
October 1995

VA STUDENT FINANCIAL AID

Opportunity to Reduce Overlap in Approving Education and Training Programs



**Health, Education, and
Human Services Division**

B-259871

October 30, 1995

The Honorable Alan K. Simpson
Chairman
The Honorable John D. Rockefeller IV
Ranking Minority Member
Committee on Veterans' Affairs
United States Senate

Since the 1940s, the Department of Veterans Affairs (VA) and its predecessor agencies have contracted with state approving agencies (SAA) to assess whether schools and training programs offer education of sufficient quality for veterans to receive VA education assistance benefits when attending them.¹ SAAs perform this “gatekeeping” or approval function through such activities as evaluating course quality, school financial stability, and student progress. In fiscal year 1994, VA paid more than \$1 billion in education assistance benefits to more than 450,000 beneficiaries and spent about \$12 million for SAA gatekeeping services.

Other federal agencies—particularly the Department of Education and the Department of Labor—also assess schools and programs for various purposes, such as student loans, apprenticeship assistance, and other forms of federal support. Concerned about potential duplication of effort, you asked us to determine the extent to which SAA assessment activities overlap the efforts of other agencies.

We focused our analysis on SAA activities during fiscal year 1994. We specifically looked at the degree to which schools or programs with SAA-approved courses of study were also reviewed as a part of Education’s or Labor’s gatekeeping systems. We analyzed and compared the gatekeeping activities of the three agencies, especially the standards used in evaluating the schools and programs. Much of our information on SAA activities was supplied by VA regional offices through the VA central office. Appendix I contains a more complete discussion of our scope and methodology. We conducted our review from October 1994 through August 1995 in accordance with generally accepted government auditing standards.

¹The pertinent federal law—title 38—authorized state governments to create or designate SAAs (38 U.S.C. 3671(a)). Although funded by federal money and responsible for enforcing federal law, SAAs are usually part of a state’s department of education. In some states, SAAs are organizationally located in other departments, such as labor or veterans’ services.

Results in Brief

We estimate that \$10.5 million of the \$12 million paid to SAAS in 1994 was spent to conduct assessments that overlapped those of the Department of Education. These assessments involved reviews of academic and vocational schools that were already accredited by Education-approved agencies.² SAA efforts costing another \$400,000 in 1994 may have overlapped assessments of apprenticeship programs done by Labor, though the data were not available to determine if overlap was indeed occurring. The remaining SAA assessment activity—costing about \$1.1 million—did not overlap activities of other agencies because it involved on-the-job training (OJT) programs and unaccredited schools, neither of which Education or Labor assessed.

The continued use of SAAS to conduct assessments that overlap other assessments does not appear to be a useful investment of scarce federal dollars. The overlap may not amount to out-and-out duplication, because SAAS use standards and methods that may differ somewhat from those of other reviewing bodies. However, a comparison of VA's key standards with those used by Education's gatekeepers shows that the standards are similar. Given this similarity, and the significant amount of SAA work (about 87 percent) that overlapped Education assessments, reducing SAA activity to apply only to those schools and programs not subject to Education gatekeeping appears advisable.

How Do VA, Education, and Labor Perform Gatekeeping?

In general, the term "gatekeeping" refers to the responsibilities and activities that entities—VA, Education, and Labor—undertake to determine whether postsecondary educational and training programs and institutions meet federal requirements. Although the standards, procedures, and methods used by the entities may differ, the overriding purpose of gatekeeping remains the same regardless of the programs or agencies involved. To assess the overlap that occurs, it is important to first understand each of the three agencies' particular gatekeeping approaches.

VA's Gatekeeping

VA administers a number of programs designed to assist individuals in gaining access to postsecondary education or training for a specific occupation. VA generally provides its assistance in the form of payments to veterans, service persons, reservists, and certain spouses and dependents. Before an individual entitled to VA education assistance can obtain money for an education or training program, the program must be approved by an

²Accreditation is the process by which an accrediting agency, approved by Education, recognizes that an educational institution or program meets the agency's established standards and requirements.

