



STATE APPROVING AGENCIES

An Overview

State Approving Agencies recently celebrated fifty years of partnership with the VA in the administration of the veterans educational assistance programs, more commonly known as the GI Bills. Through the program approval and supervision process, they ensure that money spent on veterans education is money well spent, and assist in reducing the opportunities for fraud, waste and abuse.

This overview will explain the mission, role and scope of State Approving Agencies and illustrate how they have responded to changing trends in the education and training of veterans by expanding their activities. It will also take a look at the continuing issue of SAA funding

1. SAA Mission

In many ways the fundamental mission of State Approving Agencies is the same today as it was when they were founded fifty years ago. State Approving Agencies:

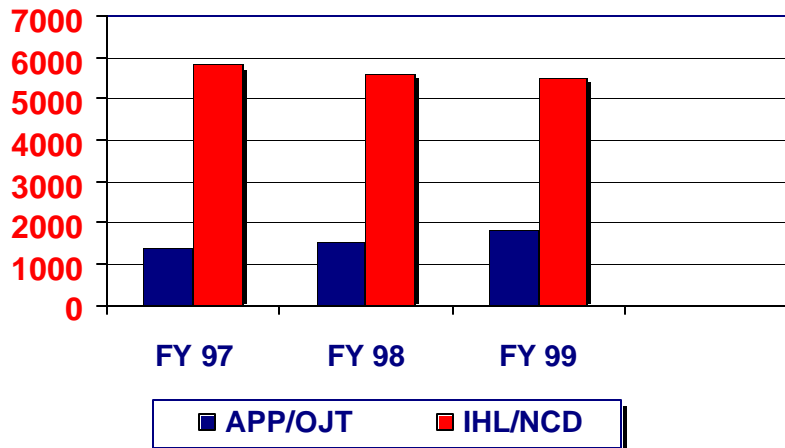
- promote and safeguard quality education and training programs for veterans;*
- ensure greater educational and training opportunities to meet the changing needs of veterans; and*
- assist the VA in preventing fraud, waste and abuse in the administration of the GI Bill.*

As State entities acting on behalf of the Federal government, they have been an outstanding example of the workability of the Federal-State partnership, allowing Federal interests to be pursued at the local level while preserving the identity, interests and sovereignty of State's rights in education

Under Title 38, *United States Code*, each governor designates a state bureau or department as the State Approving Agency for the state. Today there are 57 State Approving Agencies (some states have two) with about 200 professional and support personnel, supervising over 7,000 active facilities with almost 100,000 programs. Located in various state offices, including state departments of education, higher education boards, departments of labor, veterans affairs and stand alone agencies -- SAA

professionals bring a wealth of formal education, training and experience to the appraisal of programs for veterans benefits .

SAA: Active Facilities



✍ The total number of Active Facilities has increased two percent from 7,210 in FY 97 to 7,365 in FY 99.

✍ In response to the VA's request to take up the promotion and approval of Apprenticeship and On-The-Job Training programs, these facilities increased thirty-five percent during this same three year period while Institutions of Higher Learning and Non College Degree (or trade schools) decreased by about five percent.

During the last fifty years, our society has changed and so have the market place, educational opportunities, and the veterans themselves. Each of these factors have an impact on what transition assistance is, and how it will be accomplished in the future.

✍ **A changing marketplace.** -- The lines have begun to blur between 'professional development' and training for employment. Careers and jobs migrate, shorten and evolve, causing frequent career shifts and requiring 'life-long learning'. The notion of education or training as preparation for entry into a static occupation is giving way to a more flexible notion of training which provides clusters of employment skills, useful throughout an individual's working life.

✍ **Educational opportunities.** -- In addition to the still valuable four-year liberal arts college and the one to two year technical school, schools are responding to changes in the marketplace. Employers are demanding training or certification in specific occupational areas, resulting in more vocationally oriented programs delivered in a more timely manner and provided through alternate forms of delivery. Programs have become compacted and accelerated, colleges without specific occupational

expertise are contracting out for it, and short term courses are becoming increasingly popular.

