

# **VBA EDUCATION SERVICE OVERSIGHT & ACCOUNTABILITY DIVISION**



## **Standard Operating Procedure**

---

### **Risk Based Surveys**

**July 22, 2022  
Version 1.0**

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

Authorization: By the authority of the Deputy Director, Program Management, Education Service; Risk Based Survey policies and procedures will comply with this document. Recommendations for changes or improvements to this document should be forwarded to VAVBAWAS/CO/223 Assistant Director, Oversight and Accountability Division.

Deputy Director  
Program Management  
Education Service

Revisions		
Version #	Date of Change	Remarks
1.0	7/22/2022	Guidance established (PL 116-315 Section 1013)

## Table of Contents

Background.....	4
Purpose .....	4
Applicability .....	4
Point of Contact.....	5
Definitions .....	5
Roles and Responsibilities .....	6
Scheduling - VA and SAA.....	7
Assignment & Completion.....	7
Legislative Risk Factors from Public Law 116-315, Section 1013.....	7
Other Legislative Risk Factors/Triggers from Public Law 116-315.....	8
Other Risk Factors for Consideration .....	8
Elements of a Risk-Based Survey .....	8
1. Areas of Review for RBSs.....	8
2. Continual Data Gathering .....	10
3. Presurvey Assessment – Risk Factor(s) Present.....	10
4. Presurvey Information Gathering .....	10
5. Presurvey Information Review .....	11
6. Areas of Concern and Onsite Considerations.....	13
7. Conduct Onsite Visit.....	13
8. Actions .....	13
9. Final Report.....	14
Follow Up Actions .....	14
Failure to Comply with Risk Based Survey.....	14
Mitigation and Enforcement.....	15
Appendix 1 - RBS Risk Factors .....	16
Appendix 2 – Salesforce Actions.....	29

## **Background**

There have been two influential pieces of legislation that directly impact risk-based surveys. First, Public Law 115-048, Harry W. Colmery Veterans Educational Assistance Act of 2017, Section 310 - Risk Based Surveys (RBS). Section 310 amended 38 U.S.C. § 3673(d) to allow VA to utilize the services of a State Approving Agency (SAA) for conducting compliance and risk-based surveys.

Second, the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (Public Law 116-315), established new requirements for risk-based surveys of educational institutions. Section 1013 amended title 38, United States Code, by inserting 38 USC §3673A that directs the Department of Veterans Affairs to develop, in partnership with State Approving Agencies (SAA), to develop a comprehensive program to conduct risk-based surveys and establish a searchable database.

## **Purpose**

The purpose of a Risk-Based Survey (RBS) is twofold:

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®.

This document establishes the framework necessary to consistently execute RBSs in accordance with legislative requirements by identifying risk factors potentially present at institutions and taking appropriate actions to mitigate any risks that jeopardize the integrity of the GI Bill®.

As this document establishes the framework for the execution of a Risk-Based Survey, all procedures are not necessarily contained within this document. Professional judgement should continue to be exercised as findings on each individual survey could lead to critical thinking moments where additional questions or items to be reviewed become necessary.

## **Applicability**

This Risk-Based Survey Standard Operating Procedure applies to staff within Education Service's Oversight and Accountability Division and the State Approving Agencies (SAAs). The following guidance is applicable until updated by subsequent revisions, updates, or finalization within the M22-4. The expectation is that, in a dynamic educational environment, periodic reevaluation and revision of the information contained herein may be necessary.

## Point of Contact

The VA point of contact for a State Approving Agency regarding compliance actions (i.e., Risk Based Surveys, Target Risk Based Reviews) is the associated Supervisory Compliance and Liaison Specialist.

## Definitions

**Compliance Actions:** Compliance Survey, Targeted Risk Based Review, Risk-Based Survey.

**Compliance Survey:** An onsite review conducted at education and training institutions pursuant to 38 USC §3693. The survey is conducted to ensure the institutions and their approved programs follow all applicable provisions of the laws and regulations administered by VA.

A compliance survey has five principal objectives:

1. To verify the propriety of educational benefits paid to, or on behalf of, eligible individuals under the provisions of the laws administered by VA.
2. To confirm continued compliance with all applicable approval, recordkeeping and reporting requirements.
3. To assist school or training officials and eligible individuals to better understand their responsibilities and the procedural requirements of VA.
4. To determine, based on facts found during document reviews and personal visits, whether there are deviations from the established responsibilities and requirements by eligible individuals, schools or training establishments; and
5. To assure action is promptly taken through appropriate channels for the successful remediation of discrepancies found, or for the discontinuance of benefits when correction is not accomplished or when the findings of non-compliance are egregious.