SAA, or by VA in those cases in which an SAA has not been contracted to perform the gatekeeping work. In all, 61 SAAs existed in the 50 states, the District of Columbia, and Puerto Rico during 1994.³

SAAs are responsible both for determining which courses should be approved and for ensuring that schools are complying with the schools' established standards relating to the course or courses that have been approved. According to a VA official, SAAs are generally expected to make an annual supervisory visit to each school with enrolled education beneficiaries. In fiscal year 1994, about 95 percent of SAA staff performed these primary functions for academic and vocational schools, with the remaining 5 percent covering apprenticeship and other OJT training programs.⁴

Contract costs paid to each SAA by VA primarily represent reimbursements to the state for salaries and travel and an allowance for administrative expenses. For budgetary purposes, costs are allocated using formula-driven guidelines and are largely dependent on such factors as projected school or training program work loads, state employee salary schedules, and the distances SAA officials must travel to inspect or supervise schools or training programs.

SAA contracts have been the focus of cost-cutting activity in recent years. VA officials said that before fiscal year 1988, VA was spending about \$17 to \$18 million annually for SAA contracts. Starting in fiscal year 1988, the Congress set an annual funding cap of \$12 million. For fiscal year 1994, the 61 SAAs requested VA funding totaling \$14.4 million but received \$12 million. These requests were to support a total of 164 professional staff in SAAs whose staffing ranged from 12.3 positions to less than 0.5 position. For fiscal year 1995, the Congress increased the cap to \$13 million.

Education's Gatekeeping

Most of the aid associated with Education's programs is provided in the form of grants and guaranteed student loans under title IV of the Higher

³Nine states—California, Hawaii, Indiana, Minnesota, New Jersey, North Carolina, Oregon, Washington, and Wisconsin—had two SAAs.

⁴The four principal types of training—academic, vocational, apprenticeship, and other on-the-job training—allowed under VA educational programs are defined in appendix II. Appendix II also contains additional information on VA's educational assistance programs.

Education Act of 1965, as amended.⁵ In fiscal year 1994, postsecondary student aid administered by Education totaled more than \$32 billion, with more than 6.6 million students receiving some form of assistance.

Education's approach involves activities conducted by a gatekeeping "triad" composed of accrediting agencies, state licensing agencies, and Education itself. In order for students attending a school to receive title IV financial aid, the school must be (1) accredited by an entity recognized for that purpose by the Secretary of Education, (2) licensed or otherwise legally authorized to provide postsecondary education in the state in which it is located, and (3) certified to participate in federal student aid programs by Education.

Each part of the gatekeeping triad has its own responsibilities. Although specific responsibilities differ, parts of the triad may be evaluating similar areas, such as aspects of a school's curriculum, students' progress, or the school's financial capability to participate in title IV programs.⁶

- Accreditation is an essential step in Education's gatekeeping process, in that unaccredited schools or programs are ineligible to participate in title IV programs. The process of accreditation is a nongovernmental peer evaluation that is performed by more than 90 accrediting associations of regional or national scope. Each accrediting body applies a relevant set of standards to the institution, department, or program under review. Those that meet the standards become accredited.
- To participate in title IV programs, each educational institution must also have legal authority to operate in the state in which it is located. At the state level, licensing or other approval is conducted by a state agency. Each of the states has its own agency structure, and each state can choose its own set of standards.
- Education's own responsibilities include determining the administrative and financial capacity of schools to participate in title IV programs and monitoring the performance of accrediting and licensing bodies. In all, more than 7,500 postsecondary institutions were certified to participate in title IV student aid programs by Education in 1994.

⁵Title IV programs include Federal Family Education Loans, Federal Perkins Loans, Federal Direct Student Loans, Pell Grants, Supplemental Educational Opportunity Grants, College Work-Study, and State Student Incentive Grants.

⁶See appendix III for additional information on each part of the triad.

