay. We will offer my colleagues a second round of questions so that we can wrap that one up if that is okay with Mr. Coffman.

Ms. Kirkpatrick, you are recognized for 5 minutes.

Ms. KIRKPATRICK. Let me first say that I really appreciate the work you are doing as representatives of the veterans service organizations. You are the eyes and ears of this committee as we try to craft policy that is going to really help our veterans. So I appreciate your coming to the Hill today to our committee and having this discussion with us. It is very important. So I just want to thank you.

Mr. Glindemann, I have a question with respect to the compliance survey rules. How many institutions actually have less than 300 GI Bill recipients? Any idea about that?

Mr. GLINDEMANN. I couldn't answer that right now. I know through our membership over 50 percent of our schools are under 300. And the biggest worry for us is that I think the VA originally maybe or the intent of the rule was to get the big recipients of GI Bill dollars. So when they came into a college with over 300, if they could identify compliance issues there, they could have more cost savings.

Unfortunately, then we look at the smaller schools. I actually help oversee veterans services for over 35 campuses, and one of my campuses only has about a dozen veterans at it. So in theory it has its own facility code, so it would be under a separate inspection. Those are kind of what you would think of as the nickels and dimes because it is a lot smaller amounts of money from the Post-9/11 GI Bill coming into that school. However, they still have the same issues with training and the same issues with just trying to make sure the program is straight and with high turnover rates of their personnel.

Ms. KIRKPATRICK. What do you think would be a better number than, than 300? Should there be no number or should everyone go through the compliance review? I mean, what are your thoughts about that?

Mr. GLINDEMANN. I would expand it that for your schools that pass that don't have any major compliance issues, a 36-month rule. I think if you could visit every school within 36 months, you would really get a true vision of what is out there, stop issues as soon as they happen, and have cost savings for the program as a whole.

Ms. KIRKPATRICK. Mr. Hubbard, could you describe for me a model SAA that you envision or that is actually out there just so we can know really what works well for our veterans?

Mr. HUBBARD. Sure. So I think the biggest thing is to be able to have a full spectrum of review. If an SAA is not able to look at all the programs, it is going to be an incomplete picture. So having that off the bat is a really important part.

In addition, the communication between the SAA and VA is critical. With the JAC, the Joint Advisory Committee that is set up and set to continue conversations, I think that is also a critical aspect in that process. If they are not talking, the benefits coming and going, it is not going to be clear how that is working. So to have that Joint Advisory Committee, we do look forward to seeing the work come from that and think that will support that process quite well.

Ms. KIRKPATRICK. Mr. Gallucci, I introduced a bill that would say if a veteran has a skill in the military, such as EMT, that they can easily get certification without having to go through all of the EMT training. And so my question is for you, do you think that there should be an easier path for approval of GI Bill benefits in non-college degree programs such as EMTs?

Mr. GALLUCCI. This is a really good question, and I may defer to my colleague Steve to comment on this a little as well.

Ms. KIRKPATRICK. Okay. That is fine.

Mr. GALLUCCI. Absolutely, as far as an easier path to approving these kinds of programs. What I think the concern is, though, is that the SAAs still have to play a role in that to ensure the validity of these kinds of programs.

We have seen a lot of positive steps in improving the transferability of military-acquired skills to the civilian job market over the last few years, and it is still efforts that my colleagues at the table and I still push for. But it is something that, absolutely, if there is a way that a servicemember can translate their skills to a job set and then find a job, that is something we absolutely support.

Ms. KIRKPATRICK. I have about 40 seconds. Anybody else want to comment on that?

Mr. GONZALEZ. Ma'am, I will make even a lot easier. SAAs, again, approve the program itself. Now, if you want to take it one step further, the question now becomes—and this is a question that might be for this committee, but also for the Education and Workforce Committee—because the institution bodies themselves are accredited by a totally different accreditation body, that if you actually get some type of credential irrespective of the credential from an institution of higher learning and yet you cannot sit for a license at a state board, then that is greater than just an SAA issue. It is an actual accreditation and SAAs of that respective state, ma'am.

Ms. KIRKPATRICK. Thank you very much. I yield back.

Mr. FLORES. Thank you, Ms. Kirkpatrick.

We thank the first panel for your testimony. You are now excused.

Mr. FLORES. And I would invite the second panel to the table. On our second panel, we welcome back both Mr. Curtis L. Coy, deputy under secretary for economic opportunity at the Department of Veterans Affairs. And he is accompanied by Major General Robert Worley, director of the Education Service at the Department of Veterans Affairs.

I thank both of you for your prior service, and it is nice to have you back in front of this committee.

And we also have Dr. Joseph Wescott, president of the National Association of State Approving Agencies, who has been a large subject of the testimony of today's hearing.

We thank you for your prior service as well, Dr. Wescott, and it is great to have you here.

Mr. Coy, as soon as you get situated, we will recognize you for 5 minutes for your testimony. Sorry to rush you guys.

STATEMENTS OF MR. CURTIS L. COY, DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY, VETERANS BENEFIT ADMINISTRATION; U.S. DEPARTMENT OF VETERANS AFFAIRS, ACCOMPANIED BY MAJOR GENERAL ROBERT M. WORLEY II, USAF (RET.), DIRECTOR, EDUCATION SERVICE, VETERANS BENEFIT ADMINISTRATION; U.S. DEPARTMENT OF VETERANS AFFAIRS

STATEMENT OF CURTIS L. COY

Mr. COY. Thank you and good morning, Mr. Chairman, Ranking Member Takano, and other members of the subcommittee. I certainly appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs' education benefit program and the role of state approving agencies. Accompanying me this morning, as you indicated, is Rob Worley, our director of education service at VA.

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 veterans.

I would specifically like to thank Dr. Joe Wescott, president of NASAA, for his exceptional leadership. The last several years have been a collaborative journey for him with our SAA partners. I would also like to thank and acknowledge the other members and organizations testifying here today. I respect and admire their passion and advocacy of veterans.

As you know, VA administers educational benefits to eligible veterans and dependents, while SAAs work to ensure the quality of educational and vocational programs. SAAs are charged with approving courses, including apprenticeship programs, and ensure that education and training programs meet approval requirements through a variety of approval activities.

With the implementation of Public Law 111-377, VA was given the authority to use the services of the SAAs to assist VA in conducting compliance surveys. That has been an incredibly value-added partnership. SAAs also conduct outreach to veterans and other eligible persons about available education and training benefits. We believe SAAs add significant value to the VA's educational benefit programs.

As I mentioned, in the past 2 or 3 years VA and our SAA partners have worked collaboratively. Two quick examples. This past September, VA and NASAA conducted a joint summer training conference to provide essential training to both NASAA and VA compliance and liaison staff. One primary goal of the training was to ensure a comprehensive and consistent understanding of all aspects of compliance surveys. Another example, VA and NASAA recently chartered a Joint Advisory Committee to serve as a standing forum for resolution of issues related to the mutual responsibilities of SAAs.

Today, we are here to talk about legislative proposals submitted to the committee by NASAA in three broad areas: compliance reviews, flight training programs, and program approval.

With respect to changing the current statutory requirements for conducting compliance surveys, VA believes it may be necessary to review the frequency and types of schools at which compliance surveys are conducted. Currently, there are about 16,000 approved domestic and international institutions of higher learning and non-college degree institutions. Of the 16,000, 11,260 were active institutions in calendar year 2013. During the last 2 fiscal years, VA and SAAs have completed over 10,000 compliance surveys. This work was split roughly in half between VA and SAAs.

VA believes that it would be valuable to review the criteria for compliance survey requirements, and we believe there should be enough flexibility to allow for the time and resources to conduct scheduled surveys, as well as unscheduled surveys and risk-based surveys. We look forward to working with NASAA and the committee on this.

