



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #767

Transfer State Approving Agency Functions (Safety and Professional Services and DVA -- General Agency Provisions)

[LFB 2011-13 Budget Summary: Page 385, #6 and 515, #5]

CURRENT LAW

The Department of Veterans Affairs (DVA) operates as the state approving agency (SAA) through a contract with the federal Department of Veterans Affairs. The state approving agency is responsible for meeting federal requirements for evaluating, approving, and monitoring of academic institutions and programs that are potentially eligible to receive funding from the Montgomery GI Bill.

GOVERNOR

Delete \$336,000 FED and 3.0 FED positions and \$74,400 SEG and 1.0 SEG position annually under DVA and provide \$333,700 FED and 3.0 FED positions annually under the Department of Safety and Professional Services (DSPS) related to the transfer of state academic institution and education program approving agency functions for veterans benefits from DVA to DSPS. The segregated position and related salaries and fringe benefits would not be transferred to DSPS.

Nonstatutory Provisions. Specify that the assets, liabilities and tangible property of the DVA primarily related to SAA, as determined by the DOA Secretary, would become assets, liabilities and tangible property of DSPS on the effective date of the bill.

Specify that all pending matters of DVA primarily related to SAA, as determined by the DOA Secretary, would become pending matters of DSPS on the effective date of the bill. Materials submitted to, or actions taken by, DVA related to these programs would be considered to have been submitted to, or taken by DSPS.

All contracts entered into by the DVA primarily related to SAA, on the effective date of

the bill, would become contracts of DSPS, as determined by the DOA Secretary. The DSPS would be responsible for carrying out the obligations of these contracts unless modified or rescinded by DSPS, to the extent allowed under the contract.

Administrative rules promulgated by the DVA primarily related to SAA, as determined by the DOA Secretary, would remain in effect until the expiration date of the rule or until amended or repealed by DSPS. All orders issued by the DVA primarily related to the SAA, as determined by the DOA Secretary, would remain in effect until the end of their effective date or until modified or rescinded by DSPS.

Specify that the DOA Secretary would identify positions to transfer. The transferred individuals would retain their earned rights and status under the state employment relations laws. Any person transferred would not go through a probationary period, if they have already obtained permanent status.

DISCUSSION POINTS

1. State approving agencies are federally provided for under Title 38 [Part III, Chapter 36] of the US Code. Each state is responsible for approval of education and training programs. Veterans who are eligible for the GI Bill can only receive funds if they attend an educational institution that has been approved by the state's SAA.

2. As specified under federal law, the SAA's are responsible for the approval of all educational institutions that are eligible for funding through the GI Bill, including the Montgomery GI Bill, the Post 9/11 GI Bill, and the Yellow Ribbon Program. A list of all the approved programs and institutions can be found in the appendix to this paper.

3. Current state statutes also specify that the Governor may designate the following programs as "veteran's education" under the state approving agency functions: (a) on-the job training and apprenticeship training programs at the Department of Workforce Development; (b) on-the-farm training programs at the Wisconsin Technical College System; and (c) funeral directors apprentices of the Funeral Directors Examining Board.

4. The US DVA is authorized to provide federal funding for reasonable and necessary expenses of salary and travel incurred by employees of SAA and for work performed on their behalf. The contract for federal fiscal year (FFY) 2011 is for \$280,600 FED.

5. The Wisconsin SAA evaluates, approves, and monitors educational institutions and their programs. Eligible programs must lead to educational, vocational and/or professional objectives. The type of programs may include programs that lead to high school equivalency diplomas, advanced flight training, correspondence training for college, or programs leading to a license or certificate required to practice a vocation or profession.

6. Duties of the SAA include: (a) inspecting, approving, and supervising educational institutions; (b) inspecting the academic records of Montgomery GI Bill recipients; (c) identifying educational and training programs that may be approved for veterans and other persons; (d) determining whether educational institutions comply with established standards for approved programs, including equitable treatment of veterans; (e) identifying waste, fraud and other abuses of

in educational institutions where veterans are using Montgomery GI Bill benefits; and (f) reporting to the US DVA in timely fashion.

