

**SUPPORTING STATEMENT FOR
STATE APPROVING AGENCY REPORTS AND NOTICES;
38 CFR 21.4154, 21.4250(b), 21.4258, 21.4259
(2900-0051)**

A. Justification.

Statute (38 USC 3671) requests that each State create or designate a State department or agency as the “State approving agency” (SAA) for the purposes of chapters 34, 35, and 36 of title 38 USC. Chapter 36 of 38 USC contains rules for the administration of educational assistance benefits.

The SAA is responsible for approving programs of education for receipt of educational assistance benefits administered by VA. Section 3678 requires that the SAA notify an educational institution and VA when approval has been granted for a program of education. The SAA must also send those institutions and VA any subsequent approval notice amendments. The approval notices submitted to VA must include specific information specified in 38 U.S.C. 3678 and be accompanied by a copy of the institution’s catalog or bulletin.

Title 38 U.S.C. 3674(c) provides that the SAAs will submit reports to VA on their activities at least annually, or as determined by the Secretary. Section 3674(a) (4) shows the maximum amount VA has available for each fiscal year for the purposes of reimbursing the SAAs for activities performed.

Section 3673 instructs the Secretary of VA and the SAAs to cooperate and establish an exchange of information pertaining to educational institutions to assure the programs administered by VA are effectively and efficiently administered.

(Note: 38 USC 3689 states that sections 3673, 3674, 3678, 3679 are applicable for the purposes of approving licensure and certification tests.”

VA’s regulations implementing the statutory authority above are as follows:

38 CFR 21.4154, 21.4250(b), 21.4258, 21.4259:

- 38 CFR 21.4154 which addresses reporting SAA activities (38 USC 3674(c))
- 38 CFR 21.4250(b) which addresses notices of approvals, suspension of approvals, and disapprovals (38 USC 3678, 3679)
- 38 CFR 21.4258 which addresses notices of approvals
- 38 CFR 21.4259 which addresses notices of suspension or disapproval

2. Information collected under 38 CFR 21.4154 – The SAA reports its activities to VA quarterly. The SAA does so electronically by completing a web-based screen. VA uses the information in the reports to support the reimbursement of activities of the SAA.

Information collected under 38 CFR 21.4250(b), 21.4258, and 21.4259 -- The SAA prepares notices of approval to inform educational institutions, training establishments, and organizations or entities that their courses, training, or tests are not approved or the approval of previously approved courses, training, or tests is suspended. The SAA must also send VA a copy of each of these notices. There are 57 SAAs, each with its own jurisdiction for approval of courses, training, or tests. Some States have more than one SAA because they have a separate SAA for approval of on-the-job training and/or apprenticeship training.

The SAA makes a determination to approve, disapprove, or suspend approval based on the criteria in 38 USC chapter 36. Some of the criteria include site visits; review of the educational institution, training establishment, organization, or entity; and review of course materials, instructors' credentials, or training programs, or review of tests for licensure and certification.

VA uses the notice information to determine if payment of educational assistance is appropriate. Under 38 USC 3680, VA may not provide educational assistance to any eligible veteran or eligible person if his or her educational program or training program does not meet the requirements of 38 USC 3670 et seq. Without the approval notices, VA would not know which programs the SAA determined met the criteria in 38 USC chapter 36. Without disapproval notices, or notices of suspended approvals, VA would inappropriately make payments.

38 CFR 21.4258(a) requires the SAA list the courses approved in the notice. This requirement is due to the fact that not all courses/programs an educational institution provides are approvable under 38 USC chapter 36. For example, some community colleges offer courses that are recreational in nature. Payment for recreational courses is prohibited under 38 USC 3680A. Listing approved courses in the notice ensures VA pays educational assistance for only those courses/programs approved.

3. The quarterly report submitted in accordance with 38 CFR 21.4154 is entered into a database owned by the National Association of State Approving Agencies. VA accesses the database to obtain the necessary information.

VA does not require SAAs to submit notices in accordance with 38 CFR 21.4250(b), 21.4258, and 21.4259, electronically. The majority of the burden is the analysis of determining whether or not the course, training program, or test meets the requirements in 38 USC chapter 36. That analysis generally requires on-site visit of the institution seeking approval and review of its records and training materials. The approval/disapproval/suspension notices serve as the documents that show the SAA's findings. However, each State individually prepares notices in accordance with their individual State operation policies.

4. VA is not aware of any duplication of this information collection. SAAs are the only source for the data.

5. The collections do not impact small business or other small entities. The SAAs are State departments or State agencies, designated by each individual State, that enter into a contract with VA.

6. The approval/disapproval and suspension notices required by 38 CFR 21.4250(b), 21.4258, and 21.4259 are necessary so that VA does not pay educational assistance to individuals pursuing a program that does not meet the approval criteria specified in 38 USC chapter 36. Without the notices, VA would not be able to determine which courses/training programs/tests the SAAs approved in accordance with the criteria 38 USC chapter 36, nor would VA be able to determine which courses/training programs/tests did not meet the criteria. The notices are collected as the institution/training establishment/, or organization or entity offering licensure or certification tests, requests approval of its offerings. The SAAs submit notices when they reach their decisions on whether or not the offerings may be approved. If the SAAs waited to do so quarterly, instead of as the decision is reached, unnecessary delays in proper payment of educational assistance would occur. VA cannot award educational assistance without knowledge that the program is approved in accordance with 38 USC chapter 36. In addition, waiting for quarterly or annual notification of disapproval of a course previously approved would cause VA to pay educational assistance to individuals in error.