Labor's Gatekeeping

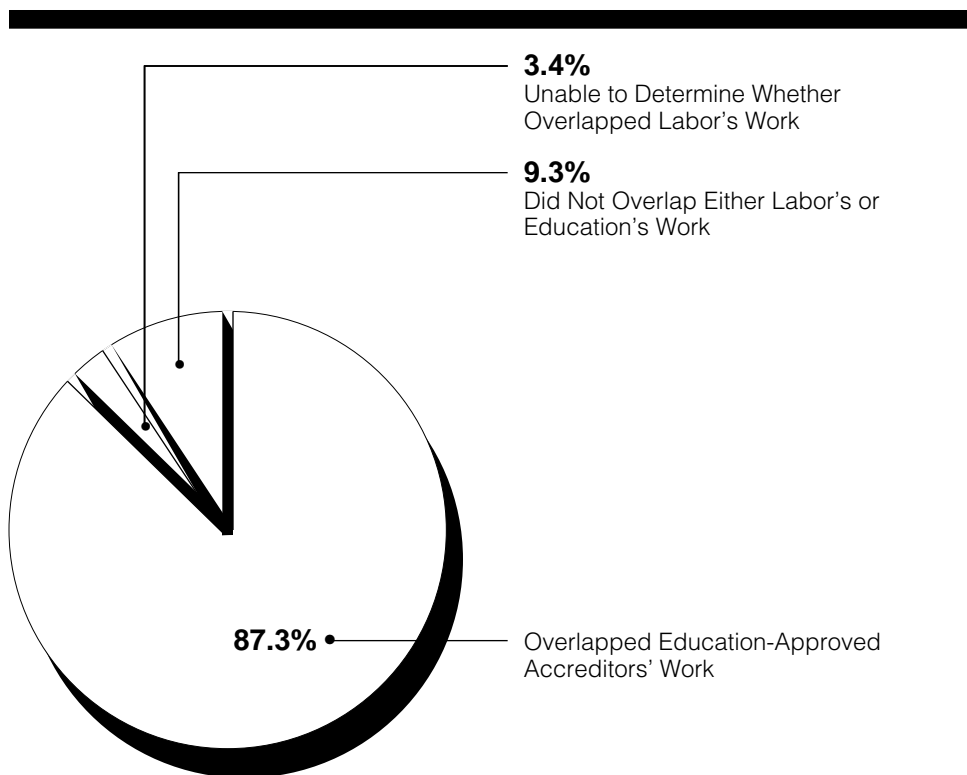
Apprenticeship programs are a focus of Labor's gatekeeping activities. Under the National Apprenticeship Act of 1937, Labor establishes and promotes labor standards to safeguard the welfare of apprentices. Eligibility for various federal programs, including VA education assistance to veterans attending apprenticeship programs, is conditioned upon conformance to these standards. The standards require, for example, that an apprenticeship program (1) provide for periodic review and evaluation of the apprentice's progress in job performance and related instruction and (2) prepare appropriate progress records documenting such reviews.

Labor's Bureau of Apprenticeship and Training determines whether a program conforms to Labor's standards. If the program is found to be in conformance, it can be "registered," either by Labor or by a state apprenticeship agency or council that Labor has recognized.

To What Extent Did SAA Gatekeeping Overlap Other Efforts?

After examining gatekeepers' activities, comparing their assessment standards, and conducting other analyses, we determined that most SAA activity overlapped work done by others. More specifically, an estimated 87 percent of SAA staff time, costing about \$10.5 million of the \$12 million spent by VA in fiscal year 1994, was spent reviewing and approving courses at academic and vocational schools that were also accredited by Education-approved agencies (see fig. 1). An estimated 3 percent of SAA staff time, costing about \$400,000, was spent assessing apprenticeships, but we could not readily determine whether this activity overlapped Labor's efforts. The remaining portion of SAA staff time, costing about \$1.1 million, was spent on gatekeeping functions that did not overlap the efforts of other entities.

Figure 1: Estimated Overlap of SAA Efforts With Other Gatekeepers' Work, Fiscal Year 1994



Most SAA Activity Overlapped Education's Gatekeeping

Most SAA activity occurred at academic and vocational schools that had been accredited by nationally recognized accrediting agencies—part of the activity of Education's gatekeeping triad. In fiscal year 1994, SAAs reviewed and approved 6,294 academic and vocational schools that had been accredited by accrediting agencies.

These schools were also potentially subject to the two other parts of Education's gatekeeping triad. We examined how likely it was that these schools had also been certified by Education itself.⁷ We selected a judgmental sample of five states (Mississippi, Vermont, Washington, West Virginia, and Wyoming) and the District of Columbia. For these six jurisdictions, we obtained (1) a list from VA of 273 SAA-approved vocational and academic schools that had also been accredited and (2) a list from Education of all schools that were Education-certified. In all, 255 (93 percent) of the schools on the VA list were also Education-certified.

⁷Each of the 50 states has its own agency structures and standards, and we did not attempt to test the degree to which schools had been reviewed by them (see app. III).

While SAA reviews may differ somewhat from those conducted by Education gatekeepers, SAAS and Education use similar standards for approving education and training programs. Both VA and Education base their standards for approving or certifying schools and courses on federal laws and regulations. We identified 15 key standards in the law and regulations that academic and vocational schools must meet to be approved by SAAS (see app. IV). We compared these key standards with those used by accrediting bodies, states, and Education and found them to be similar (see app. V). Examples follow.

