

SUPPORTING STATEMENT FOR VA FORM 22-1919
Conflicting Interests Certification for Proprietary Schools
(2900-0657)

A. Justification.

1. The Department of Veterans Affairs (VA) is authorized to pay education benefits to veterans and other eligible persons pursuing approved programs of education under chapters 30, 31, 32 and 35, title 38, U.S.C., chapters 1606 and 1607 of title 10, U.S.C., sections 901 and 903 of Public Law 96-342, the National Call to Service Provision of Public Law 107-314, and the Omnibus Diplomatic Security and Antiterrorism Act of 1986.

Schools are required to submit information necessary to have their programs of training approved for the payment of VA education benefits. This specified information is submitted either to the VA or to the SAA (State approving agency) having jurisdiction over that school. Certain schools are considered “proprietary” schools. A proprietary educational institution is not a public institution, but is in a State and is legally authorized to offer a program of education in the State where the institution is physically located (38 CFR 21.4200(z)). The law (38 U.S.C. 3683) provides restrictions for these proprietary schools. VA Form 22-1919 is the instrument VA has devised to deal with these restrictions.

VA Form 22-1919 is only used to collect information on two issues:

(1) The law (38 U.S.C. 3683) prohibits employees of VA and the SAA from owning any interest in an educational institution operated for profit. In addition, the law prohibits these employees from receiving any wages, salary, dividends, gifts, or services from private profit schools. These provisions may be waived if VA determines that no detriment will result in the government, or to veterans or eligible persons enrolled at that private profit school. Item 1 collects the name and title of affected VA and SAA employees known by the President (or Chief Administrative Official) of the school and a description of these employees’ association with that school.

(2) 38 CFR 21.4202 prohibits the approval of the enrollment of any veteran or eligible person in any proprietary school of which the veteran or trainee is an official authorized to sign certificates of enrollment. Item 2 collects the following information for any certifying officials, owners, or officers who receive VA educational assistance based on an enrollment in that proprietary school: the names and title of employees, VA file numbers, and dates of enrollment at the proprietary school.

VA collects the information only under three situations:

(1) The initial approval of a course or courses at a proprietary school;

(2) Any change of ownership of the school (usually found during a review of school’s records, or a “compliance survey” to use VA terminology);

(3) A change in proprietary status (from non-proprietary to proprietary)

VA or the SAA has either the President or chief administrative official sign VA Form 22-1919 when a representative visits the school in connection with its request for approval of its program. The VA ELR (Education Liaison Representative) associates the completed VA Form 22-1919 with all other information for the school's approval of its program and retains all this information in the approval folder. The approval folder is retained until such time as the SAA or VA withdraws the approval of all courses at the school. All information in the approval folder is then destroyed according to established record control schedules.

The following administrative and legal requirements necessitate the collection:

a. 38 U.S.C. 3683. Conflicting Interest.

b. The following regulations implement 38U.S.C. 3683 and 38 CFR 21.4200(z).
Definitions. Proprietary educational institution.

1. 38 CFR 21.4202(c). Overcharges; restrictions on enrollments.
Restrictions; proprietary schools.

2. 38 CFR 21.7122(e)(6). Courses precluded. Other courses.

3. 38 CFR 21.7622(f)(4)(iv). Courses precluded. Other courses.

2. VA anticipates using information from this information collection to ensure that proprietary schools comply with the law. Without this information, VA might pay benefits in error.

3. Information technology cannot be used to reduce the burden. VA does not currently have the technology to obtain signatures electronically and can't require all schools to use information technology to submit this information.

4. VA is not aware of any duplication of this information collection.

5. The information collection cannot be reduced for small enrollment schools, as the information collected is required by statute. The form must be submitted for any of the three instances shown in Item 1 above. Small schools usually know any pertinent information. These small schools previously have been able to quickly complete this form.

6. If this information is not collected or is collected less often, VA might pay benefits in error. To collect the information less often would impair VA's ability to prevent these erroneous payments. There are no legal or technical obstacles to reducing the burden.

7. The collection of the information does not require any special circumstances.

8. The public was informed of the right to submit comments on this information collection. The notice is contained on page 58736-58737 of the Federal Register dated October 17, 2007, Volume 72, Number 199. There were no comments received on this information collection.

9. VA does not provide any payment or gift to respondents.

10. As stated in item 1, the completed form is retained permanently in the school's program approval folder. Our assurance of confidentiality is covered by the VA System of Records, (58VA21/22), Compensation, Pension, Education and Rehabilitation Records – VA which are contained in the Privacy Act Issuances, 2001 Compilation.

11. None of the questions on this form are considered to be of a sensitive nature.

12. The estimated annual burden for the collection of the information is 25 hours.

We currently have approximately 5,200 proprietary schools that could potentially complete this form. The number of these schools has remained relatively constant for the past three years. Proprietary schools only complete this form under the three situations specified in Item 1. Based on our records, this form is completed only occasionally. We estimate that only about 150 schools or approximately 3% would complete this form in any given year. Schools would need approximately 10 minutes to complete this form. The total of 150 responses times 10 minutes per response gives a total of 25 hours. The total estimated cost to the schools is \$375 (25 hours times \$15 per hour).

13. This submission does not involve any record keeping costs.

14. The annual cost to the government for administering this form is estimated at \$1,107 based on 150 responses annually.

The cost is composed of the following:

a. Each submission is reviewed in a VA Education Services Unit by an ELR (Education Liaison Representative) (GS 11, step 5). The review of this form is only part of VA's total approval decision. While the total approval review takes approximately 3 hours, the review of the information represented by VA Form 22-1919 only takes 15 minutes. Multiplying 15 minutes time's 150 responses gives a total of 2,250 minutes or 37.5 hours for this information collection.

The hourly rate is \$25.51 (as of January 2007) for an ELR, GS 11, step 5. Multiplying \$25.51 per hour by 37.5 hours \$956.62(rounded to \$957).

b. Costs for printing is \$150.

Summary of cost to the Federal Government:

\$ 957	Education Service Unit Review
\$ 150	Printing
\$ 1,107	TOTAL GOVERNMENT EXPENSE

15. There is no change in the annual reporting burden.

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

17. The collection instrument, VA Form 22-1919, may be reproduced and/or stocked by the SAA or the VA. This VA form does not display an expiration date and if required to do so would result in unnecessary waste of existing stocks of this form. As this form will be submitted to OMB for approval every three years, this date requirement would also result in an unnecessary burden on the respondents and would delay Department action on the benefit being sought. VA also seeks to minimize the cost to itself of collecting, processing, and using the information by not displaying the expiration date. For these reasons, VA seeks an exemption that waives the displaying of the expiration date on VA Form 22-1919.

18. This information collection complies with all requirements for fully informing respondents of the information under 5 CFR 1320.8(b)(3).

B. Collection of Information Employing Statistical Methods.

This collection of information by the Veterans Benefits Administration does not employ statistical methods.