



OREGON DEPARTMENT
of VETERANS' AFFAIRS

RISK BASED SURVEY OVERVIEW

OrAVSCO Spring Conference | May 2023



PRESENTED BY
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OVERVIEW

- Purpose
- Timeline
- Presurvey
- On-Site
- Post Survey



PURPOSE

Definition:

Risk-Based Survey (RBS): An onsite review conducted at education and training institutions to check compliance and mitigate risk factors and associated practices.

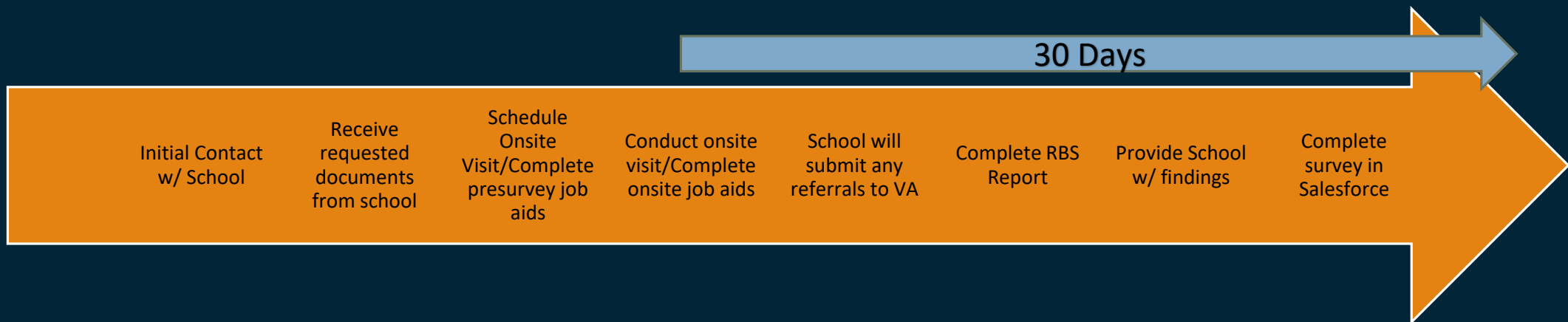
Purpose:

1. For the State Approving Agency to conduct a compliance action as an agent under contract for the Federal government assessing various legislative and Department determined risk factors.
2. For the State Approving Agency to ensure that education and training institutions with approved programs meet all federal and state statute and regulations aligning to the GI Bill®.

References: Public Law 116-315 Section 1013; 38 USC 3673A Risk-based Surveys



SURVEY TIMELINE





PRE-SURVEY: FACILITY INFORMATION

Student Documents

Five (5) pre-visit records (4 VA; 1 non-VA) and five (5) onsite records (4 VA; 1 non-VA)

*Similar criteria as Compliance Survey

Advertising Documents

SAA will Request digital print, video & radio ads, transcripts, enrollment counselor scripts, third party entities, websites and all social media

Financial Soundness Documents

SAA will collect the most recent two years of Balance Sheets, Income Statements, Cash Flow Statements, Compiled Financial Statements, 90/10 Documentation, 85/15 Statements

- Note:
 - An additional record will be reviewed for every record in which a discrepancy is found
- Note:
 - SAA will review each advertisement for any potential misrepresentation
- Note:
 - SAA will complete both the financial review spreadsheet and job aid



PRE-SURVEY: FACILITY INFORMATION

Complaints

SAA will request complaints filled directly with school and review VA system & Better Business Bureau for complaints

ETI Specific Data

SAA will request Graduation Rates, Veteran Graduation Rates, Licensing Rates, Job Placement Rates

Contact Information

SAA will request contact information for any additional school staff/administrator who can answer questions relating to the areas of review

- Note:
 - SAA will review other internet sources and social media platforms independently to ensure a full and accurate representation of all complaints
- Note:
 - If risk is a specific program, SAA will request information for that specific program
- Note:
 - SAA will ask SCO to facilitate meetings with other school staff and administrators as needed to complete RBS



PRE-SURVEY: FACILITY INFORMATION

- ❖ SAA will request and review five (5) pre-visit records (4 VA; 1 non-VA)
 - ❖ The primary focus will be to ensure the propriety of payments of educational benefits to eligible institutions under the provisions of the laws administered by VA to protect the integrity of the GI Bill®.
- ❖ Additional elements for review include but are not limited to the following to ensure correct reporting of required enrollment information;
 - ❖ monitor the program pursued by a student and certified to VA
 - ❖ examine the student's grades to ensure satisfactory progress standards are maintained
 - ❖ report student termination due to unsatisfactory progress
 - ❖ check student's conduct and report to VA when a student is "suspended" or "dismissed"
 - ❖ Assure records are maintained safely, privacy of students is protected; student records are available; with an appropriate review of the student file.