7. Currently, there are 187 state institutions that have been approved by the Wisconsin SAA for available use of the Montgomery GI Bill. A portion of these institutions are also approved for the Post 9/11 GI Bill (135) and for the Yellow Ribbon Program (39) [The Yellow Ribbon Program is a GI Bill program that allows educational institutions to provide a voluntary contribution toward tuition and fees that are matched by the federal government].

8. The Department of Veterans Affairs has administered SAA since it was transferred from the Higher Educational Aids Board along with the Educational Approval Board in 1999 Act 9. The Educational Approval Board was subsequently transferred to the Wisconsin Technical College System as part of 2005 Act 25.

9. The National Association of State Approving Agencies has developed a list of all the state approving agencies. Half of the SAA's (25) are attached to an educational agency such as a Department of Education or Postsecondary Education, a University System, or a Community College System. Most of the remaining SAA's (23) are currently attached to a Department or Commission that provides veteran's services, such as a Department or Commission on Veterans Affairs. The two remaining SAA's are housed in Michigan's Department of Energy, Labor, and Economic Growth and the Arkansas' Department of Workforce Development.

Agency Oversight of SAA by State

<u>Education/ Postsecondary Education</u>	<u>Veterans Affairs/ Veterans Services</u>	<u>Workforce/Labor</u>
Alabama	Alaska	Arkansas
Colorado	Arizona	Michigan
Connecticut	California	
Delaware	Florida	
Hawaii	Georgia	
Iowa	Idaho	
Kentucky	Illinois	
Maine	Indiana	
Maryland	Kansas	
Massachusetts	Louisiana	
Missouri	Minnesota	
Montana	Mississippi	
Nebraska	New Jersey	
Nevada	New Mexico	
New Hampshire	New York	
North Carolina	Ohio	
North Dakota	Oklahoma	
Oregon	South Dakota	
Pennsylvania	Texas	
Rhode Island	Vermont	
South Carolina	Virginia	
Tennessee	Wisconsin	
Utah	Wyoming	
Washington		
West Virginia		

10. It could be argued that the duties of the SAA serve two functions. First, protecting veterans from educational institutions that are not accredited or could otherwise hinder a veteran from achieving an education that would lead to employment.

11. Second, it serves as a benchmark for educational agencies, identifying a process for those institutions to gain approval. Once an institution obtains SAA approval, it can advertise that fact to prospective veteran students and potentially attract more students.

12. It could be argued that these SAA roles are a significant reason why most states place their SAA in either a veteran services agency or a higher education agency.

13. Alternatively, it could be argued that an SAA should be attached to an agency that is proficient in the review of educational programs and best able to identify quality benchmarks. It could be argued that DSPS [currently the Department of Regulation and Licensing] is responsible for certifying certain professional institutions related to its licensing duties, including aesthetics schools and barbering, cosmetology, manicuring and electrology instruction, and that it could serve a similar role for SAA institutions.

14. However, the SAA is responsible for approving a much wider array of educational institutions than just professional services instruction. It could be argued that other state educational

agencies have greater abilities in approving educational institutions. For instance, the Educational Approval Board (administratively attached to the Wisconsin Technical College System), is charged with the following responsibilities: (a) evaluating and approving private trade, technical, career, distance learning, and degree-granting schools; (b) collecting and disseminating student outcome and satisfaction information from schools; (c) performing annual reviews of schools; (d) conducting regular onsite evaluations of schools; (e) holding schools accountable for improving their performance and effectiveness; and (f) supporting options for innovative and quality programs offered by schools.

15. Finally, maintaining the SAA at DVA would allow the state's veterans agency to continue to oversee a federally funded program that is most responsive to veteran's issues. The Department currently oversees programs that provide benefits directly to veterans, oversees the operations of county veterans service officers, and has board members who are veterans. These qualifications, it could be argued, provide DVA with a higher interest in protecting veterans from substandard educational institutions than that of a regulatory agency. In addition, since the program is operated through the US DVA, it is argued that keeping the program at DVA would be administratively logical, due to the interconnectedness of other veterans programs.