- A school seeking SAA approval must have a policy that gives veterans appropriate credit for previous education and training. Of the seven accrediting agencies whose standards we reviewed, five required schools to have such a policy, and the policies were similar.
- Schools seeking SAA approval must also demonstrate that they have sufficient financial resources to ensure their proper operation and to fulfill their commitment to provide quality education for their students. Both Education and accreditation agencies had similar requirements concerning financial resources.

SAA Overlap of Labor's Gatekeeping Efforts Is Unknown

The possibility exists that SAA reviews of apprenticeship programs also overlap Labor's gatekeeping efforts. The law requires SAA approval of an apprenticeship if a student in the program is to receive VA educational assistance. Before approving such a program, an SAA must determine that the training establishment and its apprentice courses are in conformance with Labor's standards of apprenticeship. However, VA regulations do not require that an SAA-approved apprenticeship program be registered by Labor.

While the potential for overlap exists, we were unable to determine if it actually occurred because data were not available to determine whether SAA-approved programs were also registered by Labor.

Some SAA Gatekeeping Efforts Did Not Overlap

About 9 percent of SAAS' staff effort did not overlap other gatekeeping efforts. This portion of SAA activity fell into two categories: approval of unaccredited schools and programs, and approval of OJT programs other than apprenticeships.

Unaccredited institutions. Under the law, SAAS may approve courses of study at unaccredited institutions, thereby making veterans eligible to

receive assistance for attending. By contrast, Education's regulations generally require schools to be accredited before they are certified, thereby making students eligible for title IV programs. As of September 30, 1994, SAAS had approved courses of study for veterans at 534 unaccredited academic and vocational schools. The SAA staff that reviewed and approved these schools—about 7 percent of SAA staff—did not duplicate Education's efforts.

Other OJT programs. SAAS also review and approve other OJT programs that do not qualify as apprenticeship programs and that are not subject to review and registration by Labor. SAAS' efforts to assess other OJT programs thus did not overlap Labor's gatekeeping efforts. We estimate that for fiscal year 1994, these approvals took about 2 percent of SAA staff time.

Conclusions

The substantial amount of overlap that occurred between SAA and other gatekeepers' efforts raises questions about whether SAA efforts should continue at their current level. We estimated that 87 percent of the approval effort expended by SAAS related to schools and programs also subject to accreditation by Education-approved entities. Also, in our review of six jurisdictions, 93 percent of the accredited schools were also certified by Education to participate in title IV student aid programs. School certification involves applying standards that are similar to those used by SAAS. On its face, an SAA review of courses of study at an Education-certified school would appear to add only marginal value. The same may be true for SAA reviews of apprenticeship programs, though the lack of information precludes us from determining if overlap exists with Labor's oversight.

We believe an opportunity exists for reducing federal expenditures by over \$10 million annually through the elimination of overlapping SAA gatekeeping efforts. VA and SAA efforts would be better focused on such activities as reviewing courses offered by unaccredited schools, for which no other form of federal oversight currently exists.

Matters for Congressional Consideration

The Congress may wish to consider whether it is necessary for VA to continue contracting with SAAS to review and approve educational programs at schools that have already been reviewed and certified by Education.

Agency Comments and Our Evaluation

We requested comments on a draft of this report from the Secretaries of Education and Veterans Affairs. Education provided several clarifying and technical suggestions, which we incorporated where appropriate.

In general, VA said that it has reservations about relying upon Education's gatekeeping system to ensure the integrity and quality of education and training programs made available to VA education program beneficiaries. VA's two principal comments were that

- the draft report did not elaborate on the specific mechanisms or organizational elements within Education that are in place to ensure that the requirements of title 38 of the U.S. Code are met and
- it is questionable whether accreditation, in the absence of funding for the state postsecondary review entities (SPRE)⁸ program, will accomplish the approval, monitoring, and supervisory requirements of the laws governing VA education programs.

In the report, we do discuss Education's gatekeeping triad composed of accrediting agencies, state licensing agencies, and Education itself, which performs the same basic function as SAAS for many of the same schools. Under title 38, the essential responsibility of SAAS is to determine which courses should be approved and to ensure that schools are complying with their established standards relating to the courses that have been approved before an individual entitled to VA education assistance can obtain money for an education or training program. Education's gatekeeping triad does similar work: assessing whether schools and training programs offer education of sufficient quality for students to receive federal financial assistance under title IV of the Higher Education Act, as amended.