Note: The maximum records reviewed by the SAA will be 25 records [80% VA beneficiaries; 20% non-VA beneficiary]. **If additional records are recommended, the SAA will make a written referral to the VA as soon as possible for further action prior to closing actions with the RBS.**



PRE-SURVEY: Advertising and Marketing Review

- ❖ SAA will request and review advertising and marketing materials (including enrollment materials) ahead of the site visit to evaluate the accuracy of the institution/facility's advertising, marketing and recruiting materials. SAA will ensure those materials do not make representations that are deceptive or misleading.
 - ❖ SAA will investigate any compensated lead generating activities by internal employees or third parties.
- ❖ If misrepresentation or substantial misrepresentation is determined, SAA will take appropriate approval action and refer to VACO Integrity & Protection Team for further review.
- ❖ **Note: Referral to VACO is in addition to any appropriate action by the SAA, not in lieu of an appropriate action.**



PRE-SURVEY: Financial Soundness Review

- ❖ SAA will be reviewing the financial soundness of the institution by requesting and reviewing prepared financial statements such as:
 - ❖ Balance sheets
 - ❖ Income statements
 - ❖ Cash flow statements
 - ❖ Compiled financial statements, to include 90/10 and 85/15 documentation
 - ❖ Any other submitted federal and/or state tax forms necessary

- ❖ SAA will calculate the following to determine ETI's financial soundness:
 - ❖ Liquidity Ratio
 - ❖ Positive Net-Worth (Decrease and/or Increase)
 - ❖ Solvency Ratio
 - ❖ Composite Score



PRE-SURVEY: Student Complaints Review

- ❖ SAA will request and review all complaints made by students - both those made to the VA, and also complaints made directly to the school and/or to consumer agencies.
- ❖ SAA will be looking for both the content of the complaint and the resolution offered by the ETI.
- ❖ SAA will search the following to find complaints:
 - ❖ VA Systems
 - ❖ Complaints made to the institution
 - ❖ Complaints made to consumer agencies
 - ❖ Internet sources to include social media, YouTube, news stories, etc.



ON-SITE REVIEW

Onsite Review

- SAA will review instructors, courses, facilities, equipment, learning resources and teaching devices

Student File Review

- Five (5) onsite records (4 VA; 1 non-VA)
 - Same criteria as Compliance Survey

Student Interview

- A minimum of five (5) interviews are required

• Note:

- SAA will ask SCO to arrange for attendance in a class

• Note:

- If SAA is evaluating risk in a specific program, SAA will ask SCO to provide information for that specific program

• Note:

- SAA will arrange student interviews, may ask SCO to help advertise SAA visit



ON-SITE REVIEW

- ❖ SAA will ask SCO to facilitate meetings with campus contacts (collected during Presurvey) that will be needed to answer questions
- ❖ SAA will observe specific class/course requested during presurvey work
- ❖ SAA will tour the entire facility
- ❖ SAA will review classrooms, lab equipment, and instructional materials
- ❖ SAA will observe students in training
- ❖ SAA will interview students & instructors



ON-SITE REVIEW-Student File Information

- ❖ Upon arrival, the SAA will request from the SCO five (5) onsite records (4 VA; 1 non-VA)
 - ❖ SAA will review these records on site

- ❖ The primary focus of the review will be to ensure the propriety of payments of educational benefits to eligible institutions under the provisions of the laws administered by VA to protect the integrity of the GI Bill®.

- ❖ SAA will pay special attention to:
 - ❖ Enrollment Agreement/Admissions
 - ❖ Prior Credit
 - ❖ Attendance records
 - ❖ Satisfactory Academic Progress/Conduct
 - ❖ Financial Ledger



POST SURVEY

Referrals

- SAA will refer student file & misrepresentation findings to VA for further action

RBS Findings Report & RBS Report

- SAA completes RBS report & findings within 30 days of the onsite visit

Sales Force

- SAA uploads supporting documents into the VA system & end products have been taken

• Note:

- ETI will be notified of findings by the SAA

• Note:

- Unless expansion of records has been initiated which increases completion to 45 days

• Note:

- Each student file reviewed, student interviews, completed job aids, reports and any additional supporting documentation provided



FINAL REPORT/NARRATIVE

When the RBS is conducted by the SAA, the SAA shall include the following elements in the exit briefing and narrative:

- **Findings with no impact to Title 38 Approval requirements:** Language in the exit briefing and narrative indicating that findings do not impact the ETIs current approval.
- **Findings that could potentially impact Title 38 Approval requirements:** Language in the exit briefing and narrative that findings will be reviewed by the SAA of jurisdiction as it relates to the ETIs current approval status.
 - Subsequent notification from the SAA will follow indicating affirmation of the approval or suspension/withdrawal actions as necessary.



FAILURE TO COMPLY

As a result of the Isakson and Roe Veterans Health Care and Benefits Improvement Act of 2020 (Public Law 116-315), section 1017 amended chapter 36 of Title 38 USC §3679 to establish grounds for disapproval of a course when an Education and Training Institution (ETI) fails to comply with a risk-based survey or fails to secure an affirmation of approval following the risk-based survey by the SAAs of jurisdiction.

An ETI can fail to comply with an RBS by one of the following:

1. Failure to respond to a request to schedule an RBS within 6 business days.
2. Failure to provide or produce documentation upon request during a compliance action under CFR 21.4209.



MITIGATION AND ENFORCEMENT

VA Education Service Oversight and Accountability Division and SAAs both have established mitigation and enforcement actions in place when findings are identified.

These actions will apply for Risk Based Surveys:

- VA actions include evaluation of expanded surveys, liability cases, cooperation and coordination with OIG or other Trusted Federal Partners.
- SAA actions include suspension or withdrawal of approval, mitigation and enforcement actions by State level actors (Attorney General, State authorization or licensing agencies, etc.) or other non-governmental actors (accreditation agencies, etc.).



Questions?

