

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 determine if their programs of training are approved for the payment of VA educational assistance. 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) will associate the completed VA Form 22-1919 with the other documentation compiled for approval of the school's program(s) and will retain 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 affect 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 the compliance of proprietary schools. 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. Program reviews were conducted to identify potential areas of duplication; however, none were found to exist. There is no known Department or agency which maintains the necessary information, nor is it available from other sources within our Department.

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 January 15, 2014, Volume 79, Number 10, page 2753. No comments were received.

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

10. VA Form 22-1919 is retained permanently in the claimant's education folder. Our assurance of confidentiality is covered by 38 U.S.C. 5701 and our System of Records, Compensation, Pension, Education and Vocational Rehabilitation and Employment Records - VA (58VA21/22/28), which are contained in the Privacy Act Issuances, 2011 Compilation.

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

12a. 140 Schools.

12b. Currently, there are approximately 4,675 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 only occasionally completed. Our estimate is that only about 140 schools, or approximately 3%, complete this form in any given year.

12c. 23 hours

12d. Schools need approximately 10 minutes to complete the form.

12e. According to the U.S. Bureau of Labor Statistics Average Hourly Earnings, the cost to the respondent is \$24, making the total cost to the respondents an estimated \$552 (23 hours X \$24 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 \$1,187 based on 140 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. Multiplying 15 minutes by 140 responses produces a total of 35

hours for this information collection. The hourly rate for an ELR, GS-11, step 5 is \$31.17. Multiplying \$31.17 per hour by 35 hours is equal to \$1,091.

15. The decrease in the annual reporting burden is a result of the reduction in the number of proprietary schools. The expiration date placeholder has been added to the form.

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

17. We are not seeking approval to omit the expiration date for OMB approval.

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.