

INCREASING THE FUNCTIONALITY OF POST-9/11 GI BILL CLAIMS PROCESSING TO REDUCE DELAYS

HEARING BEFORE THE SUBCOMMITTEE ON ECONOMIC OPPORTUNITY (EO) OF THE COMMITTEE ON VETERANS' AFFAIRS U.S. HOUSE OF REPRESENTATIVES ONE HUNDRED THIRTEENTH CONGRESS FIRST SESSION

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INCREASING THE FUNCTIONALITY OF POST-9/11 GI BILL CLAIMS PROCESSING TO REDUCE DELAYS

Thursday, February 14, 2013

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 10:00 a.m., in Room 334, Cannon House Office Building, Hon. Bill Flores [Chairman of the Subcommittee] presiding.

Present: Representatives Flores, Runyan, Coffman, Takano, Brownley, Titus, and Kirkpatrick.

OPENING STATEMENT OF CHAIRMAN BILL FLORES

Mr. FLORES. Good morning. I want to begin by welcoming each of our new Members, especially our Ranking Member, Mr. Takano, to the Committee.

I also want to publicly thank Mr. Takano for agreeing to become an original co-sponsor of legislation which I have introduced that will mandate the contents of the Transition Assistance Program or TAP as we know it.

I realize everyone introduced themselves at the Full Committee organizational meeting, but I think it would be—well, never mind. Okay. We have got one that we can introduce.

With that said, I would now like to recognize the distinguished Ranking Member.

I will just introduce Mr. Coffman since we only have one other Member to introduce.

So I will open the floor for Mr. Takano's remarks.

[THE PREPARED STATEMENT OF HON. FLORES APPEARS IN THE APPENDIX]

OPENING STATEMENT OF HON. MARK TAKANO

Mr. TAKANO. Thank you, Mr. Chairman.

Good morning. I would like to thank everyone for joining us today. And I would like to thank our witnesses for taking time to testify and answering our questions.

Chairman Flores, congratulations on being the new Subcommittee on Economic Opportunity Chairman. I look forward to working with you and to helping our veterans and their families across our country.

As our country begins to reduce operations in the Middle East and bring more of our troops home, we will need to have the right programs to address their needs.

We have spent \$263 million on the long-term solution and many questions still remain regarding the system's effectiveness, its completion, and our return on investment.

The system does not yet process all claims from beginning to end and there is quite a bit of human intervention necessary to complete claims.

When the Veterans Administration first began processing claims with a short-term solution, it took about 45 minutes to process an original claim. Years later, with millions of dollars spent, it takes about the same time to process an original claim.

I do not see the anticipated gains that were visualized when the VA and SPAWAR came here to our Subcommittee and testified before us. As always, we are open to ideas on how to improve this custom-designed system.

Besides the cost and problems with the LTS, we need to know where completion of the LTS ranks for the VA. Is the LTS first on their IT priority list or has it now tumbled to the bottom of the list?

I hope the VA came prepared today to discuss where they are in completing the LTS and what will be the remaining cost.

I know Congress has made some changes to the GI Bill that required the VA to pivot from their original plan to accommodate midstream changes. I would like to know the impact of these congressional changes so that we have a complete picture of what has transpired since we began working on the LTS.

The colleges and universities are reporting a number of issues with the system. I know that off-ramp problems have been an issue and there may be a simple solution to address the over 80 reasons that off-ramps occur.

I look forward to what the NAVPA has to say about how we can streamline payments to the colleges. I hope we can figure out how we can streamline and improve the functionality of LTS that is so fundamental to veterans for their education.

This was the promise of the act to them when it became law under Public Law 110-252 and it is our priority now as Members of this Subcommittee.

I remain very interested to hear from the VA the details of how the provisions that have been implemented are performing, how soon additional functionality will be implemented and what will be the means for reducing processing times and providing improved services for veterans.

Mr. Chairman, thank you for scheduling this hearing and I look forward to the testimony and discussion we will have today.

[THE PREPARED STATEMENT OF HON. TAKANO APPEARS IN THE APPENDIX]

Mr. FLORES. I thank Mr. Takano.

