

SUPPORTING STATEMENT FOR APPLICATION FOR APPROVAL OF A
LICENSING OR CERTIFICATION TEST AND ORGANIZATION OR ENTITY;
38 CFR 21.4268

A. Justification.

1. Statute (38 U.S.C. 3689) requires that the Secretary of Veterans Affairs may approve licensing and certification tests for payment under the educational programs only if the tests and the organizations offering them meet certain statutory requirements. To meet these requirements, the organizations must make certain certifications to the Secretary, and supply such information as the Secretary considers necessary to assess the test. The statute further allows the Secretary to delegate the approval functions to the State approving agencies (SAAs). He has done this for almost all approvals. Thus, the organizations will have to supply these certifications and information to the SAAs, and in a few instances, to the Department of Veterans Affairs (VA).
2. SAAs and VA will use the information to decide whether the licensing and certification tests, and the organizations offering them, should be approved for VA training under the education programs VA administers.
3. Although it would be possible to provide a system where the organizations could make the necessary certifications electronically, the information needed to assess the tests are such that they would almost always be in a paper format. Moreover, many States are not as advanced as the Federal government in information technology. To require them to build a secure system capable of using electronic signatures or a similar way of verifying electronic certifications would unduly delay implementation of the program.
4. VA is not aware of any duplication of this information collection.
5. The collection of information will not have a significant impact on a substantial number of small entities. Although, some testing organizations are small entities, the burden placed upon them is minor.
6. If the SAAs and VA do not collect this information, no licensing or certification test could be approved. The statute specifically requires certain certifications before these tests can be approved for VA training.
7. The collection of this information does not require any special circumstances.
8. The public was informed of its right to comment on this information collection in the preamble to the proposed rule. The proposed rule was published in the Federal Register on February 22, 2006. (71 FR 9196). There were no comments.

9. VA does not provide any gifts to respondents.

10. After processing, the approving organization, either an SAA or VA, will retain any written documents. Approval folders are destroyed occasionally, usually after the approved organization no longer wishes to be approved. If the approval folder is destroyed, the documents on which the information is collected will be destroyed also. Our assurance of confidentiality is covered by our System of Records, Compensation, Pension, Education and Rehabilitation Records - VA(58VA21/22) which is contained in the Privacy Act Issuances, 1999 Compilation.

11. None of the information collected is of a sensitive nature.

12. The estimated annual burden is 3,000 hours. The estimated annualized cost to respondents is \$60,400. This estimate is determined as follows:

Licensing and certification organizations are aware that the value of the certification depends in large part upon the test used to decide who will be certified. They go to great care and expense, often hiring outside contractors, to insure that the tests are fair, valid, and accurately determine whether those taking the tests have the knowledge and skills needed in the vocation. Hence, the organizations usually have the statutorily required information readily available.

Furthermore, VA has told the SAAs that the Secretary intends to delegate approval authority to them. The SAAs have reacted positively. They have developed the forms they will need to approve the tests and testing organizations.

Many certification organizations are headquartered in Virginia. The Virginia SAA therefore has developed and tested an application form. That agency reports that the total time needed to gather the information needed and to complete one of their applications is three hours. Although each SAA will use its own form, we believe that Virginia's form is typical.

a. Since the enactment of the supporting legislation, VA and the SAAs have been active in telling licensing and certification organizations about the opportunity to have their tests approved for VA training. As a result of the applications received during the last fiscal year we estimate there will be approximately 1,000 annual applications seeking approval of tests and testing organizations.
 $1,000 \times 3 = 3,000$ hours per year.

b. The annual cost to respondents is \$60,400. VA estimates that it will take an individual an average of 3 hours to supply evidence. Assuming that the individual's time is valued at \$20.00 per hour,

total costs to complete 1,000 responses is \$60,000. In addition there will be postage costs.

Summary of Costs to Respondents

\$60,000	Completion Costs
<u>\$ 400</u>	Postage
\$60,400	

13. This information collection does not involve any reporting or record keeping costs above those mentioned in item 12. As indicated above, licensing and certification organizations are anxious to maintain the validity of their tests. They would keep copies of the documents needed to support the certifications and statements made on the application forms regardless of an SAA's or VA's possible need to review them.

14. VA estimates that the total annualized cost to the government to collect the information required by § 21.4268 is \$84,000 based on 1,000 responses annually. This cost is computed as follows.

a. The processing cost of \$84,000 is based on an estimate that an SAA employee will have to review each application. The median salary for an SAA employee is \$28 per hour. We estimate that it will take 3 hours to review each claim. $1,000 \times 3 = 3,000$. $3,000 \times \$28 = \$84,000$. VA reimburses SAAs for the work they do for the department according to a statutory formula. There is a ceiling on the amount that can be paid each fiscal year. SAAs are currently at the ceiling, so this added responsibility will cause them to work fewer hours on their other responsibilities, rather than raise the amount paid to SAAs.

b. There are no administrative costs associated with forms for this information collection because the proposed rule does not require the use of a VA form.

Summary of Federal Costs:

\$84,000	Processing costs
<u>\$ 0</u>	Administration Costs
\$84,000	

15. This is new burden in connection with a new covered program (reimbursement for licensure or certification tests) approved for educational assistance.

16. VA does not publish this information or make it available for publication.

17. If the information collection in § 21.4268 is approved, VA will not indicate the expiration date of approval in the Code of Federal Regulations. Generally, OMB approvals are for three years or less. If VA displayed the expiration date, we would be routinely revising regulations just for dates. VA will show the OMB control number.

18. This information collection complies with the requirements of 5 CFR 1320.8(b)(3) except as follows. The proposed rule does not contain in its text the estimated burden of the information collection. The proposed rule does not state the confidentiality of the collected information. If an OMB number is assigned to the proposed rule, it will be displayed, but the proposed rule does not explain the need to do so.

VA requests an exemption from providing the above information as part of the regulation. To publish as part of the regulation all the information required by 5 CFR 1320.8(b)(3) would mean that each time the information required by that rule changed, for example, the estimate of the burden hours, the proposed rule would have to go through the regulatory process again even though the purpose of the proposed rule would be unchanged. This is contrary to the purpose of the Code of Federal Regulations.

Secondly, to put all this information in a regulation would make the proposed rule unnecessarily long.

Finally, VA is publishing in the preamble to the proposed rule the burden hours and an explanation of the need to display the approval number. If a respondent wishes to know this information, he or she can be referred to the appropriate Federal Register.

B. Collection of Information Employing Statistical Methods

The Veterans Benefits Administration does not collect information employing statistical methods.

ATTACHMENTS

38 U.S.C. 3689