16. Under Section 3674A of Title 38 of the US Code, the Secretary of the US DVA must conduct, in conjuncture with SAA's, an annual evaluation of the state approving agencies. The current SAA's evaluations for 2009 and 2010 showed that the Department received the highest rating (satisfactory). Given federal government's approval of the DVA's performance along with a closer alignment with veterans services, the Committee may wish to retain the SAA at DVA.

Deleted Position

17. Under the bill, \$74,400 SEG and 1.0 SEG position annually would be deleted from DVA. The position is funded from the veterans trust fund and would not be transferred to DSPS.

18. The Department of Veterans Affairs indicates that the deleted position currently supervises the employment training section in DVA, which includes the agency's various educational programs. The Department provided the following breakdown of current duties: (a) 10% to the SAA; (b) 10% to the Troops to Teachers program; and (c) 80% to the Veterans Education Grants.

19. The Board of Veterans Affairs has recently approved a reorganization plan that would make this position the administrative manager for a Division of Veterans Services. This manager would oversee the Bureau of Claims, training and employment, and the SAA.

20. It could be argued that the 1.0 SEG position deleted under the bill only partially pertains to the SAA program, and should be retained for oversight of the Division of Veterans Services.

21. Alternatively, retaining the position would reduce the available balances of the veterans trust fund on an ongoing basis. As estimated in the veterans trust fund overview paper, it is projected that the fund would have expenditure authority of \$3.7 million more than estimated revenues (before any transfers from the Veterans Homes).

ALTERNATIVES

1. Approve the Governor's recommendation to transfer the state approving agency functions from the Department of Veterans Affairs to the Department of Safety and Professional Services.

2. Modify the Governor's recommendation by deleting the transfer of the state approving agency functions from the Department of Veterans Affairs to the Department of Safety and Professional Services. Specify that the amount of funding provided under the bill for providing these services under the Department of Safety and Professional Services would be provided to the Department of Veterans Affairs.

3. Delete the Governor's recommendation and transfer the state approving agency functions from DVA to the Educational Approval Board. Specify that the amount of funding provided under the bill for providing these services under the Department of Safety and Professional Services would be provided to Wisconsin Technical College System appropriations for the Educational Approval Board.

4. In addition to alternatives 1, 2, or 3, delete the Governor's recommendation to delete \$74,400 SEG and 1.0 SEG position annually in the Department of Veterans Affairs.

ALT 4	Change to Bill	
	Funding	Positions
SEG	\$148,800	1.00

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Attachment

APPENDIX

SAA Approved Programs and Institutions 2011

<u>School</u>	<u>Montgomery</u> <u>GI Bill</u>	<u>Yellow</u> <u>Ribbon Program</u>	<u>Post 9/11</u> <u>GI Bill</u>
Advanced Institute Of Hair Design - DBA VICI Beauty School	X		
Advanced Institute Of Hair Design - DBA VICI Beauty School	X		
Advanced Institute Of Hair Design - DBA VICI Beauty School	X		
Affinity Health Systems Inc School of Radiologic Technology	X		X
Alverno College	X	X	X
American Home Inspectors Training Institute Ltd	X		
American Institute Of Taxidermy	X		
Associated Training Services Corporation	X		
Aurora Healthcare Systems - St Lukes Medical Center Diagnostic Radiology Residency	X		
Aurora St Lukes Medical Center School Of Diagnostic Medical Sonography And School Of Radiologic Technology	X		X
Aurora University - George Williams Campus	X		X
Bellin College	X		X
Beloit College	X	X	X
Blackhawk Technical College	X		X
Blue Sky Educational Foundation Inc	X		
Bryant & Stratton College	X		X
Bryant & Stratton College - Bayshore	X		
Bryant & Stratton College - Wauwatosa	X		X
Cardinal Stritch University - Madison	X		X
Cardinal Stritch University - Milwaukee	X		X
Carroll University	X	X	X
Carthage College	X	X	X
Chippewa Valley Technical College	X		X
City College Milwaukee	X		X
College Of The Menominee Nation	X		X
Columbia/St Marys School Of Diagnostic Sonography	X		
Columbia/St Marys School Of Radiologic Technology	X		X
Devry University	X	X	X
Devry University DBA Keller Graduate School of Management (Milwaukee)	X	X	X
Diesel Truck Driver Training School Inc	X		
East-West Healing Arts Institute	X		
Edgewood College	X	X	X
Fox Valley School Of Massage	X		
Fox Valley Technical College	X		X
Franciscan Skemp Healthcare/School Of Nurse Anesthesia	X		X
Frank Lloyd Wright School Of Architecture	X		X
Froedtert Hospital School Of Nuclear Medicine Technology	X		X
Gateway Technical College (Kenosha)	X		X
Gateway Technical College (Racine)	X		X
Gateway Technical College - Elkhorn	X	X	X