My thanks to each of the Members, and I am looking forward to a productive and bipartisan 113th Congress.

We are here today to review development and implementation of the computer system used to process Post-9/11 GI Bill claims. And so a little history is in order.

In the run-up to the passage of the new program, VA stated unequivocally that the system used for decades to process Montgomery GI Bill claims would not be able to handle the more com-

plex Post-9/11 program. So Congress authorized \$100 million to develop a new system, what is now called the long-term solution or LTS.

Since the Post-9/11 GI Bill became law, this Subcommittee has held at least seven hearings on the program including the new LTS. Until recently, our understanding was that the system was being developed to handle all Post-9/11 claims beginning with an original claim through supplemental claims.

We now understand that the major development effort has focused on automating supplemental claims which compromise the bulk of the interactions between the VA, the students, and the schools.

I think in terms of a strategy, that was the proper decision and I applaud the VA for that decision. That strategy has resulted in over 40 percent of supplemental claims being processed without human intervention, but, like most things, it also had negative results because that decision left original claims processing relatively un-automated.

As a result, an original claim still takes about 45 minutes to process, a time little changed since 2009. In short, we are supportive of VA's efforts related to the LTS and our focus today is looking towards the future and to finish the full implementation of LTS.

Without making the system and its information more accessible to veterans and schools, it is not complete.

I would add to that the ability to provide a robust analyst function to enable the VA and Congress to make better informed decisions on the education and training benefits in the future.

VA has now spent about \$236 million on LTS and without adding such functions, it would be like buying a luxury car without air conditioning, heated seats, and a satellite radio.

As our witness from the NAVPA says in her testimony, LTS must continue to evolve so that it is able to process more complex claims and changes.

I now invite our first panel to the table, and they took the initiative to be there already.

With us today are Mr. Michael Dakduk, I am not going to get that correct, but I am trying, Executive Director of Student Veterans of America; Ms. Kim Hall, Vice President of the National Association of Veterans Program Administrators; and Ms. Hayleigh Perez from the Student Veterans Advocacy Group.

We welcome each of you. And just a reminder, you will have five minutes to summarize your statement.

Let's begin with Mr. Dakduk.

**STATEMENTS OF MICHAEL DAKDUK, EXECUTIVE DIRECTOR,
STUDENT VETERANS OF AMERICA, (SVA); KIM HALL, VET-
ERANS PROGRAM ADMINISTRATOR, HUMBOLDT STATE UNI-
VERSITY, VICE PRESIDENT, NATIONAL ASSOCIATION OF
VETERANS PROGRAM ADMINISTRATORS (NAVPA);
HAYLEIGH PEREZ, STUDENT VETERANS ADVOCACY GROUP**

STATEMENT OF MICHAEL DAKDUK

Mr. DAKDUK. Thank you, Chairman Flores, Ranking Member Takano, and distinguished Members of the Subcommittee.

Thank you for inviting Student Veterans of America to testify and address the Subcommittee on increasing the functionality of the Post-9/11 GI Bill claims processing to reduce delays.

I served in the United States Marine Corps from 2004 to 2008. In 2005, I was in Iraq. In 2007, I was in Afghanistan. I transitioned out. I used the Montgomery GI Bill.

During this time, the movement for the new Post-9/11 GI Bill was taking place in the halls of Congress, so I experienced firsthand that transition from Montgomery GI Bill to this new Post-9/11 GI Bill and the delays that come with it. These delays still persist to this day.

Student Veterans of America is the largest and only national association of military veterans in higher education. We currently have over 750 chapters or student veteran organizations at colleges and universities in all 50 states and in your districts that assist veterans in their transition to and through higher education.

SVA chapters were organized at four-year and two-year public, private, nonprofit, and for-profit institutions of higher learning.

This on-the-ground perspective which comes from every corner of this Nation and our experience in supporting thousands of GI Bill beneficiaries provides the framework for our testimony regarding the long-term solution and other recommendations regarding improvements for the processing of the Post-9/11 GI Bill.

Long-term solution or LTS, a proposed fully-automated, end-to-end processing system for the Post-9/11 GI Bill, has been a topic of discussion since 2010. And you mentioned the multiple hearings, Mr. Chairman.