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

RBS has three principal objectives:

- (1) Provide a mechanism for VA and SAAs to review and mitigate potential fraud, waste, and abuse by utilizing data and risk factors that are outside of the normal approval, compliance, and liaison processes. The following are legislatively mandated risk factors. However, operating in a dynamic educational environment, additional risk factors can and will be considered for a risk-based survey.
  - a. Rapid student population increase
  - b. Rapid tuition and fee payment increase
  - c. Volume of validated student complaints
  - d. Severity of validated student complaints

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

- e. 85/15 rule violation
- f. Veteran completion rates
- g. Financial stability
- h. Advertising and marketing
- i. Federal or State government actions in court

- (2) To verify the propriety of educational benefits paid to education and training institutions on behalf of eligible individuals under the provisions of the laws administered by VA.
- (3) Assure prompt action is taken if risk factors and associated practices are substantiated.

**Target Risk Based Review (TRBR):** An unannounced onsite review conducted at education and training institutions due to notification of severe risk, receipt of an allegation of fraud, deceptive advertising and/or other misleading practices.

\*See Target Risk Based Review Standard Operating Procedure.

## Roles and Responsibilities

Role	Responsibilities
Education Service (EDU) Assistant Director Oversight and Accountability	<ul style="list-style-type: none"> <li>▪ Establish RBS Objectives</li> <li>▪ Prioritize Risk Factors</li> <li>▪ Approve Risk Based Survey (RBS) methodology and recommendations from 223A, 223B, or SAA</li> </ul>
EDU Integrity & Protection Branch (223A)	<ul style="list-style-type: none"> <li>▪ Collaborate and share information regarding activities related to RBS to external trusted agencies</li> <li>▪ Assist in the annual review and validation of RBS data sources</li> <li>▪ Provides information from the GI Bill Feedback Tool concerning the severity and volume of complaints</li> </ul>
EDU Approval, Compliance and Liaison Branch (223B)	<ul style="list-style-type: none"> <li>▪ Identify actions to be taken when an institution exceeds risk factor, threshold, or trigger point</li> <li>▪ Conduct quarterly and annual review of RBSs scheduled and conducted</li> <li>▪ Conduct annual review and validation of RBS data sources</li> <li>▪ Identify data extraction schedule</li> <li>▪ Identify and update RBS data fields as required</li> <li>▪ Submit data requests and review data content from PA&amp;I</li> <li>▪ Monitor status and reporting of all RBSs</li> </ul>

## STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

SAA	<ul style="list-style-type: none"><li>▪ Conduct VA assigned RBSs and take timely and appropriate action based upon findings</li><li>▪ Collaborate with VA and share information on RBSs from internal and external sources including changes in the profit status of institutions</li><li>▪ Identify and collaborate with VA on action to take at the State level when an institution exceeds risk factor, threshold, or trigger points</li><li>▪ Conduct annual review and validation of RBS data sources</li></ul>
EDU Business Analytics	<ul style="list-style-type: none"><li>▪ Receive and complete data requests for RBS based on ad-hoc requests from 223A, 223B, or SAA</li><li>▪ Assist in validating data received from PA&amp;I</li></ul>

### Scheduling - VA and SAA

August 1<sup>st</sup> – 15<sup>th</sup>. VA Education Liaison Representative (ELR) and supervisor shall complete a meeting with the SAA to discuss items related to the upcoming fiscal year (FY) and the assignment of compliance actions. Each SAA is expected and encouraged to take advantage of the opportunity to identify any RBSs at the beginning and throughout the FY using data elements that support risk factors and align with VA objectives.

September 1<sup>st</sup>. VA will provide the SAA assigned workload for the next FY.

VA will assign the compliance action workload in Salesforce following discussion with the SAA as referenced above. 50% of RBS assignments shall be completed by the end of the FY, Q2. SAAs will complete the FY assigned workload no later than September 15<sup>th</sup>. Completed is defined as all parts of the RBS have been conducted; all referrals made; all corrective action taken; education and training institutions notified of findings, supporting documents uploaded into the VA system; and end products have been taken.

### Assignment & Completion

VA will consider education and training institutions presented by the SAAs and will assign RBS workload using a proactive approach to conducting compliance actions. As part of a proactive approach, efforts will be made to triangulate data sources when determining appropriate assignments. Education Service and SAAs will monitor identified risk factors from various data sources. When a risk factor identifies a school for a RBS, the assignment will be made to complete the RBS.