In fiscal year 1994, the Department of Education provided more than \$32 billion in financial aid to 6.6 million students. The SPRE program has never been fully operational, and only nine states' SPRES had been approved by Education as of September 30, 1995. Thus, the elimination of SPRE funding should have little impact on the operation of the gatekeeping triad. In addition, before the SPRE program was initiated, the majority of education and training programs approved by SAAS were offered by schools that were also accredited and certified by Education's gatekeeping system. And, as

⁸State-created SPREs were authorized by the Higher Education Amendments of 1992 to help ensure the quality of education, financial responsibility, and administrative capability of postsecondary institutions participating in title IV programs. SPREs support the state's review of problem schools that are referred to the state by Education. However, federal funding for SPREs was rescinded by P.L. 104-19.

illustrated in this report, we found that both VA and Education gatekeepers apply similar standards in determining educational program acceptability at the same schools.

VA also said that the role states and SAAS perform in approving education and training programs should continue and that it believes that such a function should not be centralized at the federal level. However, as noted in our report, just as the SAA functions are not totally centralized at the federal level, neither are the gatekeeping efforts of Education's triad, which relies on the nonfederal work of accrediting entities and state licensing bodies to perform an important portion of the school approval work.

The full text of VA's comments appears in appendix VI of this report.

Copies of this report are being sent to the Chairman and Ranking Minority Member, House Committee on Veterans' Affairs; the Secretaries of Veterans Affairs, Education, and Labor; appropriate congressional committees; and other interested parties.

Please call me at (202) 512-7014 if you or your staff have any questions regarding this report. Major contributors include Joseph J. Eglin, Jr., Assistant Director; Charles M. Novak; Daniel C. Jacobsen; and Robert B. Miller.

Cornelia M. Blanchette

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Abbreviations

OJT	on-the-job training
SAA	state approving agency
SPRE	state postsecondary review entity
VA	Department of Veterans Affairs

Scope and Methodology

To determine the functions of SAAS, we reviewed various VA and SAA documents, including regulations, policies, procedures, contracts, budget submissions, training manuals, and congressional testimony. We also held discussions with VA, SAA, and National Association of State Approving Agencies officials. On the basis of these efforts and additional discussions with officials from Education and Labor, we confirmed that the work of Education and Labor gatekeepers would be most appropriate to compare with SAA gatekeeping work.

As an indicator of overlapping or duplicative functions, we analyzed SAAS' gatekeeping activities for fiscal year 1994 to determine the extent that schools with SAA-approved courses of study were also reviewed as part of Education's gatekeeping system. Since much of the SAA data we needed for analysis were not centrally available from VA, the VA central office gathered the information we requested from its regional offices and provided it to us. We did not verify the accuracy of this information.

VA was unable to readily provide a listing of SAA-approved apprenticeship programs or to determine whether such approved programs were also registered by Labor. Therefore, we had no basis on which to determine the existence or the extent of overlapping functions between SAAS and Labor for apprenticeship programs.

As an indicator of the similarities between Education and VA gatekeeping work, we identified, from the law and VA regulations, key standards used by SAAS in reviewing schools and educational courses and compared them with standards used by Education in evaluating schools for participation in title IV programs.⁹ The focus of our review was overlapping and duplicative functions between SAAS and other entities; we were not asked to analyze the effectiveness of these functions.

⁹See appendix IV for a listing of key VA standards. See appendix V for standards used by the Education gatekeeping triad.

VA Postsecondary Educational Assistance Programs

SAAS administer VA's largest education benefits programs: the Montgomery G.I. Bill, the Post-Vietnam Era Veterans' Educational Assistance, and the Survivors' and Dependents' Educational Assistance programs. In fiscal year 1994, these programs served 453,973 trainees at an estimated cost of about \$1 billion (see table II.1), an average of \$2,223 per trainee. The Montgomery G.I. Bill, which covers veterans, military personnel, and selected reservists, is the largest program and accounts for over 85 percent of the total funds expended.