While the LTS is a behind-the-scenes IT system being rolled in phases, SVA has concerns with the lack of realtime information currently being provided to student veterans.

We have routinely called for a secure Web-based single portal system that allows for student veterans to see the status of their GI Bill claim in realtime.

Currently, student veterans are only able to track the status of their claims by calling the GI Bill hotline or interfacing with our colleagues here, school certifying officials.

The GI Bill hotline has elongated wait times and during periods of heavy call traffic, the automated system instructs the student veterans to call back at a later time. This process is highly inefficient and extremely frustrating to veterans.

The other option is for gaining information on the status of a veteran's GI Bill claim and often the most consistent is for a student veteran to connect with the school certifying official on campus.

The school certifying officials have a private and, by most accounts, reliable hotline that they can call on the status of a veteran's GI Bill claim. However, this is not a long-term solution for the timely processing of the GI Bill.

School certifying officials should have access to a system that allows them to submit certifications of enrollment in a streamlined manner and, most importantly, follow the status of a veteran's GI Bill claim in realtime.

Since school certifying officials interact with the student veterans on a regular basis, they are often inundated with questions about the status of a veteran's GI Bill claim. They must be provided with the adequate systems to process and view the status of a student veteran's claim in realtime.

We recommend that school certifying officials and student veterans be provided appropriate realtime access to the status of GI Bill claims utilizing 21st century Web-based technology.

Both the student veteran and school certifying official portal we propose is not a concept unknown to the public or private sectors. You see it with the United States Postal Service, FedEx, UPS, your bank, insurance claims.

These can all be tracked or using the Web, you can log in and find out the status of your claim. But currently student veterans are unable to really figure out what the status of their GI Bill claim is.

Not only are customers notified of estimated time and delivery with shipping services like the United States Postal Service or FedEx, but when a hiccup occurs in the delivery of a package, the receiving customer is notified in a timely manner and given a new delivery time.

This does not work every time. The system is not perfect. But it works the majority of the time.

It is difficult to grasp in a technology-rich society why the time in processing of the Post-9/11 GI Bill is still a subject of concern. Equally disturbing is the inability of student veterans to access the status of their claim in realtime or near realtime.

We are grateful for the opportunity to testify here today. I want to thank you, Mr. Chairman and Ranking Member Takano, and I welcome any of your questions.

[THE PREPARED STATEMENT OF MICHAEL DAKDUK APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Mr. Dakduk.

Ms. Hall.

STATEMENT OF KIM HALL

Ms. HALL. Chairman Flores, Ranking Member Takano, Members of the Subcommittee on Economic Opportunity, the National Association of Veterans Program Administrators is pleased to be invited to provide comment on the topic of increasing the functionality of the Post-9/11 GI Bill claims processing.

NAVPA's membership is comprised of educational institutions from all sectors with an organizational commitment to advocating for what is in the best interest of student veterans at our institution.

Our expertise lies in the administration of veterans' education programs at colleges, universities, and other education providers, and most of our members also serve as school certifying officials for VA education benefits.

Our organization represents close to 400 educational institutions nationwide and our leadership is comprised of non-paid staff members.

The Post-9/11 GI Bill is an incredibly generous and complicated benefit program. The level of detailed, often manual work required of school certifying officials is frequently overwhelming.

There are a number of things we believe could be done to ease the burden on SCOs and on VA processors to make this a more streamlined and manageable process.

We must have regulations for the GI Bill law passed over two years ago, Public Law 111-377. Schools are being held liable for overpayments by policies that are not in alignment with existing regulations and schools are expected to comply with legislation that has been regulated.

The VA certification data entry system still requires schools to upload data multiple times for the same student one student at a time. There are no batch uploads.

Certifying officials are advised to input only one change per day for each student to ensure they are received correctly at the regional processing office and the ability to modify, update, or correct some inputs is severely limited if not impossible to do electronically.

Chapter 33 claims processed by the LTS automated functionality are now paid very quickly, as soon as five workdays from submission from our observation, but this is still a minority of supplemental claims and includes no original claims. LTS must continue to evolve so it is able to process more complex claims and changes.