NASAA also has put forward proposed changes to the flight school aspect of the GI Bill. Like NASAA, VA is concerned about high tuition fee payments for enrollment in degree programs involving flight schools. VA wants to ensure that we are good stewards of the taxpayer money and we are open to discussing possible changes in how benefits are paid.

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 have been charged if the student had chosen to attend a vocational flight program, which is currently capped at about \$11,000. We are, also, concerned about the growing number of VA beneficiaries that are taking flight school courses as an elective.

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

Mr. Chairman, this concludes my statement. I would be happy to answer any questions you may have.

[THE PREPARED STATEMENT OF MR. COY APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Mr. Coy.

Dr. Wescott, you are recognized for 5 minutes for your testimony.

STATEMENT OF JOSEPH W. WESCOTT

Dr. WESCOTT. Mr. Chairman, Ranking Member Takano, and members of the subcommittee, I am pleased to appear before you today on behalf of the National Association of State Approving Agencies to discuss the role of state approving agencies in ensuring quality education. I am accompanied by our legislative director, Tim Freeman.

Soon after the GI Bill became law, Congress, recognizing that it was the responsibility of the States within our Federal system of government to oversee the education of their citizens, required that each State establish a state approving agency. 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 VA has strived, particularly under the leadership of Deputy Under Secretary Curt Coy, to both support and enhance that historic partnership. I sincerely thank him for that commitment. And I thank my other partners here today as well as who share both our passion and our purpose.

Today 55 SAAs in 49 States and Puerto Rico, composed of nearly 175 professional and support personnel, are supervising over 7,000 active facilities with approximately 100,000 programs. NASAA believes strongly 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 and to provide training and technical assistance to school officials. For that reason, it is critically important, as Congress intended, that each State have a state approving agency.

In 2011, with the implementation of Section 203 of Public Law 111-377, we began assisting VA with their requirement to perform compliance surveys at SAA-approved institutions. Over the course of the next 3 years, SAAs conducted over 60 percent of the compli-

ance survey visits performed. Last year alone we conducted 51 percent of those visits.

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. 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.

Dr. WESCOTT. We wish to clarify the Federal code in regard to the role of SAAs, by identifying SAAs as the primary entity responsible for approval, suspension, and withdrawal. In addition, since the passage of the Public Law 111-377, there has been no statutory authority for the approval of accredited NCD programs at public or private not-for-profit institutions, a situation our recommendation would correct.

NASAA is seeking measures to improve cost control for flight programs offered by colleges and universities. Some public higher education institutions have instituted higher costs for flight fees, and 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. NASAA suggests limiting Chapter 33 payments for flight programs and public institutions to the prevailing cap.

Finally, NASAA seeks appropriate changes to 38 U.S. 3693 to improve the manner in which we and our VA partners perform compliance surveys. We would like to see changes in the law to allow VA, with the assistance of the SAAs, to respond quickly to risks identified through the new complaint system. 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 2 years at each facility offering one or more approved programs with at least 20 veterans or eligible persons enrolled.

Mr. Chairman, NASAA remains strongly committed to working closely with our VA partners, our VSO stakeholders, and school officials to ensure that veterans have access to quality educational programs delivered in an appropriate manner by reputable providers. This concludes my statement and, I look forward, Mr. Chairman, to answering any questions you or other members may have.

[THE PREPARED STATEMENT OF MR. WESCOTT APPEARS IN THE APPENDIX]

Mr. FLORES. Dr. Wescott, thank you for your testimony. And also thank you for the work that you and your colleagues and your affiliated organizations do to further veterans' education in our country.

I am going to begin, I am going to recognize myself for 5 minutes for questioning. The first question is for you, Mr. Coy. What is the Department's position on the flight school changes that have been proposed by the SAAs?

Mr. COY. Thank you, Mr. Chairman, for that question. There are two or three comments with respect to flight schools. Right now

flight schools, as we break it down, are basically in three general areas.

The first is the vocational flight school, and as I mentioned, that is currently capped at \$11,500 and a little bit more. And we believe that is fine as is to some degree.

The second is flight school programs at institutions of higher learning that for the most part have been contracted out. And we have seen an alarming increase in the dollars that are spent on that.

And then finally, there are flight course electives that veterans are taking, that again is somewhat alarming in that. Capping them at the current national maximum of \$20,235.02 probably makes good sense in terms of being able to manage those programs and looking at this from a standpoint of being good stewards of the taxpayer money.

Mr. FLORES. Okay. Thank you. Another question, Mr. Coy. What is the Department's position on the legislative changes proposed by the SAAs regarding the number of compliance surveys completed over the course of a year?

Mr. COY. Another great question, sir. And I would suggest that as we stand back and look at compliance surveys as a whole, currently, as you know, it is all schools over 300 students. I have some numbers here that are somewhat interesting.

Right now, as I think I mentioned, there are about 11,260 schools that were active schools in 2013. Interestingly, of those 11,260 schools, 15 percent of them have one veteran attending. And then if you look overall, the number of schools that have 20 or more attending is 5,100 schools. So you see we would essentially capture well over 50 percent of those active schools should we drop that down to 20. We have also heard testimony today that there are some schools that don't necessarily are required to have compliance surveys because they drop below that 300 cap.

So doing it for 20 schools or more probably is an appropriate number every 2 years, because what we think would be valued is, as we stand back and look at our compliance survey process in the past few years, as I mentioned, we have done 10,000 over the last 2 years or 15,000 over the last 3 years.

And so if we stand back and look at being able to do in round numbers 5,000 surveys a year, and being able to schedule a certain amount of surveys so the schools over 20 would be in round numbers about 2,500 schools or so every 2 years, that allows us some flexibility to do unscheduled visits, which we want to increase, but as well do risk-based reviews of schools based upon whether they are complaints from our complaint system or getting them from other quarters. So the over 20 probably provides enough flexibility.

Mr. FLORES. The next question is for both of you, Dr. Wescott and Mr. Coy. In Mr. Gallucci's testimony and in his written statement he alerted the subcommittee to the fact that many college prep courses—or actually I would say post-undergrad courses—offered at institutions of higher learning are not approved for use under the GI Bill. Can you tell me, A, is the assertion correct? And B, if it is, do you see this as a problem, and what steps can the VA and the SAAs take to address this issue?

Mr. WESCOTT. Mr. Chairman, certainly there is regulatory ability to approve those courses. There are certain limitations about what courses can be approved. For instance, they must be offered by an IHL.

So normally what happens in the approval process, if a student takes a course, wants reimbursement, he will go to that institution and then that institution would come to the SAA. Certainly we can work within our States to promote more knowledge about these courses and can work with IHLs to see what they are offering so that we can have more of those courses approved. But it is somewhat driven by the needs of the veterans themselves.

Mr. FLORES. Mr. Coy, anything to add?

Mr. COY. I would agree with Dr. Wescott. I would add one or two other pieces. There is some flexibility to provide for some of those things like LSAT prep courses, and SAT prep courses and that sort of thing for the GI Bill.

I think one of the challenges that we see more anecdotally or not is remedial course for veterans coming onto campus. And so when they first get to campus, they may require, for example, a no-credit course, but it is English 101 revised or revisited, in other words, or Math 101, that would help a veteran get reacquainted to the academic environment.

Generally, those courses are not credit courses. So those are the kinds of things that I think Ryan was also alluding to in his oral testimony.

Mr. FLORES. Okay. Thank you, Mr. Coy.

And I apologize to the ranking member for overrunning my time, and so I will give you 7 minutes for questions.

Mr. TAKANO. Mr. Chairman, that was a very important dialogue you were having toward the end and I don't begrudge you in the least.