### Legislative Risk Factors from Public Law 116-315, Section 1013

- Rapid increase in Veteran enrollment
- Rapid increase in tuition and fees

## STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

- Complaints tracked
  - Based upon volume, or
  - Based upon severity
- 85/15 violations
- Veteran completion rates
- Indicators of financial stability
- Advertising and recruiting practices
- Federal/State actions

### **Other Legislative Risk Factors/Triggers from Public Law 116-315**

- Conversion from a private for-profit educational institution to a private nonprofit or public educational institution requires performance of RBSs for three consecutive years following the conversion.
- When this risk factor presents itself, an appropriate approval action should be taken as soon as feasible and a request to swap out a RBS currently on the workload assignment should be initiated through the regional Chief Education Liaison Officer.
- Upon discovery, SAAs and VA should review for the possibility of additional locations that may be operating and notify the appropriate SAA and ELR.

### **Other Risk Factors for Consideration**

- Other accreditor actions
- Trend in deficiencies on compliance actions
- Suspension or withdrawal actions with risk concerns
- Rates of Federal Student Loan Defaults by Veterans
- 90/10 Rule violation

## **Elements of a Risk-Based Survey**

### **1. Areas of Review for RBSs**

The following items should be reviewed as part of each RBS. Sound professional judgement should be exercised and additional areas outside of the following areas should also be reviewed.

The approach for reviewing each of the following as part of the RBS should acknowledge both simple and complex causal relationships, such that a single risk factor or a triangulation of various factors could produce others or be the result of a different root cause. For example, an increase in Veteran enrollment could be a result of potential marketing violations, or marketing violations could be a result of lack of financial soundness.



## STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

- **Initial Risk Factor(s):** Review risk factor(s) identified. These risk factors can be identified as one risk factor that meets a specified threshold, or a combination of multiple risk factors considered together.
- **Approval/Administrative Review:** Review approval, training, accreditation, and Federal/State investigations.
- **Student Records:** Review to ensure the facility keeps adequate records, as approved by the SAA, and follows VA requirements.
- **Individual Student Files:** Review to ensure the propriety of payments of educational benefits to eligible institutions under the provisions of law administered by VA.
- **Advertising:** Review of advertising and marketing materials (including enrollment materials), including materials generated or used by third party contractors, and to ensure those materials do not make representations that are deceptive or misleading or constitute substantial misrepresentations.
- **Complaints:** Review to ensure all complaints being made by students, not just those made to VA, are addressed.
- **Financial Soundness:** Evaluate the facility's financial information to ensure it demonstrates financial soundness (i.e., the facility can fulfill its commitment to provide quality education, stability, benefits to faculty and staff, up-to-date facilities, etc.).
- **Regulatory Compliance:** Review of any pending matters initiated by accreditors or by other state or federal regulators.
- **Prior RBS or TRBR:** Specific attention shall be paid to RBSs scheduled when a prior TRBR or RBS has been conducted. The surveyor will review the prior TRBR or RBS risk factors and deficiencies to ensure appropriate remediation has occurred.
- **Prior Compliance Survey Data:** Specific attention should be given to any errors or patterns of errors noted on previous compliance surveys.
- **Prior Approval Actions:** Specific attention should be given to any suspension or withdrawal actions taken in the 24 months preceding the RBS referral.

## **2. Continual Data Gathering**

In an ever-changing educational landscape, it is imperative that data is monitored at regular intervals. As schools are identified, every effort should be made to conduct a timely RBS.

See Appendix 1 for additional information concerning risk factors, data sources, thresholds, and other information.

## **3. Presurvey Assessment – Risk Factor(s) Present**

Based upon the risk factor(s) or a triangulation of risk factors identified, SAAs will systematically conduct reviews, examine specific areas relating to finances, enrollment, recruiting, student outcomes, and other success measures. Additional information may be requested following this initial collection.

## **4. Presurvey Information Gathering**

The Job-Aids referenced are essential elements of a RBS and are required. They build upon one another and can be used independently, as appropriate. Some are designed to be used multiple times during one survey.

The Presurvey Assessment and Risk Factor(s) include, but are not limited to:

- Initial Risk Factor(s)
- Individual student files
- Advertising
- Complaints
- Financial soundness
- Regulatory compliance
- Prior RBS or TRBR
- Prior compliance survey data
- Prior approval actions

Job-Aid A1 - Facility Information provides an overview of the information and documents that the SAA will obtain from its own records and interviewing the facility for additional information prior to a RBS.