Veterans -- Veterans now tend to be older, often with protracted, specialized training in the military that they are now seeking to build upon in civilian life. They often have family responsibilities which constrain their availability for traditional classes. They are attracted to distance education, accelerated programs and self-paced instruction. And they tend to do well in these new learning technologies because they are more mature, self-disciplined and motivated. They already have foundational skills on which to build – they are not starting at square one.

SAA's carry out their mission through their core functions of program approval, on-going contact and supervision, technical assistance, outreach, liaison and professional development. As described below, each of these core functions continues to evolve as SAA's meet the challenge of a dynamic educational and training environment.

2. Veterans Program Approval

A. Appraisal of Program Standards

Program Approval -- The appraisal process whereby SAA's determine whether new programs meet the requirements of law and are eligible for veterans benefits.

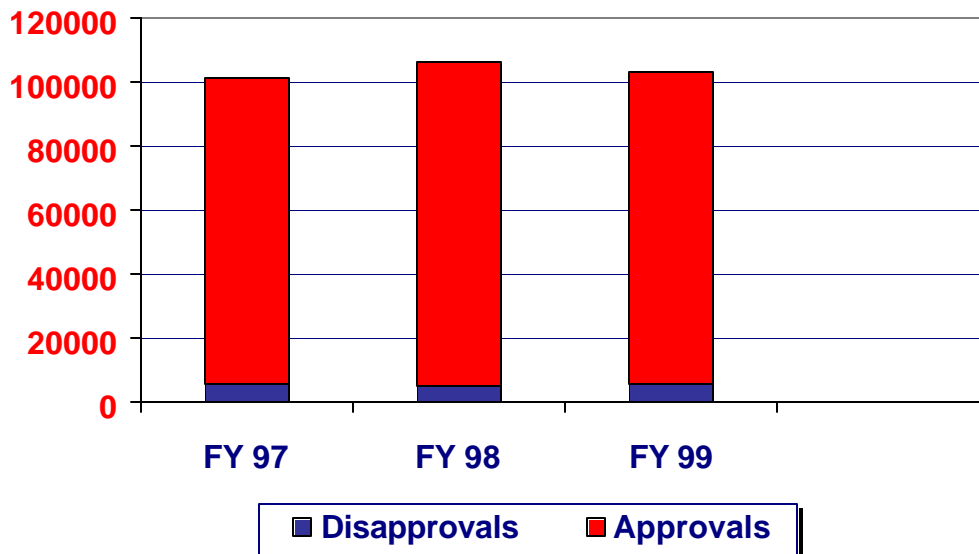
Under federal law, there are a host of approval criteria designed to (a) facilitate the accurate and timely payment of benefits; (b) minimize erroneous payments and opportunities for fraud, waste, and abuse; and (c) ensure that tax dollars spent on veterans education and training are dollars well spent. Programs are required to meet acceptable standards regarding: student progress; credit for prior learning; establishment of branch campuses; treatment of residencies, independent study and practicums; educational contracting; and student record-keeping, as well as program content, instructor expertise, sufficiency of facilities and equipment and methods of instruction.

Staffing and monetary limitations along with the request of the VA to expand into new areas, have caused SAA's to prioritize their efforts. For many years, SAA's generally have not had the staff to evaluate on a regular basis each and every new program utilizing all the approval criteria stipulated in the law. Rather, utilizing professional judgement they selectively review those programs over which they have the most concern regarding their approvability. (For example, new schools that never have been approved before and new programs at problem schools.) So too, SAA's tend to visit most frequently those schools/training programs with a history of compliance problems.