Dr. Wescott, can you please explain to me some of the criteria SAAs use to evaluate programs? What I am getting at is, do you see noticeable differences between for-profit and nonprofit or public schools? Do you think the criteria are stringent enough for the evaluation?

Dr. WESCOTT. Well, certainly that would be part of a conversation we would love to have with the committee, is how we might change criteria. SAAs are devoted to looking at the quality of programming, and of course that is what we would do as educators.

At present, we do have criteria that allows us look at things like standards of progress, instructor qualification, the curriculum itself. It is very important to us that institutions grant prior credit if that credit has been earned at other places. We look at the ability to administer the program. And with recent changes by the Congress, we also are starting to look at inducements and making sure that institutions are not offering those.

We believe in one standard. We believe that standard should be the same for both the profit and the nonprofit. We believe it should be a high standard. And certainly I think we have evolved to the point that we do need to have a look at the present criteria and possibly strengthen them.

Mr. TAKANO. Mr. Coy, that conversation you had with the chairman toward the end of his line of questioning, I know from my

years on community college boards that up to 80 percent of the students coming to California's community colleges were not college ready. Can you give me an idea of how many of our veterans who are seeking a return to college face remediation issues? Do you have a number on that?

Mr. COY. The short answer is, no, sir, I do not have an answer on how many require that sort of remedial training. And part of the reason that we don't have that kind of information is, is that we, number one, have not collected that information.

But number two is, as I am often fond of saying, that veterans are sort of like fingerprints and each one is a little bit different. And some may need remedial courses in English, and some may need remedial courses in math, and some may need remedial courses on study habits, and the list goes on and on and on.

So, no, sir, I don't have a number or percentage, but what we do know, I go out and talk at schools and universities all the time, and it is something that is going on.

I would also like to suggest that SVA has done something that is really unique, Student Veterans of America, and they are developing a mentoring program and a tutoring-type program. We also have tutoring available to certain aspects of veterans.

Mr. TAKANO. I want to get on to my next question, but I would like to pursue this issue with you further.

Mr. Coy, the issues that we have been discussing today are so important because they help us understand what we all need to do to ensure that veterans' education benefits aren't being exploited, and that veterans are receiving the education they need and deserve. In light of that, I would like to raise another issue. Today the Center for Investigative Reporting published a story about the VA's response to student veterans complaints against colleges.

The story is going to show that the VA investigated only 324 of the roughly 2,400 complaints that veterans have filed against colleges for alleged deceptive marketing, financial fraud, or poor quality education. Can you tell me why so few complaints have been investigated and what the VA plans to do to address the remaining complaints?

Mr. COY. Yes, sir, absolutely. I did read the article this morning as well, and we have had several conversations with the author of that particular article. I will just stand back and take a look at the complaint system or feedback tool that we have. It was born out of the President's Principles of Excellence and that executive order. We created this system and it came online about 10 months ago.

Since it has come online, there have been over 33,000 views of the tool and 2,298 complaints that have been submitted. We have about 48 percent of them that are pending. In other words, we haven't sent them out. There are about 1,000 active complaints or less than half.

And what we do with these complaints is, is when we get them and we validate them in terms of an applicable complaint with respect to the Principles of Excellence, because about, I want to say 36 percent, have nothing to do with the Principles of Excellence. They are complaints ranging from I don't like my professor to any number of sort of non-POE-type complaints.

We take these complaints, we send them to the school, ask for their response. They have 60 days. After 60 days, if we don't respond, we generally try and give them another 30 days. So we have completed 366 of them. As a result of these complaints, we have done 42 risk-based compliance reviews. They have resulted in four suspensions and one withdrawal.

And so we think this feedback tool is incredibly valuable in terms of transparency for veterans that are looking at these various schools, and we think it is so powerful that just last week we released an update to our comparison tool that includes that school's complaints that have been submitted through the system.

The only other piece I would suggest in this is, is each one of these complaints is handled manually. So in other words, there is not a neat digital system that ships them from here to there. We take each one, we read each one. Where it is appropriate, we send them out to the school, we get responses. Schools have been incredibly responsive.

Interestingly, I brought this, just as an example. This is a 30-page response to one of the complaints, of which 5 pages of it is pure verbiage talking about that particular complaint. So each one of these is taken very, very seriously. And part of the reason for that is, is, A, it is manual, and, B, each one is taken a look at individually.

Mr. TAKANO. Mr. Chairman, my time is up and I yield back.

Mr. FLORES. Okay. Thank you.

Mr. Coy, we will probably want to come back and revisit that. As you know, Chairman Miller of the entire VA Committee has issued a request to the agency to respond to some of these issues. So probably revisit this sometime next year.

Dr. Wenstrup, you are recognized for 5 minutes for questions.

Mr. WENSTRUP. I have no questions.

Mr. FLORES. Okay. Ms. Kirkpatrick, you are recognized for 5 minutes.

Ms. KIRKPATRICK. Dr. Wescott, I have a question about the Joint Advisory Committee. How often does it meet?

Mr. WESCOTT. Well, actually, we just chartered that in September and the plan is to have our first meeting in January. There will be six members, six from the state approving agencies, six from the VA. Myself and the education service director will chair that group. Our expectation is probably that it would meet on a monthly basis or a bimonthly basis and that we would deal with issues that would impact both of our institutions, and particularly those where we are looking at changing policies or requirements vis-a-vis education programming.

So we are excited about that. We think it is yet another avenue where we can work on these problems together. And we think it is also important that we work not only with the VA, but we are also excited about working with accreditors, those channels of communication as well, as have been mandated by law. We look forward to doing that as well.

Ms. KIRKPATRICK. The last panel suggested that every approved program be audited so we do away with having 300 recipients of the GI Bill enrolled. Basically, if the program has one, they would be reviewed every 3 years. What do you think about that idea?

Mr. WESCOTT. Well, I certainly am in agreement with our proposal that we would be looking at schools who have at least 20 veterans, and let me add to that, every 2 years. And then we suggest no school should go without some kind of visit every three years. We believe that certainly we can, by visiting those schools, SAAs can help our partners with compliance surveys. But we also think that there is a great deal of value in us making training and technical assistance visits, that we are able to help schools that we have become aware of that are struggling, maybe they have a new SCO that has questions. So when there is an opportunity, we would like to visit those institutions as well.

But you are right, we do need to adjust away from the 300-plus. Many of those institutions having 300 or more veterans enrolled are adequately staffed, they are adequately trained, and possibly don't even have as much turnover as some of the other institutions that we need to go and visit.

Ms. KIRKPATRICK. Well, according to Mr. Coy's testimony, it is over 50 percent of the programs that are deemed approved fall within that category. So it seems like a lot are falling through the cracks.

Mr. Coy, can you describe for me how a program becomes deemed approved? What is the criteria for that?

Mr. COY. Well, according to 111-377, if you are an accredited institution of higher learning and a degree-granting institution, you could be considered deemed approved. What the SAAs do when they look at each of those schools or apprenticeship programs is going in—and I have a list of things, if you will give me a second I can talk through some of the things that our SAAs do. They go out and—

Ms. KIRKPATRICK. Excuse the interruption, but could you focus on the for-profit schools that don't fall into that category of a higher education institution? How do you apply your criteria to get those programs deemed approved?

Mr. COY. I will defer to my colleague Dr. Wescott. He is probably more of an expert in terms of the exact things that they go in and do. I can certainly talk generally, but I think you would prefer something more specific.

Ms. KIRKPATRICK. Okay. Dr. Wescott.

Mr. WESCOTT. Certainly, I would be delighted to respond to that, ma'am. Deemed-approved degree programs are at public and not-for-profit private institutions. So for-profit institution degree programs are not deemed approved. So we still look at those, as well as the NCD programs.