Certificates of eligibility are not the same as authorizations for payment as used under Chapter 31, military tuition assistance. COEs do not represent a guarantee of payment of the said amount, but rather a statement of general eligibility for a program.

The VA still can pay all or a portion of reported charges based on a number of possible criteria and situations.

As long as VA requires schools to report every change in enrollment or charge, waiting until the end of term to submit tuition and fees will not help reduce the number of adjustments or amendments required, but will rather compress them into a very limited time period.

Every one of these changes has to be reported individually and, as mentioned previously, on separate days to make sure that the data arrives at VA intact.

The RPO should communicate with schools prior to sending school debts to the VA's debt management center for collection. There should be agreement on both the rationale and the amount of the overpayment before the DMC starts collection processes.

The VA's review in 2011 of outstanding 2009, 2010 overpayments was obviously flawed as the DMC suspended collection on over 800 of these debts and many schools reported offsets taken for debts that were already paid or previously reassigned to the student by the RPO.

The U.S. Treasury offset program procedures must be changed to prevent multiple agencies from offsetting the same debts simultaneously.

A system that only allows a weekly update of offset-eligible VA debts is irresponsible. This has caused enormous confusion, frustration, effort on the part of institutions to track and reconcile inbound payments and offsets from multiple non-VA related Federal sources including the refunds of erroneous or duplicate offsets taken.

It seems unreasonable in this IT driven age that the four regional processing offices cannot see electronic files in each other's jurisdiction. This lack of visibility requires additional form submission by veterans if their initial application was processed and their certificate of eligibility issued by one RPO but the veteran decides to enroll in a school in a different region.

The educational call center staff in Muskogee has visibility on veteran files from all four regions. Why not all four RPOs so that this additional paperwork and delay on claims processing can be avoided?

There is still no school access to real-time eligibility and payment data for students using the Post-9/11 GI Bill, our most long-standing request. This significantly impacts schools' ability and willingness to extend financial protection or courtesy for student veterans.

Schools' initial experiences with the Post-9/11 GI Bill including the recent debt collection efforts have not served to build confidence in the program or its accurate implementation. Only direct access to data will change this.

Mr. Chairman, Members of the Subcommittee, thank you again for this opportunity to contribute these statements on behalf of NAVPA. I will be happy to respond to any questions you may have.

[THE PREPARED STATEMENT OF KIM HALL APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Ms. Hall.

Ms. Perez.

STATEMENT OF HAYLEIGH PEREZ

Ms. PEREZ. Chairman Flores and Representative Committee Members, thank you for this opportunity to testify before your Subcommittee today.

I would also like to thank Jason Thigpen, founder and president of Student Veterans Advocacy Group, for his leadership and this opportunity, as well as the other panel members.

My name is Hayleigh Perez. As a female veteran who served on active duty in the U.S. Army, a wife, mother, student veteran, and currently vice president of the Student Veterans Advocacy Group, I feel very proud speaking at such a relevant topic.

The words freedom isn't free are so very true, yet our veterans today seem to be demonized as though we are asking for something that is not already ours.

Our veterans should never have to ask for something or often beg for things that were promised to us for the sacrifices made to protect our great Nation.

Theodore Roosevelt once said a man who is good enough to shed blood for his country is good enough to be given a square deal afterwards.

Many veterans are finding it extremely difficult to adjust back to civilian life for a multitude of reasons. Let's keep in mind a big difference with the ten-year war in Iraq and Afghanistan, contrary to past wars, is that our servicemembers have survived at a higher rate than prior wars. Of course that is a blessing, but it also precipitates a much greater need for preparation and care at home that our Nation was not prepared for.

As a result of the unanticipated transitional difficulties from backlog of delayed processing of VA claims, many servicemembers, veterans, and families thereof are suffering from unforeseen hardships that could otherwise have been avoided.

So what is the issue? The processing delays. Student veterans are often faced with extreme financial hardships when transitioning to school for the first time, starting in programs, changing schools or programs.

And when following up with their paperwork, student veterans often realize that they themselves and the university have done everything on their end to ensure a timely claim, though months often pass with no payment, no answers from VA as for the reasoning for such delays.