Table II.1: Trainees Participating in, and Funds Expended for, VA's Three Primary Educational Assistance Programs, Fiscal Year 1994

Program	Number of trainees	Funds expended (in thousands)	Percent of total funds
Montgomery G.I. Bill	387,907	\$ 858,908	85.1
Post-Vietnam Era Veterans' Educational Assistance	25,806	48,114	4.8
Survivors' and Dependents' Educational Assistance	40,260	102,384	10.1
Total	453,973	\$1,009,406	100.0

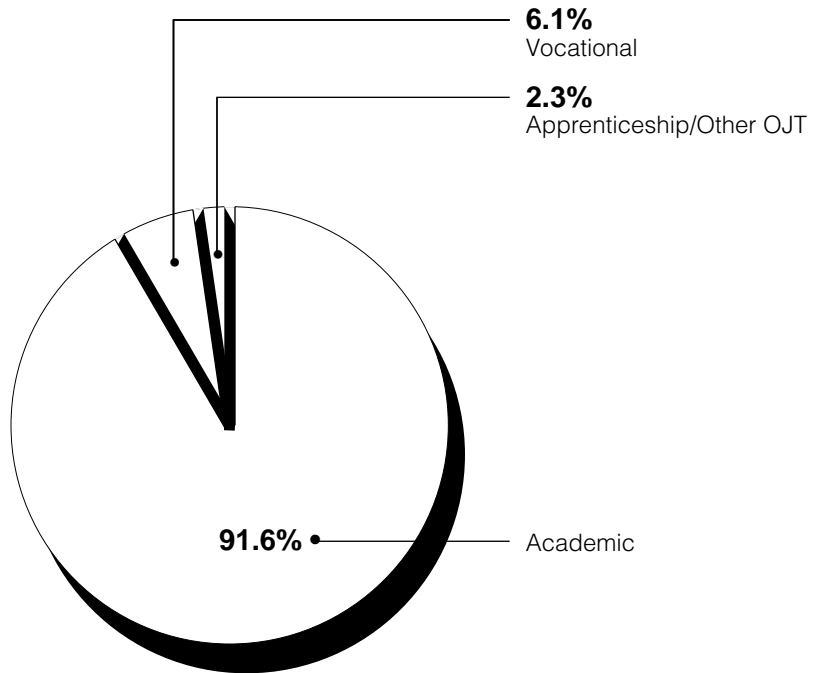
VA categorizes the types of training allowed under its educational programs as

- academic—degree and certain professional programs at institutions of higher learning;
- vocational—noncollege degree, vocational, or technical diploma or certificate programs;
- apprenticeship—OJT typically requiring a minimum of 2,000 hours' work experience supplemented by related classroom instruction, leading to journeyman status in a skilled trade; and
- other OJT—typically requiring supervised job instruction for a period of not less than 6 months and not more than 2 years, leading to a particular occupation.

During fiscal year 1994, over 91 percent of VA education beneficiaries received academic training at institutions of higher learning (see fig. II.1).

Appendix II
VA Postsecondary Educational Assistance
Programs

Figure II.1: Percent of VA Education Beneficiaries by Type of Training, Fiscal Year 1994



Education's Gatekeeping Triad

Accrediting Entities

The focus of accrediting bodies is to determine the quality of education or training provided by the institutions or programs they accredit. In general, institutions of higher education are permitted to operate with considerable independence and autonomy. As a consequence, American educational institutions can vary widely in the character and quality of their programs. To ensure a basic level of quality, the practice of accreditation arose in the United States as a means of conducting nongovernmental peer evaluation of educational institutions and programs. Private educational associations of regional or national scope have adopted standards reflecting the qualities of a sound educational program and have developed procedures for evaluating institutions or programs to determine whether they are operating at basic levels of quality.

Educational accreditation can be institutional or specialized. Institutional accreditation involves assessing the educational quality of an entire institution; this type of accreditation is used when each of an institution's parts is seen as contributing to the achievement of the institution's objectives. At the end of fiscal year 1994, the Secretary of Education recognized nine institutional accrediting commissions or agencies, covering six geographical regions of the country, as qualified to perform accreditation. In addition, eight national institutional accrediting commissions or agencies were recognized by the Secretary. Specialized, or programmatic, accreditation usually applies to particular programs, departments, or schools. Most of the specialized accrediting agencies review units within higher education institutions that have been institutionally accredited. At the end of fiscal year 1994, 74 specialized accrediting agencies were also recognized by the Secretary as qualified to perform accreditation throughout the nation.