At the deemed-approved institutions, we look at primarily the noncollege degree programs there, and that is where our legislation seeks to correct the deficiency in the present code to give us the criteria to do that. So we are still looking closely at the for-profits.

Ms. KIRKPATRICK. Okay.

Mr. Coy, you described the complaint system and how that is done manually. Do you have plans to digitalize that and is it possible for the veterans to monitor the progress of their case?

And I only have about 4 minutes, can I allow the witness to at least answer that question? Thank you, Mr. Chairman.

Mr. COY. It is a great question, Congresswoman, and the short answer is, is yes, we are looking at doing more automation. We wanted to get this tool on the street as quickly as possible. So the front end is automated, the back end is not. We are working with our IT folks to automate that as much as we can.

Ms. KIRKPATRICK. Thank you, Mr. Chairman, for your indulgence. I yield back.

Mr. FLORES. Thank you, Ms. Kirkpatrick.

Thank you, Mr. Coy, Major General Worley, and Dr. Wescott. You are now excused.

I want to thank everyone for your attendance today and the frank discussion on the state approving agencies. And I appreciate, Dr. Wescott, the recommendations of your group and I think they are very helpful.

Finally, I ask unanimous consent that all members have 5 legislative days to revise and extend their remarks and include any extraneous material in the record of today's hearing. Hearing no objection, so ordered.

Mr. FLORES. If there is nothing further, this hearing is adjourned.

[Whereupon, at 11:25 a.m., the subcommittee was adjourned.]

APPENDIX

PREPARED STATEMENT OF RYAN M. GALLUCCI

Chairman Flores, Ranking Member Takano and members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and our Auxiliaries, I want to thank you for the opportunity to present the VFW's thoughts on the role that State Approving Agencies (SAAs) can play in ensuring quality in education for today's student veterans. As advocates for the success of student veterans in higher education, the VFW has long been concerned about the role the SAAs can play as the front-line quality assurance resource for GI Bill programs. This committee, along with partners in the veterans' advocacy community, played a major role in commissioning the Post-9/11 GI Bill, and the VFW has always been willing to serve as an advisor on ways to ensure success for our student veterans in higher education.

Together we have made significant progress over the years, not just by commissioning landmark benefit programs, but also by ensuring resources are in place to help college-bound veterans make informed educational choices; ensuring veterans have access to quality, unbiased pre-enrollment counseling options; affording veterans recourse should they become victims of fraud, waste, and abuse; and most recently, ensuring that no public institution of higher learning can hold a veterans' military service against them when determining eligibility for in-state tuition. This Subcommittee and my fellow panelists should be proud of these recent accomplishments, but we must also acknowledge that we are not done yet.

The SAAs were designed under the original Veterans Readjustment Act of 1944 to serve as each state's steward of quality educational programs for veterans. The VFW credits both the Department of Veterans Affairs (VA) and the SAAs with fostering a boom in higher education for America's middle class, ultimately leading to further investment in civilian higher education opportunities. With this in mind, the VFW believes it is important that we consistently revisit the SAAs' role in providing for the quality education our veterans have earned, like we are doing today.

However, I must also remind the Subcommittee that today's hearing, and any resultant legislative changes, should only serve as a starting point for the broader discussion on the future role of SAAs. Some in today's higher education space insist that SAAs only duplicate the modern role of independent accreditors and the Department of Education. The VFW refutes this notion, and must remind the Subcommittee that the SAAs' scope of responsibilities is well beyond the kinds of programs approved for participation in the Department of Education. SAAs also serve as the gatekeepers of quality for non-degree programs eligible for GI Bill participa-

tion, as well as VA On-the-Job Training and Apprenticeship programs – two GI Bill programs that are currently underutilized, but can serve as gateways to quality careers for veterans who do not want to pursue a traditional college education.

The VFW also understands that it is responsible governance to periodically revisit oversight mechanisms and at times change roles and responsibilities to suit the needs of an ever-changing veterans' community, which is why we encourage this committee to host future hearings to candidly discuss new and innovative ways to leverage a strong network of SAAs to foster quality outcomes for student veterans.

The VFW proudly serves as a constructive partner with the National Association of State Approving Agencies (NASAA) as well as VA in ensuring student veterans have access to quality educational and vocational training programs. With this in mind, much of our testimony will focus on NASAA's recommendations to the Subcommittee on ways to improve the effectiveness of today's SAAs.

Statutory Authority on Non-College Degree Program Approval

For the past few years, NASAA has expressed frustration at the inability for SAAs to inspect and approve non-college degree (NCD) programs at not-for-profit institutions of higher learning which became "deemed approved" through the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377). Through P.L. 111-377, all programs at not-for-profit schools accredited by a Department of Education-recognized accreditor were to be "deemed approved" for GI Bill purposes. However, what the SAAs found in subsequent years was that not-for-profit schools started to develop NCD programs of questionable value. When SAAs started to question the marketplace validity of these programs, SAAs were denied access to inspect them. In the subsequent years, NASAA caught the attention of VA's Office of Economic Opportunity, which issued guidance allowing the SAAs to once again inspect NCD programs.

However, SAAs still lack the statutory authority to properly approve NCD programs at non-profit schools—meaning some programs continue to operate under the "deemed approved" umbrella, unless SAAs learn about them and inspect them for validity. The VFW supports extending the statutory authority to the SAAs to inspect these kinds of programs to validate their quality.

NASAA also requested that the SAAs once again retain primary approval authority for GI Bill programs—another change ushered in through P.L. 111-377, through which the Secretary of Veterans Affairs was also given the authority to approve or disapprove programs. One goal of this initiative is to ensure that every state fully staffs its SAA, as four currently have eliminated their SAA position. While the VFW understands the intent of this provision, we believe that as the fiduciary of the benefit, VA must retain some authority over the approval and disapproval of programs.

Statutory Authority on Flight Program Approval at Public Institutions

NASAA also has reported that public institutions of higher learning have started to commission flight training programs or free electives specifically targeting veterans for enrollment. According to the SAAs, the reason schools are adding these programs is because of the uncapped reimbursement offered by VA for flight programs at public institutions through the Post-9/11 GI Bill. VA has corroborated this report, acknowledging that several flight programs at public intuitions have been suspended for GI Bill eligibility for violating the long-standing 85/15 headcount rule, through which no more than 85 percent of students enrolled in an academic program can be receiving VA education benefits. In years past, the VFW believed that VA's 85/15 rule had become obsolete, since veterans comprised such a small cohort in the higher education population. We were surprised to learn that programs—particularly programs at public institutions—could violate this seemingly irrelevant rule by recruiting veterans for newly-commissioned flight programs.

However, the fact that these programs have sprouted up in the few years since the Post-9/11 GI Bill was signed into law are a clear indication that SAAs must have greater authority to inspect and approve flight programs at public institutions. Moreover, the VFW agrees with NASAA's recommendation to establish a tuition and fees cap for flight programs commensurate with the cap for private institutions of higher learning already established for the Post-9/11 GI Bill.

These new criteria are not an indictment of the quality of flight programs at public institutions, but instead are a quality control measure to ensure that the benefit is administered in a fair and equitable way for veterans who choose to enroll.

Consistency and Flexibility for Compliance Surveys

Finally, NASAA has also expressed serious concerns over current statutory requirements on how VA and the SAAs must conduct compliance surveys every year. Under current law, VA must conduct compliance surveys annually on all facilities reporting at least 300 enrolled GI Bill recipients. The VFW agrees with NASAA's

assertion that this is an impossible mission, and one that neglects institutions that may face significant compliance issues.