SAA's often confine their focus to those policy issues and practices which frequently lead to problems with non-compliance. SAA's are particularly concerned with branch campuses, educational contracting, distance education, high tech courses of short duration, adult education, and accelerated classes. Often, it is the systems and policies in

place that receive SAA attention rather than a detailed examination of the curricular structure and faculty credentials. Much of this can be done during a visit to the school in conversation with various school officials.

SAA: Program Approvals



Program approvals rose three percent from FY 97 to FY 99 and Apprenticeship and On-The-Job Training program approvals rose thirty-nine percent from 1,794 in FY 97 to 2,489 in FY 99.

SAs work with deficient programs to have them meet approval standards, only about five percent of all program reviews result in disapproval.

B. Program Approval and Accreditation

Accreditation and SAA program approval look at the same schools for different reasons. They are different but complementary processes because their purpose, focus, frequency and stakeholders are different.

Purpose -- “Accrediting agencies cannot and should not be expected to be experts on state and federal regulations.”-- Arthur Keiser, College President and member of the Career College Association’s Board of Directors. State Approving Agencies are concerned with the requirements of Title 38 – in which accrediting agencies have little or no interest. As State entities, they are also familiar with State educational requirements as well.

✍ **Focus** -- The accreditation process focuses on the institution as a whole and how well it carries out its own, unique, self-defined mission. State Approving Agencies focus on individual programs within the institution and the required policies in place to support the integrity of the programs and appropriate certification of student enrollment.

✍ **Frequency** -- Accreditors visit and review a school every five to ten years. State Approving Agencies visit the school more frequently and are therefore more familiar with on-going developments that may affect program quality and compliance.

✍ **Stakeholders** -- Accreditation's stakeholders are the schools themselves who form the membership of the accrediting association. State Approving Agencies are on-campus advocates for the needs of veterans and also represent the interests of the Department of Veterans Affairs and State education and training bodies.

C. Changes

✍ Special attention has been given to the VA's request to take up the promotion and approval of apprenticeship and on-the-job training programs.

Extensive efforts have been made by SAAs to make employers and unions aware of this benefit and to assist them in having these programs promoted and approved. As a result, the number of active apprenticeship/on-the-job training (or OJT) facilities has increased about 35 percent in three years from 1,369 (in 1997) to 1,844 (in 1999). Over the same three year period the number of apprenticeship/OJT program approvals have grown by almost 39 percent from 1,794 to 2,489. New initiatives include taking-on the approval of preparatory courses, licensure and certification examinations.

✍ SAAs have expanded their outreach efforts to promote increased usage of GI Bill benefits as explained below in the outreach section of this paper.

Last year, SAAs conducted 7,800 outreach activities. They continue to actively search for new ways to increase usage of the GI Bill and counsel veterans on available benefits and educational programs within their state.

✍ SAAs are directly involved with the new and emerging trends in education and training – ensuring their quality and availability for veterans.

More and more distance education programs are now being approved. SAAs are reviewing and approving new short-term certification programs and they continue to evaluate accelerated degree programs, external degree offerings, new branch campuses and traditional colleges contracting with private occupational schools to provide training for college credit.

3. On-going Contact and Supervision

✍ **On-going Contact and Supervision**– General and continuing oversight of our institutions to verify continued compliance with federal requirements; to prevent fraud, waste and abuse; to offer training; and -- at the request of the VA -- to investigate and provide assistance with compliance/program issues.

Even at established schools and long-standing training programs, problems can crop up which will adversely affect the quality of the veteran's program or the amount of benefits paid. Pivotal to the protections the GI Bill affords its recipients is the on-going, on-site monitoring and supervision of institutions wishing to have their programs approved. In this regard there is no comparable association or agency which provides this level of proactivity. And this is why SAAs maintain their discretion to visit even highly regarded institutions on occasion.

In the course of an oversight and training visit to the school or training establishment, the SAA determines whether each of the programs continues to meet the approval requirements of Federal and State law. Just as importantly the SAA assist the school/facility in maintaining continued compliance.

