

DEPARTMENT OF VETERANS AFFAIRS

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September 25, 2017

Mary Hoelscher
Supervising Contract Officer
USDVA Contracting Team

Re: CA – FY2018 SAA Contract

Dear Ms. Hoelscher:

The California State Approving Agency for Veterans Education (CSAAVE), a division of the California Department of Veteran Affairs (CalVet) received official notification of VA's intent to extend the period of performance associated with the FY14 base contract, specifying the terms and condition of this extension. The email addressed to Ms. Latanaya Johnson, CSAAVE Administrator, also included copies of the CA SF30_18.1, SF30 attachment FY18_2, and Business Plan FY-18_Final.1.

CalVet has carefully reviewed the CA FY2018 SAA contract proposal, along with applicable provisions of Title 38 of the United States Code (USC) and Title 38 of the Code of Federal Regulations (CFR) and recommends modification of the specified performance requirements, duties, and services to be performed by CSAAVE.

California has the largest population of veterans, eligible Title 38 beneficiaries, and GI Bill-approved institutions and training establishments collecting VA funds. CSAAVE oversees approximately \$3 billion dollars in GI Bill funds annually dispersed in California. Each year, approximately 60,000 veterans and eligible Title 38 beneficiaries are certified for enrollment in 1100 institutions and training establishments throughout the state.

The use of SAA's for the performance of compliance surveys has negatively impacted California, as it has limited CSAAVE's ability to 1) inspect and supervise schools, 2) determine those courses which should be approved for the enrollment of veterans and other eligible persons, and 3) ascertain whether a school at all times complies with its established standards relating to the course(s) which have been approved. Currently, CalVet records reflect many California institutions and training establishments fail to provide CSAAVE with the necessary and required information evidencing compliance with applicable approval standards.

Due to the current compliance survey requirements, CalVet's CSAAVE is challenged to carry out its delegated responsibilities prescribed under provisions of 38 USC, Sections 3671, 3672, 3673, 3674, and 3689 and to furnish VA with information pertaining to the activities of educational institutions and training establishments. To minimize or eliminate the risk of veterans and other eligible persons wasting or losing their earned GI Bill education benefit, CSAAVE proposes in the CA FY18 SAA contract to address inherent gaps. California proposes to modify the CA SAA FY18 contract compliance survey and performance requirements to the following:

Education and Training

- Develop training for new institutions and training establishments seeking to enroll veterans and other Title 38 beneficiaries.
- Develop training for institutions and training establishments to maintain compliance with the standards and requirements for approval.

Outreach

- Quarterly training events to assist new applicants with understanding VA programs, laws and requirements, necessary to obtain a grant of approval.
- Quarterly training events to assist institutions and establishments in maintaining approval.
- Development and distribution of informational publications and promotional materials.
- CSAAVE website enhancement and updates.
- Participation in internal and external activities sponsored by industry partners and stakeholders

Risk based assessment surveys

- Conduct 150 risk-based survey visits.
- Survey institutions and training establishments that have not been visited within the last 5 years.
- Survey institutions and training establishments that have not submitted an application for approval within the last 5-10 years.

Each of the proposed contract performance requirements includes the metrics by which CSAAVE can be evaluated and is critical to (1) ascertain the qualifications of educational institutions for furnishing courses of education to veterans and other eligible persons under this chapter and chapters 30 through 35 of this title and chapter 1606 of title 10, and in the supervision of such educational institutions, and (2) furnishing services in connection with such chapters. CalVet strongly believes that these recommended modifications to the CA FY18 contract are fundamentally necessary, to ensure institutions are properly educated and fully understand federal statute and regulations, institutional approval standards and requirements are met, and provides early detection of non-compliance. Failing to accomplish the aforementioned, prior to enrollment, greatly increases the number of impacted veterans and the risk of education benefit loss.

It is essential and imperative that CA FY2018 SAA contract requirements are modified to properly align oversight with the standards and requirements for approval. California has experienced a rise in CSAAVE enforcement activity, due largely in part to its inability to adequately monitor and supervise the growing number of institutions desiring to enroll veterans. CSAAVE initiated suspension and/or disapproval actions, for issues of non-compliance, to 87 institutions in FY15, 173 in institutions FY16, and 115 institutions in FY17. In order for CSAAVE to safeguard veteran access to quality programs and reduce and/or eliminate potential risk for veterans and other eligible persons, contract performance requirements must be changed for FY18.

Congress conferred the authority and responsibility for program approval to the States and its designated State approving agency. The California Governor and State Legislators expect CalVet and CSAAVE to utilize its delegated authority to inform, educate, and train institutions on applicable laws and requirements associated with offering education to veterans and other eligible persons in California. California leaders also recognize that the necessity for enforcement action is reduced, when the understanding of institutional responsibility for obtaining and maintaining compliance is promoted and encouraged.

For your consideration, attached is a copy of CSAAVE's proposed FY18 Agency Operating Plan (Business Plan), which sets forth what CSAAVE proposes to accomplish during this period, represents the benchmarks against which actual performance can be evaluated during Joint Peer Review following expiration of the contract term, and links CSAAVE activities directly to the proposed allocated funding.

CalVet looks forward to continuing our cooperative and collaborative relationship, to ensure veteran access to quality institutions, programs, and training, and thereby minimizing risk and assisting veterans and other eligible persons in achieving their educational and vocational goals.

Sincerely,

Keith Boylan
Deputy Secretary

cc: Vito Imbasciani, Secretary, CalVet
Curtis Coy, Deputy Undersecretary, USDVA
Robert Worley, Director, Education Service, USDVA
Latanaya Johnson, Administrator, CSAAVE