The current statutory requirement can mean that some schools will go years without a compliance survey, as VA and the SAAs struggle to satisfy the requirement to survey schools with large veteran populations. Such a requirement can hinder both VA's and the SAAs' response to at-risk programs that may enroll far fewer veterans, while wasting significant time and resources inspecting perennial top performers who happen to have large student veteran populations.

The VFW agrees with NASAA that the statutory requirements should change to ensure that VA can conduct compliance surveys on all institutions at least once every three years. VA and the SAAs should also be given flexibility in determining priorities in conducting annual compliance surveys.

In the past, this kind of collaboration may have been a difficult task, but thanks to the GI Bill Complaint System commissioned by this Committee through the Improving Transparency in Education for Veterans Act of 2012, the VFW is confident that VA and the SAAs now have access to a clearinghouse of information through which they can identify trends that would lead to risk-based program reviews.

Approval of Preparatory Courses

In the past year, the VFW has learned that no preparatory courses offered by institutions of higher learning have been approved for use by GI Bill beneficiaries for chapters 33, 30, 1606, 1607 and 35. The ability to use these benefits to prepare veterans for complex entrance exams, like the LSAT, GMAT or GRE, is a major selling point for veterans, and a benefit readily discussed on VA's GI Bill FAQ website. Unfortunately, we have found that some college administrators, VA employees and SAA officials are unaware that the GI Bill will pay for preparatory courses and, therefore, are denying veterans the ability to use their benefits for such programs. In fact, after shopping around, the VFW failed to identify a single preparatory course through which a veteran could use his or her benefits.

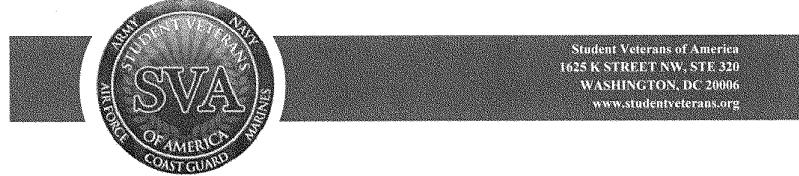
In discussions with VA and NASAA on the ability to approve preparatory courses, both VA and the SAAs have admitted that the law is unclear about how these programs are to be treated for GI Bill approval. The VFW seeks clarification on how VA should approve preparatory courses offered by institutions of higher learning to ensure that veterans can start taking advantage of this opportunity.

The VFW firmly believes that the SAAs remain a valuable partner in ensuring quality for veterans in higher education. We agree with many of NASAA's recommendations to change the current framework under which the SAAs operate to ensure they can continue serving in this role. However, we also reiterate our call for periodic discussions on how to better leverage the SAAs and their resources to ensure veteran success in higher education.

Chairman Flores, Ranking Member Takano, this concludes my testimony and I am happy to answer any questions you may have.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to rule XI2(g)(4) of the House of Representatives, VFW has not received any federal grants in Fiscal Year 2013, nor has it received any federal grants in the two previous Fiscal Years.



Student Veterans of America
1625 K STREET NW, STE 320
WASHINGTON, DC 20006
www.studentveterans.org

TESTIMONY OF
MR. WILLIAM HUBBARD
VICE PRESIDENT OF GOVERNMENT AFFAIRS
STUDENT VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
COMMITTEE ON VETERANS' AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

LEGISLATIVE HEARING ON THE TOPIC OF:
"THE ROLE OF THE STATE APPROVING AGENCIES IN ENSURING QUALITY EDUCATION
PROGRAMS FOR VETERANS"

NOVEMBER 19, 2014

YESTERDAY'S WARRIOR | TODAY'S SCHOLAR | TOMORROW'S LEADER



Chairman Flores, Ranking Member Takano and members of the Subcommittee:

Thank you for inviting Student Veterans of America (SVA) to submit our testimony on "The Role of the State Approving Agencies in Ensuring Quality Education Programs for Veterans." With over 1,100 chapters across the country, we are pleased to share the perspective of those most directly impacted by this subject with this committee.

Established in 2008, SVA has grown to become a force and voice for the interests of veterans in higher education. With a myriad of programs supporting their success, rigorous research development seeking ways to improve the landscape, and advocacy throughout the nation, we place the student veteran at the top of our organizational pyramid. As the future leaders of this country, nothing is more paramount than their success in school to prepare them for productive and impactful lives.

With this opportunity to discuss the State Approving Agencies (SAA) and the National Association of State Approving Agencies (NASAA), we will highlight their mission, effectiveness, and recent legislative proposal.

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Reviewing the Organization

With only 230 staff across 49 states, the SAA are responsible for over 7,000 facilities and more than 100,000 programs; this, in addition to over one million users of GI Bill benefits annually.¹

Congress effectively established the SAA in 1945 when they passed Public Law 79-268, requiring state governors to appoint their own approval agencies. The law came just one year after the passage of the Servicemember Civil Relief Act, commonly known as the first GI Bill.² Last year's annual report from NASAA notes that, "the SAA was the answer to the problems of abuse experienced by the [1944 GI Bill]. Congress believed that the state's control of education approval of its programs were the best avenue to safeguard both veterans and institutions."³

As a mechanism to prevent so-called "fly-by-night" schools from taking advantage of returning veterans seeking degrees in higher education, the SAA became the front-line defense to ensure those veterans received a quality education. As a front-line advocate, the stated mission of the SAA is, "to ensure the quality and integrity of programs of education and training for the use of GI Bill benefits", making the SAA integral partners in higher education for student veterans.⁴ Among their duties, three specific areas represent a competitive advantage over other industry experts: approvals, technical advice, and training.

¹ Approximately 55 SAA professionals operate under state governors, along with roughly 175 supporting staff.

² Congressional Research Service, "Veterans' Education Assistance Programs", 1986.

³ <http://digitalcollections.library.cmu.edu/awweb/awarchive?type=file&item=710713>.

⁴ National Association of State Approving Agencies, "FY2013 Annual Report", 2013. <http://www.nasaa-vetseducation.com/nasaa/media/news/NASAA_Annual_Report_FY2013.pdf>.

⁵ National Association of State Approving Agencies, "FY2013 Annual Report", 2013. ibid





With the development of the Joint Advisory Committee (JAC) between the Department of Veterans Affairs (VA) and the NASA in 2014, the long-standing relationship between the two major entities overseeing the administration of quality programs using the GI Bill was formalized with a new link for communication.⁵ However, recent changes to the role of the SAA has affected the allocation of finite resources from the areas where they are needed most.

In 2011, Public Law 111-377 impacted how the SAA are expected to operate.⁶ Responsibility for performing approvals was split to include the Secretary of VA, while the SAA were expected to increase their role in compliance measures of schools. The NASA Annual Report points out that, "...in addition to performing our other mission requirements, state approving agencies performed more than half of the compliance surveys conducted last year."⁷ This shift in resources away from their critical duty to perform approvals has diverted specialized resources away from their mission-critical functions.

The current structure is dependent on the governor of each state, making the SAA local experts. Their purview at the state level is a function of education being an inherently state-level role. It is reasonable that they should continue to deliver this local expertise, with the support of the national perspective provided by NASAA. In addition to expertise in higher education, the SAA bring another implicit capability which should be given greater emphasis: their capacity for judicious discretion.

Recent discussion in higher education on the Department of Education's new "Gainful Employment Rule" makes it clear that there is some level of desire to protect students from potentially ineffective programs. However, such a rule is applied without discretion for the programs—for better or for worse. The fact that it is not readily clear what schools are impacted by the new rule illustrates the possibility for unscrupulous schools to "game the system" by manipulating their data.⁸ Fortunately for student veterans, the SAA across the country have the ability to call for a review of a school even if no specific standards are triggered.

Such discretion from experts in higher education is a necessary and advantageous capability that the SAA bring to the table. Despite the successes of the SAA, some improvements stand to be made. These improvements largely stem from the need to increase the authority of their professionals, along with important modifications that should be considered for their mandated areas of responsibility.