States

State licensing agencies authorize educational institutions to operate within their borders.¹⁰ Schools must be licensed by each state in order to participate in the title IV program. In addition to licensing agencies, several states have created SPRES under the Higher Education Amendments of 1992, in part, to reduce program fraud and abuse. Under the 1992 amendments, the federal government provided funding for states that choose to create SPRES to produce a more active and consistent state role in the gatekeeping structure. SPRES are charged with developing

¹⁰In addition to having basic licensing requirements, some agencies in the various states have more rigorous gatekeeping standards for licensing postsecondary schools. Although these agencies are an important part of the overall Education gatekeeping structure, we excluded them from the scope of our review because each of the 50 states has its own agency structures and standards, making the job of identifying and analyzing them beyond the capacity of our limited review resources.

review standards, in consultation with institutions in the state, for approval by the Secretary of Education. SPRES then use these standards as criteria for reviewing educational institutions referred to them by the Secretary. Those institutions that do not satisfy SPRE review standards may be required to comply or cease participating in title IV programs.

The future of SPRES is in doubt because their funding was rescinded by the 104th Congress (P.L. 104-19).

Department of Education

As the federal representative in the gatekeeping triad, the role of Education is varied. First, Education is responsible for determining the administrative and financial capacity of institutions to participate in title IV programs. It also determines whether each applicant school has met all eligibility requirements (including accreditation and state licensing) before it certifies the school for participation in title IV programs. Finally, Education monitors and oversees the responsibilities of the other two triad members by

- recognizing and publishing a list of those accrediting agencies the Secretary believes are reliable authorities as to the quality of education or training offered by institutions of higher education and ensuring that these agencies have appropriate standards for conducting their accreditation work and
- evaluating and approving (or disapproving) each SPRE's review standards and referring specific educational institutions to a SPRE for review.

Key VA Standards Used by SAAs for Approving Courses at Postsecondary Academic and Vocational Schools

We identified from the law and regulations¹¹ the following key standards that VA and SAAs used in reviewing education and training programs at participating schools.

1. Information in school catalogs is to cover such things as enrollment requirements; student progress (that is, grading and absences) and conduct; refunds; schedule of charges; course outlines; faculty; and school calendar.
2. Schools are to maintain adequate records of and enforce policies on student progress and conduct, including attendance records for nondegree programs.
3. Schools are to maintain records of and proper credit for students' previous education.
4. Schools or courses are to be accredited by a nationally recognized agency. Alternatively, course quality, content, and length are to be consistent with similar courses of other schools, with recognized accepted standards.
5. Course credit is to be awarded in standard semester or quarter hours or by college degree, or courses are to lead to a vocational objective and certificate of completion.
6. Space, equipment, facilities, and instructional material should be adequate.
7. Schools should have a sufficient number of adequately educated and experienced personnel.
8. Schools' personnel are to be of good reputation and character.
9. Schools are to be financially sound.
10. Schools should maintain a pro rata refund policy for student tuition and charges.
11. Schools' advertising, sales, and enrollment practices should not be erroneous, deceptive, or misleading.

¹¹38 C.F.R., part 21, subpart D, "Administration of Educational Benefits."

Appendix IV
Key VA Standards Used by SAAs for
Approving Courses at Postsecondary
Academic and Vocational Schools

12. Schools must comply with various government safety codes and regulations.

13. Schools' courses of study must have had a 2-year period of operation prior to enrollment of students receiving VA program benefits (except training establishment courses).

14. A school is precluded from approval when more than 85 percent of its enrolled students are having their costs paid in part by the school or VA.

15. Under certain conditions, courses offered at a school branch or extension may be approved in combination with courses offered at the parent facility.

Standards of Education's Gatekeeping Triad Used for Comparison With VA Standards

Accrediting Entities

We reviewed the standards of seven accrediting bodies as representative of the 91 accreditors that were recognized nationally by the Secretary of Education at the end of fiscal year 1994. Four accrediting bodies were specialized program accreditors covering the entire nation, and three were institutional accreditors covering various regions of the country. The seven accrediting bodies' standards we reviewed follow.