<u>School</u>	<u>Montgomery GI Bill</u>	<u>Yellow Ribbon Program</u>	<u>Post 9/11 GI Bill</u>
Gill-Tech Academy Of Hair Design	X		
Globe University - Appleton	X		X
Globe University - Eau Claire	X	X	X
Globe University - Green Bay	X		X
Globe University - La Crosse	X	X	X
Globe University - Madison East	X	X	X
Globe University - Middleton	X	X	X
Globe University - Wausau	X		X
Health Touch Spa School of Massage	X		
Herzing University	X	X	X
Howard Academy For The Metal Arts	X		
Immanuel Lutheran College	X		
Institute Of Beauty And Wellness (The)	X		
ITT Technical Institute - Green Bay	X	X	X
ITT Technical Institute - Greenfield	X	X	X
ITT Technical Institute - Madison	X	X	X
Kaplan College	X		
Lac Courte Oreilles Ojibwa Community College	X		X
Lada Driver School LLC	X		
Lakeland College	X	X	X
Lakeshore Technical College	X		X
Lakeside School Of Massage Therapy	X		X
Lawrence University	X	X	X
Loyola University Chicago	X		X
Madison Area Technical College	X		X
Madison Media Institute	X		X
Madison Police Department Pre-Service Academy	X		
Maranatha Baptist Bible College	X		X
Marian University	X	X	X
Marquette University	X	X	X
Marshfield Clinic/St Joseph Hospital School Of Graduate Medical Education	X		X
Marshfield Laboratories/St Josephs Hospital/Marshfield Clinic	X		
Medical College Of Wisconsin Affiliated Hospitals Residencies & Clinical Fellowships	X		X
Medical College Of Wisconsin Graduate Programs	X		X
Medical College Of Wisconsin Graduate School Of Biomedical Sciences	X		X
Mercy Regional Ems Training Center	X		
Mid-State Technical College (Marshfield)	X		X
Mid-State Technical College (Stevens Point)	X		X
Mid-State Technical College (Wisconsin Rapids)	X		X
Midwest College Of Oriental Medicine	X		X
Midwest Driver Development	X		
Milwaukee Area Technical College	X		X
Milwaukee Career College Inc	X		
Milwaukee Fire Department Bureau Of Instruction & Training	X		
Milwaukee Institute Of Art & Design	X		X