Improving Quality for Student Veterans

The goal of the SAA, in our view, should be to have their success go unseen by the student veteran. If the SAA perform their job well, the true beneficiaries should be unaware. Those that benefit from the due diligence of these professionals are the student veterans on campuses nation-wide. Student veterans who successfully transition demonstrate the importance of the work performed by the SAA—that these student veterans can count on receiving a quality education for the GI Bill benefits they earned for their time in

⁵ National Association of State Approving Agencies, "Timeline", 2014, <<http://www.nasaavetseducation.com/About/Timeline.aspx>>.

⁶ Government Printing Office. "Public Law 111-377", 2011. <<http://www.gpo.gov/fdsys/pkg/PLAW-111publ377/pdf/PLAW-111publ377.pdf>>.

⁷ National Association of State Approving Agencies, "FY2013 Annual Report", 2013, ibid

⁸ EdCentral "Here's Why Gainful Program Impact Estimates Vary So Much", 2014, <<http://www.edcentral.org/gainful-programs/>>.





service. Indeed, they do not have to question whether or not their GI Bill benefits will be well-spent, as the SAA provide necessary oversight to ensure their education will be one of quality. To improve the effectiveness of the SAA for student veterans, several things should be addressed regarding their authorities and resources.

SVA believes that the assumed approval of schools is risky for student veterans. Though a school was previously approved, that is no guarantee that future educators or administrators will take the same care and attention towards safeguarding the level of quality that previous educators conferred. By requiring that the SAA review all new or altered programs, regardless of previous approvals, the effectiveness of these efforts would increase. On the other side of the issue, requiring annual reviews expends resources for the SAA to ensure programs that have not changed. The best allocation of SAA resources would be to require them to review any program that changes, but no more.

VA being included in the approval process is also an issue worth reviewing; the responsibility is no longer solely with the SAA. However, the SAA has the proper expertise in higher education as well as rigorous training, putting them in the best position to properly review and approve programs. This authority should be returned to the SAA, given their subject-matter knowledge in the field. With the exception of approving overseas schools, or programs in the states where a governor has not designated an SAA, this solution is the most beneficial for the end-user of these institutions, the student veteran.

Regarding resources, the law as it stands, mandates that the SAA spend additional resources on completing compliance surveys. As noted previously, this is not a core competency of the SAA; it is more of an audit function. By directing SAA resources toward administrative functions, the valuable skills of the SAA professionals are not being fully utilized. However, if this stands to remain as a primary function of the SAA, additional resources should be afforded so that they may continue to perform in their core areas.

Strengthening the Law, Achieving Results

The SAA are the strongest enforcement mechanism to ensure the quality of programs for student veterans in higher education. SVA accepts the legislative proposal put forth by NASAA including the following recommendations:

- Clarify and codify state approval authority and oversight over all non-federal facilities
- Explore appropriate changes to 38 USC 3693 that maximizes the opportunity to protect the GI Bill

By implementing these recommendations, the SAA can be a partner in preventing taxpayer money from going to wasteful schools. The ultimate beneficiary of the stricter expectations of quality for programs are at the center of the equation: the student veteran themselves.

In addition to these recommendations, SVA recommends that greater emphasis be placed on the JAC between VA and NASAA. The flow of open communication between these two entities is essential. The long-standing need for increased authority of the SAA has been evident throughout the last 70 years. In the 95th Congress, proposals sought to establish greater communication among the relevant parties overseeing the administration of the GI Bill, including H.R. 2231. That legislation proposed in part, that,



"...the [VA] Administrator to establish between the Administration, the State approving agencies and nationally recognized accrediting agencies and associations, an exchange of information pertaining to activities of educational institutions, especially to the enforcement of approval standard and enrollment restrictions and fraudulent and other criminal activities on the part of persons connected with the institution; and directs the Administrator to furnish the U.S. Attorney General, the Department of Defense, the Department of Health, Education and Welfare, the Federal Trade Commission, the Federal Communications Commission and other Federal, State and local agencies such information and assistance as may be necessary to preclude abuses or enhance the effectiveness of the programs established hereunder."⁹

The clarification and codification of SAA authority, more efficient allocation of compliance resources, and increased communication among relevant parties will result in a better environment for student veterans to succeed.

Our Final Thoughts

We believe the approval process to be the preventative medicine for issues that would otherwise stem from low-quality programs underserving the interests of student veterans. The proper authority, the ability to focus on school approvals, technical assistance, and training will allow the SAA to be much more effective at their mission of serving student veterans by ensuring they are being enrolled in quality programs. While compliance is an important part of this process, the SAA expertise in higher education should not be spent on this component, at the expense of other areas which fall under the core competency of SAA professionals.

Challenges presented by compliance become much more manageable when issues and challenges can be proactively prevented. By empowering the SAA to pursue their mission within the original intent of congress, student veterans will be well-served in their pursuit of a meaningful education.

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We thank the Chairman, Ranking Member, and the subcommittee members for your time, attention, and devotion to the cause of veterans in higher education. As always, we welcome your feedback and questions, and we look forward to continuing to work with this subcommittee, the House Committee on Veterans' Affairs, and the entire Congress to ensure the success of all generations of veterans through education.

⁹ "H.R. 2231 — 95th Congress: Comprehensive Veterans Readjustment Assistance Act." www.GovTrack.us, 1977. <<https://www.govtrack.us/congress/bills/95/hr2231>>.



PREPARED STATEMENT OF STEVE GONZALEZ

Chairman Flores, Ranking Member Takano and distinguished Members of the Subcommittee, on behalf of National Commander Mike Helm and the 2.4 million members of The American Legion, we thank you and your colleagues for the work you do in support of our service members and veterans as well as their families. The hard work of this Subcommittee in creating significant legislation has left a positive impact on our military and veterans' community.

We thank you especially for holding this hearing that aims to examine the current role of State Approving Agencies (SAAs) in ensuring that veterans have access to quality educational and job training programs. With the constantly shifting economic and social landscape faced by veterans, it is important to continually re-evaluate and—if needed—revise the role of these SAAs in order to protect veterans and taxpayers.

The American Legion is proud to work with the National Association of State Approving Agencies (NASAA) in order to provide veterans with the best educational and training opportunities possible.

Background

State Approving Agencies (SAAs) are responsible for approving and supervising programs of education for the training of veterans, eligible dependents, and eligible members of the National Guard and the Reserves. SAAs grew out of the original GI Bill of Rights that became law in 1944. Though SAAs have their foundation in Federal law, SAAs operate as part of state governments. SAAs approve programs leading to vocational, educational or professional objectives. These include vocational certificates, high school diplomas, GEDs, degrees, apprenticeships, on-the-job training, flight training, correspondence training and programs leading to required certification to practice in a profession.

In December 2010, Congress passed the Post 9/11 Veterans Educational Assistance Improvements Act of 2010 (P.L. 111-377), which was signed into law in January 2011. That bill contained language that impacted the role of the State Approving Agencies in terms of program approval authority. Due to the expansion of GI Bill-eligible programs to include many for-profit vocational training programs, non-registered apprenticeships, and on the job training establishments, the law “deemed approved” many programs that were otherwise accredited or approved by other institutions such as Department of Education-recognized accrediting bodies. This was done in order to relieve some of the work load of the SAAs, and to avoid redundancy between the work done by SAAs and other accrediting bodies. This had the effect of shifting the role of the SAAs from being the primary entity responsible for approving all GI Bill eligible programs to examining only those that were not deemed approved for the purposes of the legislation (viz. programs at for-profit institutions, non-registered apprenticeships, on the jobs training establishments, non-accredited institutions, non-public licensure/certification examinations, and new institutions).

