**Supporting Statement for State Approving Agency Reports and Notices 38 CFR 21.4154, 21.4250(b), 21.4258, 21.4259**

**OMB 2900-0051**

**A. Justification**

1. **Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.**

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

1. **Indicate how, by whom, and for what purposes the information is to be used; indicate actual use the agency has made of the information received from current collection.**

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 53 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.

1. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

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.

1. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

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

1. **If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

The collection of information does not involve small businesses or entities. The SAAs are State departments or State agencies, designated by each individual State, that enter into a contract with VA.

1. **Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.**

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.

1. **Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years; in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study and require the use of a statistical data classification that has not been reviewed and approved by OMB.**

The information collection in 38 CFR 21.4154 is collected quarterly. See the response to item 6, 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.

1. **If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the sponsor’s notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the sponsor in responses to these comments. Specifically address comments received on cost and hour burden.**

The Department notice was published in the Federal Register on December 27, 2016, Volume 81, No. 248, pages 95313-95314. One comment was received. The comment simply stated “Good.” As a result, no changes will be made.

1. **Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

No payments or gifts to respondents have been made under this collection of information. However, the SAAs are reimbursed for their expenses under contract. Authority: 38 USC 3674.

1. **Describe any assurance of privacy, to the extent permitted by law, provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

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.

1. **Provide additional justification for any questions of a sensitive nature (Information that, with a reasonable degree of medical certainty, is likely to have a serious adverse effect on an individual's mental or physical health if revealed to him or her), such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private; include specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

There are no questions of a sensitive nature.

**12.  Estimate of the hour burden of the collection of information:**

Estimate of Information Collection Burden.

1. Number of Respondents: 53
2. Frequency of Response:  Annual
3. Annual Burden Hours:  97,012 hours

38 CFR 21.4154 = 212 hours. There are 53 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 212 (53x4).

38 CFR 21.4250(b), 21.4258, and 21.4259 = 96,800 hours. VA estimates 53 SAAs will report 8800 approval (includes disapproval/suspension) actions annually from FY 2012 through FY 2014. Each action averages 10 hours of preparation work and 4 hours for compiling the notices yielding an annual burden of 96,800 hours.

97,012 total burden hours

1. Estimated Completion Time: Each action averages 10 hours of preparation work and 1 hour for compiling the notices. Four hours a year completing reports.
2. The respondent population is composed of SAAs.

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

1. **Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

VA reimburses respondents for the work performed and expenses incurred. This submission does not involve any recordkeeping costs.

1. **Provide estimates of annual cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operation expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

Estimated Costs to the Federal Government:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Grade | Step | Burden Time | Hourly Rate | Cost Per Response | Total Responses | Total |
| 13 | 5 | 1 hour | $ 46.01 | $ 46.01 | 212 | $ 9,754.12 |
| Overhead at 100% Salary | | | | | | $ 9,754.12 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Grade | Step | Burden Time | Hourly Rate | Cost Per Response | Total Responses | Total |
| 11 | 5 | 1.5 hours | $ 32.28 | $ 48.42 | 8,800 | $ 426,096 |
| Overhead at 100% Salary | | | | | | $ 426,096 |

The following are the cost for the work performed by the State Approving Agencies.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| State Approving Agency | Burden Time | Hourly Rate | Cost Per Response | Total Responses | Total |
|  | 1 hour | $ 26.50 | $ 26.50 | 212 | $ 5,618 |
| Overhead at 100% Salary | | | | | $ 5,618 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| State Approving Agency | Burden Time | Hourly Rate | Cost Per Response | Total Responses | Total |
|  | 11 hours | $ 26.50 | $ 291.50 | 8,800 | $ 2,565,200 |
| Overhead at 100% Salary | | | | | $ 2,565,200 |

|  |  |
| --- | --- |
| **Overhead costs are 100% of salary and are same as the wage listed above and the amounts are included in the total.** |  |
| Processing / Analyzing Costs | $3,006,668.12 |
| Printing and Production Cost | $0 |
| Total Cost to Government | $3,006,668.12 |

Note: the hourly wage information above is based on the hourly 2016 General Schedule (Base) Pay (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2016/general-schedule/>). This rate does not include any locality adjustment as applicable.

1. The processing time estimates above are based on the actual amount of time employees of each grade level spend to process to completion a claim received on this form. The within-grade step (5) of each employee represents the average experience of employees within each grade.
2. **Explain the reason for any burden hour changes since the last submission.**

In previous collections, VA had estimated that the SAA would not need to review approvals for at least 50% of the programs requesting approval because the PL 11-377 deemed the following programs as approved for VA purposes without SAA review:

* 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.

SAAs are now required to review the aforementioned programs. In order to create a baseline to measure future growth or decline in the review of substantive approval actions, VA will submit an information collection based on the total number of substantive approval actions0p for FY2009 and FY2010.

1. **For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The information collection is not for publication or tabulation use.

1. **If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

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.

1. **Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB 83-I.**

This submission does not contain any exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods**

This collection of information does not employ statistical methods.