

**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, 33, and 35 of 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 VA or to the State approving agency (SAA) having jurisdiction over that school. Certain schools are considered "proprietary" schools. A proprietary educational institution, as defined in 38 CFR 21.4200(z), is a private institution legally authorized to offer a program of education in the State where the institution is physically located. Section 3683 of title 38, U.S.C., and sections of title 38 of the Code of Regulations (CFR) establish conflict of interest restrictions related to proprietary schools. VA Form 22-1919 is the instrument VA has implemented to address these restrictions.

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

(i) Section 3683 of title 38, U.S.C., prohibits employees of VA and the SAA from owning any interest in an educational institution operated for profit. In addition, the law prohibits VA or SAA employees from receiving any wages, salary, dividends, profits, gifts, or services from private for profit schools in which an eligible person is pursuing a program of education under an educational assistance program administered by VA. These provisions may be waived if VA determines that no detriment will result to the government, or to eligible persons or veterans enrolled at that private for profit school. Item 1 of VA Form 22-1919 collects the name and title of affected VA and SAA employees known by the President (or Chief Administrative Official) of the school, as well as a description of these employees' association with that school.

(ii) Sections 21.4202(c), 21.5200(c), 21.7122(e)(6), and 21.7622(f)(4)(iv) of title 38 of the CFR prohibit the approval of educational assistance from VA for the enrollment of an eligible person in any proprietary school where the trainee is an official authorized to sign certifications of enrollment. Item 2 of VA Form 22-1919 collects the following information for each certifying official, owner, or officer who receives VA educational assistance based on an enrollment in that proprietary school: the name and title of these employees; VA file numbers; and dates of enrollment at the proprietary school.

(b) VA only collects this information at the time one (or more) of these events occurs:

(i) The initial approval of a program or course at a proprietary for profit school;

(ii) Any change of ownership of the school (either reported by the school or found upon review of a school's records during VA's "compliance survey");

(iii) A change in proprietary status (from non-proprietary to proprietary, or from non-profit to profit status)

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

(c) The following administrative and legal requirements effect proprietary schools as defined in 38 CFR 21.4200(z) and necessitate the VA Form 22-1919 collection:

i. 38 U.S.C. 3683, Conflicting Interests. Impacts proprietary for profit schools only.

ii. Regulations that reflect the restrictions applicable to all proprietary schools:

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

B. 38 CFR 21.5200(c). Schools. Overcharges; restrictions on enrollments. Restrictions; proprietary schools.

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

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

2. VA anticipates using data 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 is being used to reduce the burden. This form is available in an electronic fillable format. The form cannot be submitted electronically at this time as a signature is required.

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 if any of the three instances shown in paragraph 1(b) above occur. Affected schools usually have

the requested information readily available and have been able to quickly complete this form.

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

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

8. The Department notice for public comments was published in the Federal Register on December 21, 2010, pages 80115-80116. No comments were received in response to this notice.

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

10. As stated in paragraph 1(b), the completed form is retained permanently in the school's program approval folder. Privacy to the extent permitted by law is covered by the VA System of Records, Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records – VA (58VA21/22/28), which is contained in the Privacy Act Issuances, 2009 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 105 hours. Currently, there are approximately 21,037 proprietary schools that could potentially be required to complete this form. The number of these schools has remained relatively constant for the past several years. Proprietary schools only complete this form under the three situations specified in paragraph 1(b). Based on our records, this form is completed only occasionally. Our estimate is that only about 631 schools, or approximately 3%, complete this form in any given year. Schools need approximately 10 minutes to complete this form. The total of 631 responses multiplied by 10 minutes per response equals a total of 105 hours annually. The total estimated cost to the schools is \$1,575 (105 hours multiplied by \$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 \$5,350.88 based on 631 responses annually.

Each submission is reviewed by an ELR (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. ( $\$33.92 \times 15 \text{ minutes} / 60 = \$5,350.88$ )

15. The annual reporting burden has increased due to the increase in the number of proprietary schools.

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 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 does not employ statistical methods.