Our Position

While The American Legion applauds the expansion of the GI Bill applicability, we find it problematic that SAAs have been removed from a large portion of the approval process. SAAs focus explicitly on the GI Bill and serve to protect it, and, by extension, the veterans using it. They ensure that programs meet certain eligibility criteria, in order to see that the funds are not wasted, but are put to the best use possible. Their unique focus on how GI Bill funds are spent makes their mission distinct from all other oversight and approving bodies. Furthermore, as federally authorized arms of their respective state governments, SAAs are in a unique position to evaluate programs that are offered in their state, given their proximity. This arrangement also maintains the federalism required by the Constitution.

Therefore, The American Legion supports the SAAs, and believes that they should have a role in reviewing, evaluating, and approving all educational and training programs for GI Bill use.

While some may argue that the work that the SAAs do is redundant to the work of accrediting bodies, The American Legion believes that SAAs approval is, in fact, unique. This is because the charge of the SAAs is to specifically focus on protecting GI Bill funds. While traditional accreditation provided by Department of Education-recognized accrediting bodies does a significant portion of work toward ensuring quality programs, SAA approval should work in tandem with that accreditation, rather than the stark division that is represented in the current statute.

However, under P.L. 111-377, SAAs lack the statutory authority to inspect many questionable programs that have sprung up since the passage of the Post 9/11 GI Bill at not-for-profit institutions. Given that the original mandate of the SAAs was to protect GI Bill funds from being squandered in dubious programs, it seems rea-

sonable that SAAs should be allowed to inspect all suspicious programs, even if they are housed in not-for-profit institutions.

As such, The American Legion supports the portion of the legislative proposal submitted by NASAA that would statutorily make SAAs the primary approving body for all programs approved for GI Bill use. Programs may still be deemed approved, but at the discretion of the SAAs, not the VA secretary.

The American Legion agrees with the NASAA recommendations regarding changes to flight training. That not for profit institutions would take advantage of the GI Bill by charging exorbitant tuition and fees for this training is disheartening. Fixing this loophole helps to protect the GI Bill by ensuring that its costs are kept low, while still allowing beneficiaries to pursue such training, if required or so desired. Furthermore, in cases where the institution contracts with a third party to provide the training, The American Legion believes that the SAAs should have approval authority.

Additionally, The American Legion supports the proposed shift in the statutory requirement for SAA compliance surveys. As NASAA has indicated, the current mandate (annual surveys for every institution offering anything other than non-standard degrees, and any institution that enrolls more than three hundred GI Bill beneficiaries) is needlessly burdensome, and is, frankly impossible given the limited resources available.

In light of this, The American Legion believes that their funding should be increased to ensure that they are able to adequately perform their crucial role. Even if SAAs compliance survey requirement is reduced, an increased role as primary approving body seems likely to require more resources.

Conclusion

The American Legion supports SAAs, and recognizes the critical role they play in ensuring quality programs for veterans using their GI Bill benefit. This hearing should serve as a starting point for an ongoing conversation regarding the role that SAAs currently play in quality assurance.

How SAA approvals interact with accreditation remains somewhat unclear. This legislation would make strides toward clarifying and codifying the terms of that interaction. That said, The American Legion believes that more insight into how the process works is needed in order to ensure that veterans receive the highest quality education and training, while preventing redundancy and wasting resources.

Chairman Flores, Ranking Member Takano, we thank the subcommittee for looking into this issue that is crucial to veterans and look forward to your questions.

STATEMENT OF
KEITH A. GLINDEMANN
VICE PRESIDENT
THE NATIONAL ASSOCIATION OF VETERANS PROGRAM
ADMINISTRATORS (NAVPA)
BEFORE THE HOUSE OF REPRESENTATIVES
VETERANS AFFAIRS COMMITTEE
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY (EO)

Hearing on:
“The Role of the State Approving Agencies in Ensuring Quality Education
Programs for Veterans”

November 19, 2014

Introduction

Chairman Flores, Ranking Member Takano and members of the Subcommittee on Economic Opportunity, My name is Keith Glindemann and I am the Vice President and Legislative Chair of The National Association of Veterans' Program Administrators (NAVPA). I appreciate and thank you for the opportunity to appear before you today and discuss NAVPA's view on "The Role of the State Approving Agencies in Ensuring Quality Education Programs for Veterans". I am accompanied on this trip by Marc Barker, who is the current NAVPA President. It is my hope to help provide some insight on this topic from the viewpoint of those individuals that are charged to implement the policies and procedures on Veterans Educational Benefits at our Colleges and Universities across this great nation.

NAVPA

NAVPA was founded in 1975 and is a nationally recognized nonprofit organization of institutions and individuals who are involved in the operation of veterans' affairs programs and/or the delivery of services to veterans as school certifying officials. We are devoted to promoting professional competency and efficiency through our association's membership and with others involved in Veterans Education Assistance Programs. We believe that the

development, improvement and extension of opportunities to any veteran or their dependent for their personal growth and development to be a noble cause.

Relationship with the SAA's

NAVPA has worked hand in hand with our nations State Approving Agencies (SAA) for many years. They have been instrumental in helping our organization provide our members with comprehensive training sessions at national and regional conferences; offering technical assistance with complex issues regarding the certification of GI Bill benefits; as well as providing subject matter expertise on policies and procedures. We as an organization have seen the State Approving Agencies always assist in a timely manner. This is especially beneficial as it is often hard to get a quick response from our overburdened VA Education Liaison Representatives (ELRs).

Compliance Surveys

Current statutory requirements require that any institution with at least 300 GI Bill recipients have a compliance survey conducted annually. This requirement is mandated regardless of the results of the prior year's survey. This requirement results in overburdened inspectors revisiting schools that have proven to be good stewards, and in full compliance. The negative effect of this requirement results in many smaller institutions with less than 300 GI Bill recipients to go years between surveys. This creates an inequity amongst schools where benefits are being applied. Within NAVPA we have been told of institutions that have not had a compliance survey since the inception of the Chapter 33 Post 911 GI Bill.

By relooking at the 300 mandated inspection rule, a more favorably one could be determined that allows all institutions to be on more equal footing in regards to compliance surveys. This could also allow SAAs to be freed up to provide additional technical assistance and training. Potential compliance issues could be avoided by having better trained SCO's on the front end of the process. This could reduce issues of noncompliance and help to preserve resources.

Deemed Approved

Section 203 of Public Law 111-377 deemed certain programs of education to be approved for VA education benefits (Title 38, United States Code). NAVPA's membership supports the current "deemed approved" language, in 38 USC 3672 for accredited standard college degree programs offered at public or not-for-profit proprietary IHL's that are accredited by an agency or association recognized by the Secretary of Education.

NAVPA respectfully asks the legislature and the Department of Veteran Affairs, to clarify and define "deemed approved" relative to what the interpretation of a "standard college degree" program is. In the absence of a clear definition of a standard college program, our member institutions are being inundated with proposals and requests from training programs to enter into third-party contracted training agreements, so that these non-approved programs can operate under the umbrella of "deemed approved" as standard college degree programs, without actually going through any approval process, be it VA or the SAA.

Closing

In closing, NAVPA's membership institutions strive to always be in compliance with all regulations and policies when assisting our students in utilizing their VA educational benefits. As an organization NAVPA looks forward to a continued strong relationship with the State Approving Agencies, the VA, and others charged with assisting our Veterans in achieving their educational goals. Thank you.