<u>School</u>	<u>Montgomery GI Bill</u>	<u>Yellow Ribbon Program</u>	<u>Post 9/11 GI Bill</u>
Milwaukee Police Academy	X		
Milwaukee School Of Engineering	X	X	X
Milwaukee School Of Massage	X		
Moraine Park Technical College (Fond Du Lac)	X		X
Mount Mary College	X	X	X
Nashotah House	X		X
National Louis University (Beloit)	X	X	X
National Louis University - Milwaukee	X	X	X
New Tribes Bible Institute	X		
Nicolet Area Technical College	X		X
Northcentral Technical College	X		X
Northeast Wisconsin Technical College	X		X
Northland College	X	X	X
Northland International University	X		X
Ottawa University - Milwaukee	X		
Radio1 Broadcast School	X		
Rasmussen College - Appleton	X		X
Rasmussen College - Green Bay	X	X	X
Rasmussen College - Wausau	X		X
Ripon College	X	X	X
Robbins & Lloyd Career Training Institute	X		
Roehl Driver Training Center	X		
Sacred Heart School Of Theology	X		X
Saint Francis Seminary	X		X
Saint Josephs Hospital School Of Radiography	X		X
Saint Lukes Medical Center School Of Nuclear Medicine Technology	X		X
Saint Norbert College	X	X	X
Sanford-Brown College	X		X
Schneider Training Academy Inc	X		
Silver Lake College	X	X	X
Southwest Wisconsin Technical College	X		X
Springfield College	X		X
St. Croix Center For The Healing Arts	X		
State College Of Beauty Culture Inc	X		
The Academy Waukesha	X		
The Art Institute Of Wisconsin	X		X
The Salon Professional Academy - Appleton	X		
The Salon Professional Academy - Eau Claire	X		
The Salon Professional Academy - Kenosha	X		
The Salon Professional Academy - Onalaska	X		
The Wisconsin Academy	X		
Theda Clark School Of Radiologic Technology	X		X
Tibia Massage School	X		
University Of Phoenix - Madison Campus	X	X	
University Of Phoenix - Milwaukee	X	X	X

<u>School</u>	<u>Montgomery GI Bill</u>	<u>Yellow Ribbon Program</u>	<u>Post 9/11 GI Bill</u>
University Of Wisconsin School Of Medicine And Public Health Department Of Family Medicine	X		X
Upper Iowa University - Blackhawk Center	X	X	X
Upper Iowa University - Elkhorn Center	X		X
Upper Iowa University - Madison Campus	X	X	X
Upper Iowa University - Milwaukee Center	X	X	X
Upper Iowa University - Prairie Du Chien Campus	X	X	X
Upper Iowa University - Wausau	X	X	X
UW - Baraboo/Sauk County	X		X
UW - Barron County	X		X
UW - Eau Claire	X		X
UW - Extension	X		X
UW - Fond Du Lac	X		X
UW - Fox Valley	X		X
UW - Green Bay	X	X	X
UW - La Crosse	X		X
UW - Madison	X		X
UW - Manitowoc	X		X
UW - Marathon County	X		X
UW - Marinette	X		X
UW - Marshfield/Wood County	X		X
UW - Milwaukee	X		X
UW - Oshkosh	X		X
UW - Parkside	X		X
UW - Platteville	X		X
UW - Richland	X		X
UW - River Falls	X		X
UW - Rock County	X		X
UW - Sheboygan	X		X
UW - Stevens Point	X		X
UW - Stout	X		X
UW - Superior	X		X
UW - Washington County	X		X
UW - Waukesha	X		X
UW - Whitewater	X		X
UW Colleges Online	X		X
UW Ctr For Health Science - School Of Cytotechnology	X		
UW Hospital & Clinics Graduate Medical Education	X		X
UW Hospital & Clinics School Of Diagnostic Medical Sonography	X		X
Viterbo University	X	X	X
Waukesha County Technical College	X		X
Wesli - Midwest Teacher Training Program	X		
Western Technical College	X		X
Wheaton College - Honeyrock Northwoods Campus	X		X
Wheaton Franciscan Healthcare - All Saints School Of Radiologic Technology	X		X
Wheaton Franciscan Healthcare - Saint Joseph Radiology Residency	X		

<u>School</u>	<u>Montgomery GI Bill</u>	<u>Yellow Ribbon Program</u>	<u>Post 9/11 GI Bill</u>
Wisconsin Aviation - Four Lakes School	X		
Wisconsin College Of Cosmetology	X		
Wisconsin Indianhead Technical College (Ashland)	X		X
Wisconsin Indianhead Technical College (New Richmond)	X		X
Wisconsin Indianhead Technical College (Rice Lake)	X		X
Wisconsin Indianhead Technical College (Superior)	X		X
Wisconsin Lutheran College	X	X	X
Wisconsin Lutheran Seminary	X		X
Wisconsin School Of Massage Therapy	X		
Wisconsin School Of Professional Psychology	X		X
Wisconsin Small Business Development Center	X		
Wisconsin State Patrol Academy	X		