An Oversight and Training Visit usually includes:

✍ A review of institutional policies and practices affected by the regulations. SAAs make note of changes to programs, facilities, ownership, off-campus offerings, internship policies, contracts with other training providers, transfer credit and the like. If a policy is not in accordance with the requirements of the regulations, SAAs often are able to negotiate a special policy for veterans or assist with the development of a general, school-wide policy that is in compliance.

✍ An investigation of the systems in place to carry out these policies. The SAA looks at such questions as: Is the school certifying official in a position to know about changes in a veteran's status? Are veterans being certified only for those courses that lead towards their educational, vocational or professional objective? Has the veteran's prior learning been evaluated and the veteran been notified of transfer or other credit which actually applies towards their degree? How quickly is the VA notified of a veteran's change in status? (For example, withdraw from school or a change in programs).

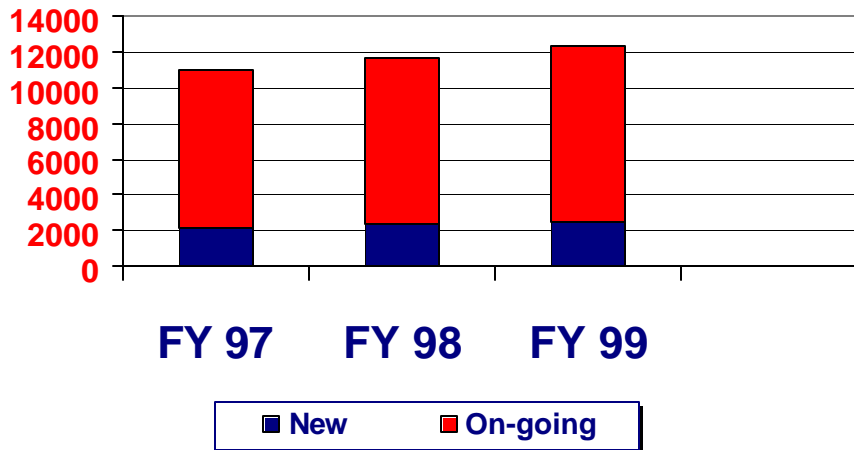
✍ An examination of school and student records to verify that institutional policies are being enforced and that the required system of records is in place. SAAs also review veteran's records to ensure that veterans are being certified correctly and that the VA is not making payments based on erroneous information. This activity may save the veteran future grief when a problem is discovered on a compliance survey (audit) up

to three years later. They also uncover evidence of inappropriate activity such as false and misleading advertisement.

✍ Visits also assist in the development of a good on-going relationship with school and training establishment officials. SAAs answer their questions, provide training, help them to problem-solve compliance issues, and encourage a greater sensitivity and awareness of veterans benefits and needs. By nature of their job, SAAs have a broad overview of the education and training systems within the state. Schools and training establishments often have little knowledge of what happens outside their campus or shop. SAAs serve as consultants providing examples of best practices from other schools which interested schools can adopt.

SAAs also conduct Inspection Visits to new schools and programs to ensure that they can comply with approval requirements and are familiar with certification and reporting procedures.

SAA: Oversight and Training Visits



✍ On-going Oversight and Training Visits to all schools and programs increased eleven percent from 8,858 in FY 97 to 9,810 in FY 99.

✍ Inspection Visits to new schools and programs increased fifteen percent from 2,179 in FY 97 to 2,507 in FY 99.