Curriculum Vitae Relevant to the Testimony of
The National Association of Veterans' Program Administrators (NAVPA)
Before the
House Veterans Affairs Committee Subcommittee on Economic Opportunity (EO)
Hearing on:
"The Role of the State Approving Agencies in Ensuring Quality Education Programs for
Veterans"

Keith A. Glindemann
Vice President and Legislative Chair, NAVPA

Keith Glindemann has been an active member of the National Association of Veterans' Program Administrators since 2011. During this time he has served in numerous roles to include serving as the Legislative Director. Recently he was elected as the organizations Vice President and Legislative Chair. He has worked hard to keep the voice of our organization at the national level.

Columbia College

Mr. Glindemann currently works as the Associate Director of Veterans Services at Columbia College (Columbia, Missouri) where he has worked since 2010. He is responsible for the implementing of veteran services to include assisting students in determining and applying for benefits, overseeing the School Certifying Officials and certifications of benefits, solving VA debt issues, and acting as a liaison between the school and the VA. He manages the day to day operations of the Columbia College Veterans Service Center, where he monitors policies and changes in the VA educational system, develops training and coordinates with 35 campuses which have 32 separate facility codes to assist in ensuring that the college remains in compliance with all VA regulations.

U.S. Army

Prior to joining Columbia College Mr. Glindemann served on active duty in the United States Army for over 24 years as a Senior Non-Commissioned Officer serving mainly in Cavalry and

Armor units. During this time he held a myriad of positions which culminated with his final position as the Commandant of Cadets for the University of Missouri's Army ROTC Battalion. He has deployed to combat operations during the war on terror. His awards and decorations include the Legion of Merit, Bronze Star, 3 Meritorious Service Medals, 5 Army Commendation Medals, 4 Army Achievement Medals, The Outstanding Volunteer Service Medal, Combat Action Badge, Air Assault Badge, Gold Recruiting Badge and various other awards.

Volunteer and Education

Mr. Glindemann's volunteer work includes Boone County Community Services Advisory Commission (2013-2014); Truman VA Hospital Stakeholder Board; Vet Center Counseling Center Stakeholder Board; SALUTE Veteran Honor Society Columbia College Chapter President; Columbia College Student Veterans SVA Chapter Staff Advisor (2011- Present); City of Columbia Community Development Council (2008-2010); President of School Improvement Committees Fort Irwin, CA (2002-2004) and Fort Riley, KS (1998-2001). He attended Columbia College to attain his MBA, and earned undergraduate degrees in both Business Administration (Franklin University) and Management (Barstow College). He has also attended several advanced military leadership courses.

**Federal Contracts Relevant to the Testimony of
The National Association of Veterans' Program Administrators (NAVPA)**

**Before the
House Veterans Affairs Committee Subcommittee on Economic Opportunity (EO)**

**Hearing on:
“The Role of the State Approving Agencies in Ensuring Quality Education Programs for
Veterans”**

The National Association of Veterans' Program Administrators (NAVPA) has no contracts with the Federal Government and receives no Federal Grants.

STATEMENT OF
CURTIS L. COY
DEPUTY UNDER SECRETARY FOR ECONOMIC OPPORTUNITY
VETERANS BENEFITS ADMINISTRATION
DEPARTMENT OF VETERANS AFFAIRS
BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

November 19, 2014

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 SAs 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 SAs

I would like to start by acknowledging and thanking NASAA for its leadership – and all SAs 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 SAs 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.

PREPARED STATEMENT OF DR. JOSEPH W. WESCOTT

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, U.S.C., 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-911 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 GI 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 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 gate-keepers 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.

SA

SCHOOL ADVOCATES FOR VETERANS' EDUCATION AND SUCCESS

November 18, 2014

The Honorable Bill Flores
Chairman
Subcommittee on Economic Opportunity
U.S. House of Representatives Committee
335 Cannon House Office Building
Washington, DC 20515

Dear Mr. Chairman,

I am providing the attached written statement on behalf of the National Association of School Advocates for Veterans' Education and Success for the Subcommittees oversight hearing titled, "The Role of the State Approving Agencies in Ensuring Quality Education Programs for Veterans".

We are happy to further discuss any of our views on the role of the State Approving Agencies. Our current board expertise is in the private and public sector with 90 years of combined experience. Please contact me at (707) 845-4788 or president@veterans-success.org if you need any further information.

Sincerely,

Kim Hall
President
National Association of School Advocates for Veterans' Education and Success
Director, Veterans Enrollment & Transition Services (VETS)
Humboldt State University, California State University



SCHOOL ADVOCATES FOR VETERANS' EDUCATION AND SUCCESS
444 N Capitol Street NW, Suite 207 Washington, DC 20001-1511

Statement for the Record
November 19, 2014

The National Association of School Advocates for Veterans' Education and Success is a non-profit whose members are Veteran Program and Service Managers. Our mission is to bring a consolidated voice to the issues that affect veteran's education and success by creating a strong network of partners to provide communication, advocacy and support for educational and training institutions.

The State Approving Agencies play a critical role in the approval process for veterans' education and training. The formal definition of "deemed approved" as stated in PL 111-377 remains unclear. We would recommend clear procedural guidance for those programs that still require specific approval. We support the continued approvals of Non-College Degree (NCD) programs, apprenticeships and all new institution or campuses. For those institutions of higher learning that have already been evaluated and approved by accrediting agencies, federal and state agencies, no additional action on the part of the SAA should be required. This will save time and money to build a stronger training process for programs and educational facilities. Non-College Degree (NCD) programs at institutions of higher learning, certificate programs that are not vocational in nature should follow degree program approvals for those institutions. In all cases we support the Secretary's authority to approve/disapprove programs and in no case should the Secretary's authority be omitted from the approval process, or as it relates to the administration of federal veterans education programs.

The Structure and Role of State Approving Agencies needs to be brought into the 21st century by providing clear structure that emphasizes training and consistent guidelines. State Approving Agencies are in a position to provide optimal support for institutions of higher learning by providing timely, consistent and clear summaries of VA policies, guidelines, and best practices. SAA's should provide approval oversight in cases where no other federal agency already has oversight. SAA's should also provide on the ground training and assistance for schools, respond to inquiries and questions, and clarify VA guidance to ensure accurate and appropriate application by schools. Training must be a priority. The support the SAA's provide NCD's and apprenticeship programs would be invaluable.



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444 N Capitol Street NW, Suite 207 Washington, DC 20001-1511

We encourage the SAA's to expand their scope of training and to collaborate with the Department of Veterans Affairs to provide thorough guidance and training for all educational institutions/facilities. We would recommend a best practice that focuses on consistent policies and implementation among and between states as should be the processing among and between RPO's. We believe that to combine compliance with training constitutes a conflict of interest.

The process of Compliance Surveys can be daunting and confusing. Effective and consistent training and a clear process will help institutions maintain compliance with the rules governing the administration of these programs. The VA needs more staff to adequately conduct compliance surveys; however, it should continue to be the VA's responsibility. It would be beneficial for all partners to have written official guidance on all changes included in PL 111-377. The lack of regulatory guidance means schools have no official source document for the administration of education and training programs. At minimum, schools must know the rules governing the administration of these programs. What's more, the rules must be consistent nationwide. We offer that high-volume schools with a solid track record of successful compliance visits do not require surveys annually, rather suggest that the VA use risk-based scheduling for determining the need for annual compliance surveys. We also recommend that the VA track their findings, compile the overall findings, type of discrepancies and payment errors. And, as a basis for risk-based scheduling, summarize the information to be used to identify common errors among schools and evaluate trends over time as recommended by the United States Government Accountability Office report published in February 2011, titled, VA Education Benefits: Actions Taken, but Outreach and Oversight Could Be Improved.

We want to thank you and the committee members for your time and the opportunity to address these issues. We are available for questions.

Respectfully submitted,

Kim Hall, President
SAVES

President@veterans-success.org * vicepresident@veterans-success.org * advocacy@veterans-success.org