National in Scope

- The Accrediting Bureau of Health Education Schools' Manual for Allied Health Education Schools, 5th edition, 1989. The Bureau accredits private and proprietary postsecondary health education institutions and specialized programs (primarily certificate or associate degree) for medical assistant and medical laboratory technician.
- The American Assembly of Collegiate Schools of Business' Achieving Quality and Continuous Improvement Through Self-Evaluation and Peer Review: Standards for Accreditation in Business Administration and Accounting, April 1994. The Assembly accredits any institutionally accredited collegiate institution offering degrees in business administration and accounting.
- The American Culinary Federation Educational Institute Accrediting Commission's Policies, Procedures, and Standards, April 1994. The Commission accredits programs that award postsecondary certificates or associate degrees in the culinary arts or food service management areas at accredited institutions or to nationally registered apprenticeship programs.
- The Computer Science Accreditation Commission of the Computing Sciences Accreditation Board's Criteria for Accrediting Programs in Computer Science in the United States, June 1992. The Board accredits 4-year baccalaureate programs in computer science.

Regional in Scope

- The Middle States Association of Colleges and Schools Commission on Higher Education's Characteristics of Excellence in Higher Education: Standards for Accreditation, February 1994 (five states and the District of Columbia, Puerto Rico, and the Virgin Islands). The Commission accredits degree-granting institutions of higher education.
- The North Central Association of Colleges and Schools Commission on Institutions of Higher Education's Handbook of Accreditation, September 1994 (19 states). The Commission accredits degree-granting institutions of higher education.
- The Northwest Association of Schools and Colleges Commission on Colleges' Accreditation Handbook, 1994 edition (seven states). The

Appendix V
Standards of Education's Gatekeeping Triad
Used for Comparison With VA Standards

Commission accredits institutions, rather than specific programs, whose principal programs lead to formal degrees, associate and higher.

States

We reviewed the state review standards for SPRES that are provided in federal regulation 34 C.F.R., part 667, subpart C.

**Department of
Education**

The standards we reviewed included the following rules and procedures that Education uses.

- To determine whether an educational institution qualifies in whole or in part as an eligible higher education institution under the Higher Education Act: 34 C.F.R., part 600.
- To determine a higher education institution's financial responsibility: 34 C.F.R. 668.15, and to determine its administrative capability: 34 C.F.R. 668.16.
- To ensure that accrediting agencies are, for the Higher Education Act and other federal purposes, reliable authorities as to the quality of education or training offered by the higher education institutions or programs they accredit: 34 C.F.R., part 602.

Comments From the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
Veterans Benefits Administration
Washington DC 20420

In Reply Refer To: 223B

• OCT 05 1995

Ms. Cornelia M. Blanchette
Associate Director, Education and Employment Issues
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Dear Ms. Blanchette:

We received your letter dated September 8, 1995, and the enclosed draft report entitled VA Student Financial Aid: Opportunity to Reduce Overlap in Approving Education and Training Programs (GAO/HEHS-95-232). We also met with you and your staff on September 29, 1995 and offer the following comments on the draft report.

The basic tenet of the GAO report is that SAA activity duplicates oversight provided by the U.S. Department of Education through the accreditation process and the Higher Education Act of 1992, which resulted in the implementation of State Postsecondary Review Entities (SPRE). The report does not elaborate on the specific mechanisms or organizational elements within the U.S. Department of Education which are in place to assure that the requirements of title 38, United States Code are met.

The draft report notes that the key approval standards used by SAAs are similar to those used by the Department of Education. In fact, VA standards were used by the Department of Education in implementing the Higher Education Act of 1992 and the Congress designed that legislation with the VA/SAA model in mind. It is our understanding that the SPRE program has not been fully implemented and that funding was reduced in FY '95 with no funding planned for FY '96.

In light of exceedingly scarce resources, we are particularly interested in streamlining the process and avoiding duplication in the administration of the Montgomery G. I. Bill and the other veterans' education programs. However, the premise that accreditation and the (no longer funded) SPRE program will accomplish the required approval, monitoring, and supervisory requirements of the laws governing VA education programs is questionable. Accreditation does not guarantee that a vocational or postsecondary program will meet the current requirements of title 38, United States Code.

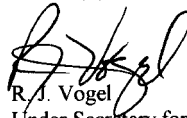
**Appendix VI
Comments From the Department of
Veterans Affairs**

2.
Ms. Cornelia M. Blanchette

In closing, we would mention that the SAA function was designed in keeping with the role the States have historically played in the education arena. VA contracts with and reimburses that State agency designated by the Governor to carry out the mandate of the law governing G. I. Bill course approvals and to assure that State requirements are also met. We do not believe that such a function should be centralized at the federal level.

Again, we appreciate the opportunity to offer these comments.

Sincerely yours,



R. J. Vogel
Under Secretary for Benefits

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