4. Technical Training And Assistance Activities

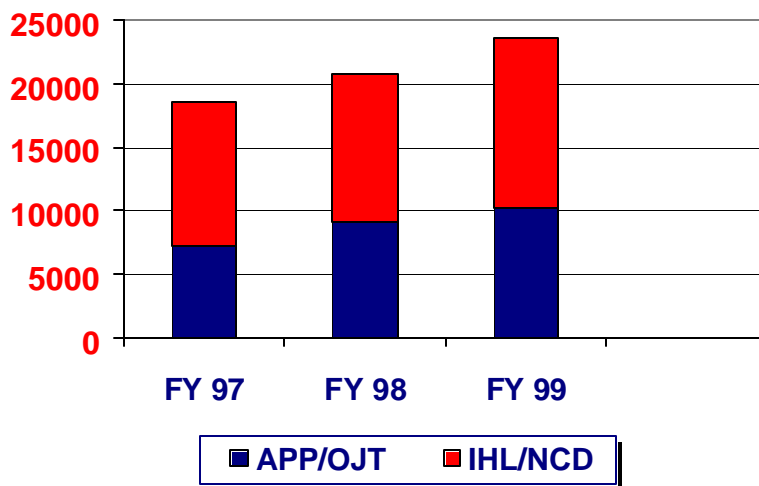
✍ **Technical Assistance** – Assistance given to schools, training establishments and individuals regarding approval of programs and certification of veterans.

Schools and veterans rely on SAAs for timely, on-the-spot information – answering a seemingly endless stream of questions.

SAAs render assistance to new schools seeking approval of their courses, employers looking to have their apprenticeship or other on-the-job training programs approved, veterans and their families, members of the reserve components, etc. SAAs answer questions about how to apply for approval or how to certify a veteran with a special problem. They answer questions about apprenticeship time tables, on-the-job-training payment schedules and program length requirements. Also, questions on how to write a training agreement including appropriate wage scale and related instruction. And questions about the requirements for practical training, contract courses and institutional record-keeping. The questions go on and on

Further, the SAA serves as a facilitator between the school, the veteran and the VA. SAAs are arbitrators of complaints and the advocate for maximization of a veteran's benefits. They are often the *de facto* trainers of new school certifying officials and they keep the schools apprised of new developments, often holding regional workshops for school certifying officials.

SAA: Technical Assistance and Training



Total overall training/assistance actions increased twenty-five percent from 18,572 in FY 97 to 23,335 in FY 99.

Training/assistance given to Apprenticeship/On-the-Job Training facilities rose forty-three percent from 7,137 in FY 97 to 10,227 in FY 99 and training/assistance actions for Institutions of Higher Education (colleges) and Non College Degree (trade) schools rose fifteen percent from 11,435 in FY 97 to 13,108 in FY 99.

5. Outreach Activities.

~~✍~~ **Outreach Activities** -- Efforts undertaken to reach out to various groups and promote the increased usage of veterans educational benefits. At the request of the VA, State Approving Agencies are heavily engaged in outreach efforts to promote the usage of veterans educational benefits.

Some SAAs have developed radio spots, television videos and print advertising to encourage veterans to take advantage of the GI Bill and especially apprenticeship and on-the-job training programs. SAAs do “welcome home” mailings to newly separated veterans congratulating them on their service and informing them of their benefits and the educational/training opportunities available to them in their State. Many SAAs make presentations at military retirement seminars and the transition assistance programs (TAPS) for those leaving the service. SAAs participate in local military and veterans events; job fairs, stand-downs, and other venues where they can encourage the use of benefits. They work with the Department of Labor to assist veterans to find appropriate employment and training. In some states, the National Guard looks to the SAA approval in identifying programs eligible for national guard members to receive tuition support.


6. SAAs and Technology.

State Approving Agencies are making strides to utilize emerging technology to more efficiently accomplish their professional objectives. Some SAAs are piloting the use of electronic approvals. Much of SAA correspondence with the Schools, the VA and veterans is now through electronic mail. Many SAAs have developed electronic data bases (utilizing Access, Excel and other software) for record keeping purposes and to maintain an inventory of approved schools and programs. The VA and State Approving Agencies are currently undergoing a joint Business Process Re-Engineering effort to increase and facilitate these efforts.