The SAA is required to review facility information to determine compliance with approval requirements outlined in 38 USC 3672, 3675, or 3676. This includes facility information, reports, data, student records for those beneficiaries receiving GI Bill® education benefits.

The records reviewed must be consistent with the risk factors present. If the risk factor is program specific, records reviewed must be for the specific program. If the risk factor is institution wide, normal random sampling of individual student files should be completed for review.

## STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

The minimal number of student files for review are 10 (ten) records: five (5) pre-visit records [4 VA beneficiaries; 1 non-VA beneficiary] and five (5) onsite records [4 VA beneficiaries; 1 non-VA beneficiary] per RBS.

Additional records must be reviewed when the following occurs:

- Violation of statute or regulation
- Missing required documents (i.e., attendance, financial invoices, scholarship information, etc.)
- Institution procedure violations (i.e., catalogs, student handbooks, etc.)

An additional record must be reviewed for every record in which a discrepancy is found:

- Students must be selected from the period covering risk factor RBS data set (i.e., FY20-FY21 or one-year prior to data set to meet sample size).
- 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.
- RBS report and findings should be completed within 30 days of school visit unless an expansion of records for review has been initiated which increases the completion to 45 days.

An additional review must be conducted within the system of record to review any prior Risk Based Survey or Targeted Risk Based Review has been previously conducted along with any approval related actions within the previous 24 months. The results and factors present in that previous approval and risk-based action should be taken into consideration during the current review.

### **5. Presurvey Information Review**

Job Aid B1 - Student File Review is to be filled out based on the review of the requested student records (see above section). This review encompasses many items. The primary focus should 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®.

## STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

Additional elements for review include but are not limited to 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.

Job Aid B2 Advertising and Marketing Review is to assist with the review of advertising and marketing materials (including enrollment materials) to evaluate the accuracy of the institution/facility's advertising, marketing and recruiting materials, and ensure those materials do not make representations that are deceptive or misleading.

The review should include materials produced pursuant to contracts with third parties for advertising and marketing. Be cognizant of any compensated lead generating activities by internal employees or third parties.

This review is intended to ensure the facility is following all requirements as approved by the SAA as referenced in regulations and statute (i.e., 38 USC 3672, 38 USC 3675, 38 USC 3676, 38 USC 3696, etc.)

Utilizing both Job Aid B3 Financial Glossary Definitions and Examples in combination with Job Aid B3 Financial Soundness Review and Job Aid B3 Financial Soundness Review Template is intended to assist in reviewing the financial soundness of the institution by reviewing prepared financial statements such as balance sheets, income statements, cash flow statements, compiled financial statements, to include 90/10 and 85/15 documentation, and any other submitted federal and/or state tax forms requested. Any missing documentation not included in the submission, a follow up requests should be made for the missing documentation, or a statement should be obtained to explain why the materials is not included.

Note:

- 90/10 is a Department of Education metric that prohibits a proprietary institution receiving more than 90% of their revenue from federal student aid. As a standalone metric for financial soundness, approval action cannot be taken.
- 90/10 should be reviewed and utilized in triangulation with other metrics that are enforceable under Title 38. Using this metric combined with Title 38 and violations thereof, appropriate approval action can be taken.

Job Aid B4 Student Complaints Review is to ensure all complaints being made by students, not just those made to the VA, but also complaints made directly to the school and/or to consumer agencies are reviewed and appropriately addressed.

If requested compliant documentation has not been included with the initial request to the education and training institution, a follow up requests should be made for the missing documentation, or a statement should be obtained to explain why the materials is not included.

## **6. Areas of Concern and Onsite Considerations**

- Based upon the results of the Presurvey Information Review and the risk factors present, Job Aid C – Onsite Review Worksheet may be utilized prior to the onsite review.
- The intent of this Job Aid is to make a qualitative assessment of factors, which provides the SAA an opportunity to obtain any missing information prior to the onsite review and generate an initial assessment of the facility related to the risk factor(s).

Note: Use of the Job Aid – Example Data Questions is not required, nor are limited to only using the questions provided. The purpose of the Job-Aid is to help identify possible questions that could be appropriate based upon an initial assessment.

- Job Aid Student Interview is intended to aid the reviewer in conducting student interviews as part of the RBS. Student interviews are required and can be conducted onsite or remotely. Student data is available through VA systems and/or the ETI. A minimum of five reports of contact or attempts to contact (i.e., documented communications to a student in order pose questions and receive answers) are required and shall be included in the RBS documentation.