The way which current VA GI Bill claims are being processed needs significant improvement. Many of our Nation's student veterans are relying on their earned GI Bill benefits for groceries, child care bills, and housing. The delinquency by which these funds are being disbursed or not disbursed at all are oftentimes life altering, causing some consequences as extreme as veteran homelessness.

A fellow student veteran wrote to our organization stating there is a little known book called *When War Comes Home* by Aaron Glantz. On page 212, Glantz states Members of Congress and bureaucrats at the Pentagon and the Department of Veterans Affairs may not be attacking our veterans with mortars and IEDs, but they are literally killing them with indifference.

This past semester beginning graduate school, I experienced these delays firsthand. When I first contacted VA in January, I was told there was not even a record of my attending graduate school which I had begun attending a week prior.

After resubmitting the same documentation that I had sent in November of the previous year, I was told to follow-up a week later.

After calling the VA every week for five weeks, I finally got through the never-ending hold times and I got to speak to a woman by the name of Yvonne. Yvonne could see all of the documents that I had submitted both times and within a few minutes was able to issue payment for my book stipend and my housing allowance as well as my VA certificate. Within a few days, I received these funds and was able to continue with school.

Through research, our organization has discovered that VA is using the two different systems that were referred to earlier. I propose and our organization proposes to consolidate these two soft-

ware programs currently being used by VA to one standard program and retrain all of the VA representatives.

By consolidating the software programs to one standard program, the representatives will have equal access to addressing any GI Bill beneficiary claim. This would assist in maximizing productivity for VA and its representatives and reduce the considerable cost savings measure for both GI Bill beneficiaries and the Department of Veterans Affairs.

Each student veteran should also have a representative assigned to them at a local, State, or regional level. By assigning GI Bill beneficiaries an individual representative, they can additionally ensure more compliance, accountability, and continuity being met by VA.

Our society today is covered with blank checks it offers to one group or another. The difference between student veterans and other groups is that they are not asking for anything more than they have earned.

Have we really fallen so far in America that we resolve ourselves to believe if we are not personally affected, then it does not matter? Well, in many ways, having become disenfranchised with some of the questionable actions by our government, I can still honestly say that I would sacrifice my life to secure the liberties and freedoms we have in America.

So is it really too much to ask for our government to fulfill its obligation as intended to our servicemembers and our veterans?

[THE PREPARED STATEMENT OF HAYLEIGH PEREZ APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Ms. Perez.

Mr. Dakduk and Ms. Perez, I do want to thank you on behalf of the entire Committee for your service to our country in these challenging times of war.

I thank all of you for your testimony, and I have a couple of questions that I would like to get through. I am going to recognize myself for five minutes.

Question number one is how does the inability of a school certifying official being able to access and view a veteran's remaining entitlements make it difficult for school certifying officials to counsel a student as required by the principles of excellence required by the President's Executive Order?

Ms. Hall, this is probably for you, but I will take answers from any of you.

Ms. HALL. You know, to begin with, when you are working with a student, especially with the principles of excellence, it is in the best interest of both parties to be able to sit down and look at the big picture, look at their long-term objective beginning from when they start school all the way to their career. And while you are doing that, there is a lot of financial planning involved.

The only way to be able to look at the budget that the student has versus the money that they have coming in is based on their entitlement, the GI Bill. So the calculation from the monthly amount all the way down to the day that they are going to get that last payment is reflected in that entitlement figure.

And so it is very important at the beginning that not just remaining entitlement, but all of the eligibility for that student, the amount of money that they may be getting in a stipend or versus their status of enrollment at the university becomes all important data in calculating those budgets, those finances, and ultimately, you know, the time they start to the end of their degree.

Mr. FLORES. Okay. Thank you.

Since I have time, I am going to ask another question, and this can be for any of you or all three of you if you would like.

What has been your experience in terms of the complaints you are receiving from your members and constituents, by student veterans about the GI Bill processing? What sort of change have you seen over the last semester or prior semesters compared to this semester now that this system has been rolled out?