Other states have developed web sites allowing veterans to learn about their State and Federal benefits and to search for what programs and schools are approved and available in their state. [For example: www.ctdhe.org; www.state.nj.us/military; www.ode.state.oh.us/ctae/saa; and www.flordiavets.org/saa/saahome.htm]. The National Association of State Approving Agencies has developed a web site [www.saavetrain.org] and has just begun to link state data bases to allow national searching of approved schools and programs.



7. Liaison.

 **Liaison Activities** – Coordination with government, veteran and educational entities to facilitate the approval of programs and increase educational opportunities for veterans.

As State agencies working with a Federal program, SAAs are uniquely situated to network with stakeholders in education and training to coordinate the improved delivery of veterans benefits.

State Approving Agencies work with others to exchange information, facilitate the increased approval of programs and raise awareness of the veteran, their educational needs and benefits. SAAs have forged links with State Agencies such as Departments of Veterans Affairs, Departments of Education, Higher Education Governing Boards, Departments of Labor and other licensing boards. They meet with representatives of accreditation associations, the National Guard and the Reserve, apprenticeship councils, union boards, and military service organizations. Some SAAs also participate on accreditation visits. At a national level, contacts are made with the Departments of Defense, Education, Labor, and Agriculture, as well as the Federal Aviation Administration, and Federal Trade Commission.

State Approving Agency activities often complement what is being done at the state level and since not all states have program review offices, those SAAs become the *de facto* review entity for the State. SAAs often have ready access to information of value to program appraisal such as: a school's audited financial statements; school evaluation reports; results of in-depth assessments in particular areas; program review by governing or coordinating boards; and, institutional statistics and research findings.

8. On-Going Professional Activities

~~✍~~ **On-going Professional Activities** -- Activities done through the national association (National Association of State Approving Agencies or NASAA) to provide assistance to the VA regarding program appraisal issues and to increase the professional knowledge of our members through on-going training.

Recently, NASAA completely revised and updated its *National Training Curriculum* required under law. Training Institutes are held for new staff approximately every eighteen months. All national meetings have a professional development component designed to provide specialized, advanced training in leading edge developments in our field such as, distance education, state licensing, outreach techniques, DOD recruitment concerns, and short term on-going professional development courses such as Microsoft and Novell.

NASAA and the VA have instituted a joint system to evaluate annual performance of each SAA and minimum personnel qualification standards have been established for all SAA staff.

Through NASAA's committee system, a Task Force on Distance Education developed principles of good practice and a common application form; workshops and guest speakers have addressed continuing concerns with how to approve short-term courses; and the legislative committee has advocated a number of changes to the regulations to facilitate approvals and enhance veterans benefits.