## **7. Conduct Onsite Visit**

RBS are conducted onsite. Utilizing any job aids prepared, a RBS should review all elements identified in the areas of review section of the document.

## **8. Actions**

When an SAA takes a program suspension or disapproval action, the SAA shall provide notice of such action to all concerned parties to include but not limited to the VA, other SAAs where the education and training institution or its affiliates have crossed jurisdictional boundaries, the accrediting body (as applicable), and other pertinent sources deemed appropriate.

## 9. Final Report

Job Aid D1 RBS Findings Report and Job Aid D2 RBS Report are to be utilized in making and communicating final assessments.

Upon conclusion of the RBS, all documentation (i.e., individual student record reviews, each completed Job Aids, etc.) must be uploaded into Salesforce.

In Salesforce, the compliance action is identified as a Risk Based Survey and all appropriate fields will be completed including portions of the VA Form 22-1934 within Salesforce. (\*See Appendix 2 for actions to take in Salesforce.)

Financial impact is important when evaluating the effectiveness and value of risk factors on an ongoing basis. When completing data elements in Salesforce, the overpayment and underpayment fields should also be accurately completed and referral to the RPO.

## Follow Up Actions

Document any follow up actions, appropriate deadlines to complete the necessary follow up actions and implications if failure to comply with the requested follow up and corrective actions.

## Failure to Comply with Risk Based Survey

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 a RBS by one of the following:**

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

### **Securing affirmation of program approval(s) following RBS is required.**

If 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: Inclusion 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: Inclusion 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 action has been taken to reflect a suspended or withdrawn status. Affirmation, suspension, or withdrawal action should be initiated within the referral timeframes established by the Cooperative Agreement.

## **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.).

## Appendix 1 - RBS Risk Factors

Legislative Risk Factors from Public law 116-315 Section 1013			
#	RBS Factors	Data Source	Risk Assessment
1.	Rapid increase in Veteran enrollment	VA-Performance Analysis & Integrity (PA&I)	Threshold - 30% or greater student count increase.
		Data Report: Annual  Report Produced by: VA Business Analytics Team	Academic Year (AY) June1 – May 31  AY 19, 20, 21, 22 (For FY23)
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To identify VA institutions* with significant increase in count change with count value of at least 20 students; set in accordance with USC § 3693a (1)</li> <li>• Timeframe for data collection (i.e., compare school data collected from AY to AY)</li> <li>• Data Elements:                             <ul style="list-style-type: none"> <li>○ Name of Institution - VA institution name</li> <li>○ Facility Code – VA Institution identifier number</li> <li>○ OPEID/IPED – Department of Education school identifier number</li> <li>○ Accreditation – Accredited status - Yes or No</li> <li>○ Catalog Year – Current catalog as recorded in WEAMS</li> <li>○ Enrollment Limit – Max trainees enrolled (NCD schools)</li> <li>○ Number of Trainees – Number of trainees enrolled for each data period (i.e., AY 21 and AY 22)</li> <li>○ Count Change – Difference in trainee enrollments per timeframe</li> <li>○ % Count Change – Percentage change in number of trainees attending the institution</li> </ul> </li> <li>• Sort and analyze institutions with enrollment increase <math>\geq 20</math></li> <li>• Sort and analyze institution with count percentage change <math>\geq 30\%</math></li> <li>• Identify and evaluate institutions that exceeds count threshold for potential RBS</li> </ul> <p><i>[Reference: VA institutions* identify any education and training institution (ETI) that has at least one approved program at an IHL or NCD.]</i></p>			



STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
2.	Rapid increase in tuition and fees	VA-Performance Analysis & Integration (PA&I) Data Report – Annual Focus only on Post-9/11 T&F payment aggregated	Threshold: 30% or greater increase in tuition and fees
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To Identify institutions with significant increase in cost by comparing tuition and fees costs for given timeframe (i.e., AY21 against AY22)</li> <li>• Data Elements: <ul style="list-style-type: none"> <li>○ Name of Institution - VA institution name</li> <li>○ Facility Code – VA Institution identifier number</li> <li>○ OPEID/IPED – Department of Education school identifier number</li> <li>○ Accreditation – Accredited status - Yes or No</li> <li>○ Catalog Year – Current catalog as recorded in WEAMS</li> <li>○ Enrollment Limit – Max trainees enrolled (NCD schools)</li> <li>○ Number of Trainees – Number of trainees enrolled for each data period (i.e., AY21 and AY22)</li> <li>○ Total T&amp;F Cost for each data period (i.e., AY21 and AY22)</li> <li>○ Cost Change – Difference in T&amp;F paid to institution for each data period</li> <li>○ Percentage Cost Change - Percent increase of T&amp;F paid to school</li> <li>○ Cost per Student change – Amount of T&amp;F paid to each student for each data period</li> <li>○ Cost per Student Change – Difference in T&amp;F paid (i.e., AY21 compared to AY22)</li> <li>○ % Cost per Student Change - % Change in T&amp;F paid per student</li> </ul> </li> <li>• Sort and analyze institutions with cost per student change greater than 10% of VA annual tuition and fees cap rate</li> <li>• Sort and analyze institution with % cost per student change <math>\geq 30\%</math></li> <li>• Identify and evaluate institutions that exceeds cost threshold for potential RBS</li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
3.	Volume and/or Severity of Student Complaints	Salesforce, VA GI Bill® Feedback System; ETI, Trusted Federal partners, Consumer agencies, State partners	Triggers: Volume of 2 or more complaints in an AY  Severity: Whistleblower, Egregious, Fraud allegations (at least two validated)
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To identify and evaluate complaints that report behavior that jeopardize the integrity of the GI Bill program – egregious behavior, fraud allegations, deceptive practices, etc. based upon volume or severity</li> <li>• Conduct site visit for ETI that align to above triggers and/or severity. Includes but not limited to relating to recruiting and marketing practices, accreditation, financial issues (tuition and fees charges, post-graduation job opportunities, quality of education, transfer and release of credits, grade policy, refund issues, student loans)</li> <li>• Resources: <ul style="list-style-type: none"> <li>• VA Salesforce: <a href="https://va.lightning.force.com">https://va.lightning.force.com</a></li> <li>• VA GI® Bill Feedback System data</li> <li>• Consumer Financial Protection Bureau (CFPB): <a href="https://www.consumerfinance.gov">https://www.consumerfinance.gov</a></li> </ul> </li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
4.	85/15 Rule Violation	VA Systems	Exceeds 85% by program and reporting period
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To identify VA institutions who have exceeded 85% threshold</li> <li>• Data Elements: <ul style="list-style-type: none"> <li>○ OBIEE reports for data on 85/15 ratios</li> <li>○ SAA suspension and withdrawal actions</li> <li>○ VA 85/15 program suspensions</li> </ul> </li> <li>• Resources: <ul style="list-style-type: none"> <li>○ GI Bill® Comparison Tool: <a href="https://www.va.gov/gi-bill-comparison-tool/">https://www.va.gov/gi-bill-comparison-tool/</a></li> <li>○ VA Salesforce: <a href="https://va.lightning.force.com">https://va.lightning.force.com</a></li> </ul> </li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
5.	Veteran Completion Rates	<ul style="list-style-type: none"> <li>• VA Business Analytics Team</li> <li>• ED – College Navigator</li> </ul>	Threshold: AY to AY  Persistence rate below <u>55%</u>
<p><u>Operational Definitions:</u></p> <p><b>Retention rate</b> is the percentage of a school's first-time, first-year undergraduate students who continue at that school the next year. For example, a student who studies full-time in the fall semester and keeps on studying in the program in the next fall semester is counted in this rate</p> <p><b>Transfer rate</b> is the percentage of a school's first-time, first-year undergraduate students who transfer to another college within 150% of the published time for the program. For example, a student who is in a four-year degree program is counted as a transfer if the student goes to another college within six years</p> <p><b>Persistence rate</b> is measured by the percentage of students who return to college at any institution for their second year, while the “retention rate” is the percentage of students who return to the same institution</p> <p><b>Graduation rate</b> is the percentage of a school's first-time, first-year undergraduate students who complete their program within 150% of the published time for the program. For example, for a four-year degree program, entering students who complete within six years are counted as graduates</p> <p>[Reference: ED Federal Student Aid.]</p> <p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• Evaluate data on retention, persistence, and transfer rates</li> <li>• Examine retention and transfer rate for first-time, full-time degree/certificate - seeking undergraduate students at VA approved programs at IHLs and NCDs</li> <li>• Use data to measure retention, persistence, and transfer of first-time undergraduate students who return to the same institution the following year</li> <li>• Identify and evaluate VA institutions with more than 20 Veteran students with:                             <ul style="list-style-type: none"> <li>○ Retention rate below threshold of 40%</li> <li>○ Transfer rate above 50%</li> <li>○ Persistence rate below 55%</li> </ul> </li> <li>• Data Elements:                             <ul style="list-style-type: none"> <li>○ Cohort Year</li> <li>○ Benefit Type (IHL/NCD)</li> <li>○ Facility Code</li> <li>○ Facility Student Status (Full-time)</li> <li>○ Retained Year 1 to 2</li> <li>○ Student Count</li> </ul> </li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