Quarterly reporting required under 38 CFR 21.4154 assists VA in budgeting the money appropriated for SAA activities and to determine workload increases or decreases that may impact future budget or the allocation of the funds used to reimburse the SAAs.

7. The information collection in 38 CFR 21.4154 is collected quarterly. See the response to item 6 able discussing the impact of collecting it less frequently.

The information collection in 38 CFR 21.4250(b), 21.4258, and 21.4259 are collected more than quarterly. See the response to item 6 for justification for collecting the information more frequently.

8. The Department notice was published in the Federal Register on July 9, 2010, Volume 75, No. 131, pages 39619 – 39620. There were no comments received in response to this notice.

9. VA does not provide any payment or gift in connection with these collections. However, the SAAs are reimbursed for their expenses under contract. Authority: 38 USC 3674.

10. VA reviews the electronic information contained in the SAAs database. That SAA database is located at <http://www.nasaa-vetseducation.com/>. Access to this Internet site is restricted to VA and SAAs only. Our assurance of confidentiality is covered by our System of Records, Compensation, Pension, Education and Vocational Rehabilitation and Employment Records – VA (58VA21/22/28), that are contained in the Privacy Act Issuances, 2009 Compilation.

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

12. The total burden hours for this collection is 48,628. The burden was determined as follows:

38 CFR 21.4154 = 228 hours. There are 57 SAAs that provide quarterly reports that VA estimates takes an average of 1 hour. The hour includes the time to gather the data and complete the online reporting tool. The annual responses equal 228 (57x4).

38 CFR 21.4250(b), 21.4258, and 21.4259 = 48,400 hours. VA estimates 57 SAAs will report 4400 approval (includes disapproval/suspension) actions annually from FY 2012 through FY 2014. Each action averages 10 hours of preparation work and 1 hour for compiling the notices yielding an annual burden of 48,400 hours.

The annual net cost to the public for this collection is ZERO, since the SAAs are reimbursed under a contract for submitting this information.

13. VA reimburses respondents for the work performed and expenses incurred. As such, there are no costs associated with any recordkeeping as a result of the collections.

14. 38 CFR 21.4154 - VA estimates it takes approximately 228 hours annually (an hour for each of the 57 reports per quarter) reviewing and analyzing the information submitted under 38 CFR 21.4154. The average hourly salary of the VA employees reviewing and analyzing the data is \$44.43 (GS 13, step 5). The cost to the federal government is \$10,130.04 (1 X 228X \$44.43).

38 CFR 21.4250(b), 21.4258, and 21.4259 - VA estimates it takes a VA employee (GS 11/5) an average 1.5 hours to process (reviewing and entering the data in the notices into VA's approval database) each of the 4,400 approval, disapproval, and suspension notices submitted annually by the SAAs. The average hourly salary of the VA employee who review and enter the data is \$31.17. The cost to the federal government is \$205,722 (1.5 X 4400 X \$31.17).

VA also reimburses the SAAs for all reports received under this collection. The average hourly salary for a SAA employee is \$26.50. VA will reimburse SAAs

\$6,042 each year for reports provided under 38 CFR 21.4154 (1 X 228 X 26.50). VA will reimburse SAAs \$1,282,600 for reports provided under 38 CFR 21.4250(b), 21.4258, and 21.4259 (4,400 X 11 X 26.50).

The cost to the Federal Government for all collections covered under this request is \$1,504,494.04.

15. An increase in burden hours occurred as a result of the implementation of the Post-9/11 GI Bill. The number of approvals increased steadily since the implementation of the program thus creating an overall increase in the burden. During FY 2009 and FY 2010 the SAAs issued an average of 8800 substantive approval actions annually.

The burden hours for this collection was based on 50% of the average number of approvals received over the last two years. VA estimates that the SAA will not need to review approvals for at least 50% of programs requesting approval (or amended approval) as PL 111-377 deemed the following programs as approved for VA purposes (requiring no review by the SAA):

- Accredited standard college degree program offered by public and non-profit institutions of higher learning
- Flight training courses approved by the Federal Aviation Administration (FAA) offered by a certified pilot school that possesses a valid FAA pilot school certificate
- An apprenticeship program registered with the Department of Labor
- A program leading to a secondary school diploma offered by a secondary school approved in the State in which it is operating.

An increase in cost occurred as a result of an increase in number of reviews completed and VA employee wages.

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

17. The National Association of State Approving Agencies has its own instructions for completing the elements of the database. VA simply accesses the database to obtain information. VA has no jurisdiction either over the data elements, the instructions for completing those elements, or an expiration date. As such, VA seeks continued exemption from displaying the expiration date.

18. This information collection complies with all requirements under 5 CFR 1320.8(b)(3) and 5 CFR 1320.9.

B. Collection of Information Employing Statistical Methods.

The Department does not employ statistical methods in this information collection.