9. Funding

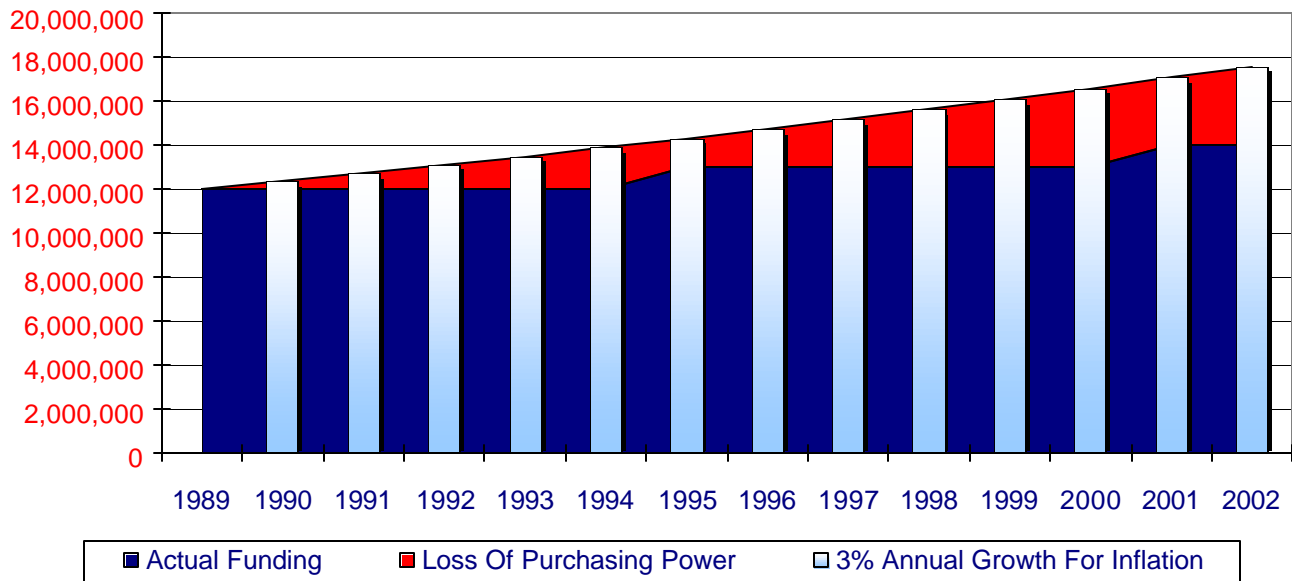
In 1997, over One Billion dollars were spent on educational benefits for veterans – Thirteen Million was allocated to State Approving Agencies. SAA expenditures represented only about one percent of total benefit expenditures.

The total annual allocation for SAA activities is stipulated in Title 38. The annual share of the allocation awarded to each SAA is determined by a formula essentially based upon the number of active schools and training establishments being supervised. The total annual allocation was capped at 12 million dollars from 1989 to 1994. In 1995, the cap was increased to 13 million dollars until 2001, when it is being raised to 14 million dollars. *The practical effect of rising costs and level funding is an annual cut in funding, as illustrated in the table below:*

SAA FUNDING HISTORY

| FY | Actual Funding | Effect of 3% Annual Growth For Inflation | Loss of Purchasing Power By Year |
|------|----------------|--|----------------------------------|
| 1989 | 12,000,000 | | |
| 1990 | 12,000,000 | 12,360,000 | 360,000 |
| 1991 | 12,000,000 | 12,730,800 | 730,800 |
| 1992 | 12,000,000 | 13,112,724 | 1,112,724 |
| 1993 | 12,000,000 | 13,506,105 | 1,506,105 |
| 1994 | 12,000,000 | 13,911,288 | 1,911,288 |
| 1995 | 13,000,000 | 14,328,626 | 1,328,626 |
| 1996 | 13,000,000 | 14,758,484 | 1,758,484 |
| 1997 | 13,000,000 | 15,201,238 | 2,201,238 |
| 1998 | 13,000,000 | 15,657,275 | 2,657,275 |
| 1999 | 13,000,000 | 16,126,993 | 3,126,993 |
| 2000 | 13,000,000 | 16,610,802 | 3,610,126 |
| 2001 | 14,000,000 | 17,109,126 | 3,109,126 |
| 2002 | 14,000,000 | 17,622,399 | 3,622,399 |

The same data portrayed in graphic form :



As the numbers indicate:

- ✍ The SAAs are in a *boom-bust cycle* and without either the ability to carry-over funds from one year to the next or to rely on an annual cost of living adjustment, prudent planning requires constant retrenchment, with occasional periods of unanticipated bonus.
- ✍ About \$400,000 per year growth in authorized SAA funding would have been consistent with the annual requests submitted by the SAAs and would have precluded the current funding crisis facing most state agencies. This is a strong argument for tying SAA funding levels to annual COLA increases authorized in many federally-funded programs.
- ✍ In order to provide an acceptable level of service to the VA and to continue to take on additional roles as needed, SAAs must be adequately and consistently funded. The funding provided in Title 38 is a good idea, but the amount should be adjusted each year by the government-approved COLA applied to other benefit programs.