- % of Retention Year 1 to 2
- % of Transfer Year 1 to 2
- % of Persistence Year 1 to 2
- Use data to measure the percentage of first-time undergraduate students who complete their program at the same institution within a specific time period.
- Data Elements:
  - Facility Code
  - Facility Name
  - Facility Type
  - Student Status (Full-time)
  - Number students enrolled in program(s)
  - Number of students completed program(s)
  - % Completion rate
- Identify and evaluate VA institutions with more than 20 Veteran students with graduation rate below threshold of 65%
- Resource:
  - College Navigator: <https://nces.ed.gov/collegenavigator/>

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
6.	Financial Stability - Heightened Cash Monitoring	ED – FSA website	Trigger- HCM1 or HCM2  Minimum: Three AYs
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To monitor and identify VA institutions flagged by Department of Education in violation of financial or federal compliance issues that include accreditation issues, late or missing annual financial statements and/or audits, outstanding liabilities, denial of re-certifications, concern regarding the school's administrative capabilities, schools' financial responsibility, OIG involvement, and severe findings uncovered during a program review</li> <li>• Identify VA institutions placed on HCM from Department of Education, publicly available quarterly Report and VA Comparison Tool, Caution Flag notification</li> <li>• Data Elements: <ul style="list-style-type: none"> <li>○ Facility Name</li> <li>○ Facility Code</li> <li>○ Facility Type</li> <li>○ HCM Reason</li> <li>○ Reporting Agency</li> </ul> </li> <li>• Resources: <ul style="list-style-type: none"> <li>○ VA: <a href="https://www.va.gov/gi-bill-comparison-tool/">https://www.va.gov/gi-bill-comparison-tool/</a></li> <li>○ ED: <a href="https://studentaid.gov/data-center/school/hcm">https://studentaid.gov/data-center/school/hcm</a></li> <li>○ ED: FSA Handbook</li> </ul> </li> <li>• Non accredited institutions: Discussions about additional financials to be requested as part of the approval process for nonaccredited institutions under 38 USC §3676(c)(9)</li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
7.	Advertising and Recruiting practices	ETI websites ETI Policies, procedures, catalogs GI Bill Feedback System	Triggers: Deceptive practices-misleading or defraud Student complaints, Referrals from Trusted Federal Partners and/or Trusted State Partners
<p>Methodology:</p> <ul style="list-style-type: none"> <li>• To review advertising and recruiting practices of the institution, including those by third-party contractors of the educational institution</li> <li>• Identify any statement in advertising, marketing, and recruiting material that are potentially unfair, deceptive, or misleading or constitute abusive acts or practices</li> <li>• Verify the accuracy of statements in advertisement (i.e., job placement rate, scholarships to pay all or part of charges, employability/job placement after graduation, etc.)</li> <li>• Evaluate advertisement, script, and website for substantial misrepresentation, assigned as concerning, deficient, or misleading/non-compliant</li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
8.	Federal/State Government Actions	Trusted Partners: Federal: OIG/DOJ/ED/ DOD/FTC/ State Agencies, etc.	Trigger – Punitive action by agency partners
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To take notice of action against ETI on matters which the Federal Government and/or a State Government brings an action in a court of competent jurisdiction against an educational institution, including matters in cases in which the Federal Government or the State comes to a settled agreement on such matters outside of the court</li> <li>• Punitive Action notification received from any data sources listed above to include: <ul style="list-style-type: none"> <li>○ Department of Education - Payment under Heightened Cash Monitoring (HCM)</li> <li>○ Secretary of Education placed EIT on an institution in provision certification status.</li> <li>○ Federal Trade Commission (FTC) or another federal agency – Misconduct or Misleading Marketing practices.</li> <li>○ State Attorney General (AG)</li> <li>○ State Agency (Any) – Suspension and/or Disciplinary action</li> <li>○ Accrediting Agency: Loss of accreditation including: <ul style="list-style-type: none"> <li>▪ Probation</li> <li>▪ Suspension</li> <li>▪ Show cause relating to: <ul style="list-style-type: none"> <li>• Academic policies and practices</li> <li>• Financial stability</li> <li>• Revocation of accreditation</li> </ul> </li> </ul> </li> <li>○ State Government Agency</li> </ul> </li> </ul>			



STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

<b>Other Legislative Risk Factors from Public law 116-315</b>			
<b>#</b>	<b>RBS Factors</b>	<b>Data Source</b>	<b>Risk Assessment</b>
1.	ETIs conversion from for-profits to non-profit or public status	VA Systems (to include Salesforce)  ED College Navigator  IRS (Profit status)	Trigger – immediate action upon notification
<p>Methodology:</p> <ul style="list-style-type: none"> <li>• To identify ETIs subject to annual risk-based surveys for a period of three years after for-profit to non-profit status</li> <li>• Timeframe for collection: One or more AY</li> <li>• Salesforce database for documentation/monitoring/scheduling</li> </ul>			

Other Risk Factors for Consideration			
#	RBS Factors	Data Source	Risk Assessment
1.	Accreditor Actions	Referrals from trusted federal and state agencies  ED – Database of Accredited Postsecondary Institutions and Programs (DAPIP)	Trigger- Risk score (scale by deficiencies)
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To identify and evaluate GI Bill® accredited institutions notified of deficiencies with accreditors or state agencies standards and requirements for accreditation criteria</li> <li>• To identify and evaluate GI Bill® accredited institutions notified by the accreditors or state agencies of deficiencies actions relating to accreditation criteria, standards, and requirements</li> <li>• Data Elements:                             <ul style="list-style-type: none"> <li>○ Facilities</li> <li>○ Facility Name</li> <li>○ Facility Code</li> <li>○ Deficiencies Actions:                                     <ul style="list-style-type: none"> <li>▪ Sanction</li> <li>▪ Under a Show Cause Order</li> <li>▪ Accreditation Denial</li> <li>▪ Accreditation Withdrawn</li> <li>▪ Probation or Equivalent or a more Severe Status</li> <li>▪ Loss of Accreditation</li> </ul> </li> </ul> </li> </ul> <p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To identify GI Bill® accredited institutions non-compliance with criteria for accreditation of federal compliance requirements</li> <li>• Websites:                             <ul style="list-style-type: none"> <li>○ GI Bill® Comparison Tool (pending updates from ED)</li> <li>○ DAPIP: <a href="https://ope.ed.gov/dapip/#/home">https://ope.ed.gov/dapip/#/home</a></li> </ul> </li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
2.	Trend or continual Deficiencies in Compliance Actions	VA Salesforce	Deficiencies listed in report
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• Review Salesforce database:               <ul style="list-style-type: none"> <li>○ Identify and evaluate institutions that are owned by parent company</li> <li>○ Identify and evaluate institutions that have increase in discrepancies</li> <li>○ Identify and evaluate institutions that have repeat discrepancies. Identified by line number 26 on Compliance Survey Report, VA Form 22-1934, marked “yes”</li> <li>○ Identify and evaluate institutions that have discrepancies associated with advertising, sales or enrollment practices, owner/officer restriction and conflicting interest or contractual arrangements identified by line numbers 27 A, H, and I on VA Form 22-1934, marked “no”</li> </ul> </li> </ul>			

STANDARD OPERATING PROCEDURE PROCEDURES - RISK BASED SURVEY (RBS)

#	RBS Factors	Data Source	Risk Assessment
3.	90/10 Rule Violation	Compliance Actions  Federal Student Aid Referral from trusted federal and state agencies	Exceed 90%
<p><u>Methodology:</u></p> <ul style="list-style-type: none"> <li>• To identify For-Profit Colleges sanction for failure to meet the 90/10 requirement maintained by the Department of Education</li> <li>• Websites:                             <ul style="list-style-type: none"> <li>○ ED: <a href="https://studentaid.gov/data-center/school/proprietary">https://studentaid.gov/data-center/school/proprietary</a></li> <li>○ GI Bill® Comparison Tool</li> <li>○ VA Salesforce: <a href="https://va.lightning.force.com">https://va.lightning.force.com</a></li> </ul> </li> </ul>			

## **Appendix 2 – Salesforce Actions**

The following areas must but completed in Salesforce:

1. Survey Visit and Finding
  - Date Site Visit Began
  - Date Site Visit Completed
  - Number of Veterans Attending
  - Number of Files Reviewed
  - Discrepancies Yes/No
  - Discrepancies Referred To
  - Findings
  - Number of Errors
  - Number of Payment Related Errors
  - Amount of Overpayment
  - Amount of Underpayment
  
2. Create a new 1934
  - Place “X” In Form 1934
  - Enter Form 1934 Sign Date
  - Save
  - Type in Signature block
  - Confirm user has uploaded all documentation
  
3. Upload Files
  
4. Take End Product Credit 805