

STATEMENT OF
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BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

The Evolution of State Approving Agencies

WASHINGTON, DC
JULY 16, 2009

MADAM CHAIRWOMAN AND MEMBERS OF THIS SUBCOMMITTEE:

On behalf of the 2.2 million members of the Veterans of Foreign Wars of the United States and our Auxiliaries, I would like to thank this committee for the opportunity to testify. The issues under consideration today are of great importance to our members and the entire veteran population.

State Approving Agencies (SAAs) continue to play a vital role in the administration of veterans' education programs. With the passage of the Post 9/11 GI-Bill SAA's mission has dramatically evolved. The Post 9/11 G.I. Bill is a complex benefit and a great deal of the administrative burden lies with SAAs.

Background on State Approving Agencies

State Approving Agencies were created following the passage of the Servicemen's Readjustment Act of 1944 to help administer the benefit while; assisting the federal government in preventing waste, fraud, and abuse; maintaining a high quality learning experience for veterans utilizing federal benefits; and assisting veterans transitioning from the military and into the civilian sector.

The scope and mission of the SAAs has changed relatively little until recently. Multiple recent legislative changes have increased and broadened the scope of the SAAs. The most notable included the passage of the Post 9/11 GI-Bill, and in 2001, SAAs were given the role of actively

promoting the development of apprenticeship, on-job-training programs, and the approval of tests used for licensing and certification. The legislative action in 2001 was followed with a funding increase in FY 2003 from \$13 million with a graduated increase to \$19 million by FY 2006—their current level of funding. In consideration of inflation, SAA's funding level has continually eroded since its last increase in FY 2006.

Current Legal Requirements of State Approving Agencies

SAA's responsibilities are summarized in the Code of Federal Regulations 38 CFR 21.4151 (b). (Authority: 38 U.S.C. 3673(a))

- (b) State approving agency responsibilities. State approving agencies are responsible for:
- (1) Inspecting and supervising schools within the borders of their respective States;
 - (2) Determining those courses which may be approved for the enrollment of veterans and eligible persons;
 - (3) Ascertaining whether a school at all times complies with its established standards relating to the course or courses which have been approved;
 - (4) Determining those licensing and certification tests that may be approved for cost reimbursement to veterans and eligible persons;
 - (5) Ascertaining whether an organization or entity offering an approved licensing or certification test complies at all times with the provisions of 38 U.S.C. 3689; and
 - (6) Under an agreement with VA rendering services and obtaining information necessary for the Secretary's approval or disapproval under chapters 30 through 36, title 38 U.S.C. and chapters 107 and 1606, title 10 U.S.C., of courses of education offered by any agency or instrumentality of the Federal Government within the borders of their respective States.

While the CFR certainly reflects the core responsibilities of SAAs the National Association of State Approving Agencies (NASAA) has produced a list that tends to characterize a more thorough understanding of their mission.

- (1) Making determinations regarding the quality and integrity of all kinds of learning experiences (institutional, job training, flight, correspondence, etc.)
- (2) Working with employers to develop and enroll veterans in job training programs (Apprenticeships and OJT).
- (3) Assessing and approving tests for professional and occupational licensing and certification.
- (4) Advocate for veterans at state and local levels, and serve as gatekeepers for the G.I. Bill.
- (5) Provide insights to the DVA and Congress on changes necessary to make the G.I. Bills more relevant and responsive.
- (6) * Performing outreach activities to increase the utilization of the GI Bills including; briefings during transition assistance programs (TAP) and retirement seminars, and sending out mailings to recently discharged veterans and Selected Reserve personnel.

- (7) * Provide advice and guidance to veterans, guard, reservists, and other GI Bill benefit recipients, as well as educators, trainers and others who counsel veterans.
- (8) * Training VA School Certifying Officials at all educational institutions and job training establishments.
- (9) * Assist the federal government in eliminating waste, fraud and abuse.

*Missions expanded as a result of the Post 9/11 G.I. Bill

Most of the above expanded missions are information based. With a complex benefit it is imperative that veterans are being provided correct and timely information. The VFW is aware of multiple instances in which veterans are getting incorrect information and/or are having trouble locating quality information. Only recently have decent resources started to appear in regards to information on the G.I. Bill. All of this would lead the VFW to believe that there is an increased need for highly trained individuals working at the state level. SAAs ought to be providing the same services as in previous years but also expanding their scope and ability to fill the much needed expansion of informational services required of the complex Post 9/11 G.I. Bill.

The Potential for Increased Waste, Fraud, and Abuse

The VFW believes that it is especially important to emphasize the increased potential for waste, fraud, and abuse of this benefit. The changes in the rate of pursuit schedule¹ and the yellow ribbon program leave the possibility of large overpayments or underpayments to veterans attending schools. NASAA has singled this issue out as perhaps its most manpower intensive mission in consideration of the changes due to the Post 9/11 G.I. Bill.

If left unattended, overpayments not corrected for a long period of time could prove devastating to veterans at no fault of their own. Overpayments are typically drawn from future payments to veterans and may leave them with less than adequate funding to maintain their livelihood. Veterans depend on the benefits process to get it right the first time and SAAs play a crucial role in the process. The VFW hopes to see a vigilant staff at both the state and federal levels, with adequate resources, working to insure a smooth seamless administration of the Post 9/11 G.I. Bill with little or no affect on the quality of other programs and missions.

Current SAAs Funding Levels Are Insufficient to Meet Needs

While the VA has been amply funded and allotted time to prepare for the Post 9/11 G.I. Bill, SAAs are operating at the same level of funding for their fourth consecutive year. SAAs workload is already dramatically increasing. Without a similar increase in resources, certain responsibilities will be neglected thereby decreasing the programs overall quality for veterans and reducing the insurance of a quality investment for our Federal government. For the G.I. Bill to remain the first-rate program it is today, SAAs must have the necessary funding to maintain their critical mission.

¹ Rate of pursuit is the rate at which a veteran pursues the completion of their degree or training. Constant verification of a veteran's rate of pursuit is necessary to insure veterans are not over or under paid.

SAA's are the face of the G.I. Bill at the state level. As such, they are being inundated by VA School Certifying Officials and individual benefit recipients eager for information. This additional workload, that requires timely responses, has immediately increased the SAAs mission particularly in the realm of outreach and training.

There is no question that the Post 9/11 G.I. Bill is a complex benefit. Moreover, within the next few years it is likely there will be legislative changes to the Post 9/11 G.I. Bill that will require additional outreach and training. SAAs are behind the curve in funding, have an expanded mission, and are losing time to train and implement resources that come with an increase in funding.

VFW's Suggested Course of Action

The VFW strongly supports NASAA's request for an additional \$5 million dollar appropriation per fiscal year for a total of \$24 million per a fiscal year. The VFW believes this would prove sufficient for the State Approving Agency's newly expanded workload. The VFW also requests any increase be tied to a cost of living index to reduce the gradual deterioration of the funding.