Mr. DAKDUK. Well, Mr. Chairman, I want to acknowledge that since the system has been rolled out, there has been an increase in the processing of GI Bill claims, so that should be acknowledged.

But I would also say that at the beginning of the semesters, that is when we see an influx of delays and that is when we receive most of our complaints at Student Veterans of America.

So we have a concern when we talk about troops returning home from Afghanistan. And the Department of Defense estimate over the next five years that one million troops will remove the uniform and make the transition into civilian society, many of them are going to use this new Post-9/11 GI Bill.

So we want to make sure that the Department of Veterans Affairs is prepared to handle that influx of military veterans on college campuses. But at the beginning of semesters is when we see a high number of delays.

Mr. FLORES. To kind of go back to the original question, if you look at where we are now versus prior semesters, have you seen a change? It sounds like you have got this cycle where at the beginning of each semester, your complaints are higher. Is the trend downward or is it the same or what? What do your constituents tell you?

Mr. DAKDUK. I would definitely say since the implementation of the Post-9/11 GI Bill the trend is downward. I will acknowledge that.

Mr. FLORES. Okay.

Mr. DAKDUK. But it still is an issue and it is a real issue at the beginning of terms.

Mr. FLORES. Okay.

Mr. DAKDUK. And I would just like to acknowledge this one thing, Mr. Chairman. The issue is, is because we cannot see the status of our GI Bill claims and our housing allowance comes on the tail end of each month.

Mr. FLORES. Yes.

Mr. DAKDUK. We do not know if you are waiting six weeks or eight weeks to pay your bills. Institutions of higher learning have been pretty supportive when it comes to supporting student veterans with their tuition and fees, but landlords are not as supportive when it comes to paying your rent.

Mr. FLORES. Ms. Hall, any comments?

Ms. HALL. Absolutely. The tuition and fee processes, as I stated earlier with the overpayment situation, is in a crises mode is what I would say at this point. Institutions have extended a courtesy out to allow veterans to continue attending school as we wait for the VA payments to arrive for tuition and fees.

We have no way of knowing at the beginning of the term or even until we actually receive a payment of how much we are going to get for that student's tuition and fees. And oftentimes it results in underpayments and overpayments. And by that time, the student is most definitely involved.

And if there is not a complaint, there should be at that point because the schools are trying to accommodate the VA's payments as they are coming in and——

Mr. FLORES. Okay.

Ms. HALL. —were ending up with all kind of overpayments.

Mr. FLORES. Just kind of a one-word answer. Better, worse, or the same or——

Ms. HALL. You know, in terms of the tuition and fees, it is definitely worse. You know, the students do not see it at the very beginning because we are deferring out the tuition and fees.

Mr. FLORES. Okay. Ms. Perez, better, worse, the same?

Ms. PEREZ. Mr. Chairman, I would say it is the same.

Mr. FLORES. Okay.

Ms. PEREZ. The student veterans that are reaching out to our organization are the ones who are suffering extreme delays, that are being forced out of their homes. They cannot pay for child care. It is having huge detrimental effects on their personal lives. And they are not able to be successful in their studies.

Mr. FLORES. Thank you.

Unfortunately my time has expired, so I am going to now recognize the Ranking Member for any questions he may have.

Mr. TAKANO. I am a new Member of Congress. I am having to get my arms around this issue.

Ms. Perez, can you tell me more about the students who have experienced homelessness and just how—I mean, related to the late payments or there are problems with the claims? I want to be able to get a firm picture of that myself.

Ms. PEREZ. As was stated by the SVA, some of these claims are backlogged so far that these students are not getting their payment on time. They are not able to pay their rent or their child care. And some students have had to withdraw from school because of not having this housing allowance or this book stipend.

And in my case, my payment was delayed eight weeks. And I know there are several student veterans out there that are experiencing much further backlogs. And if they are not being as proactive, they are not able to even find out the status because there is nowhere to verify the status of your claim.

My claim was lost in, I guess, the old system and it was not until I finally reached a certain person on the phone that she was able to see that I had even turned in the paperwork. So it was almost like my claim was in limbo. Had I not reached her and somehow she had the ability to access my file in another system, my claim would still be sitting stagnant as others' claims are.

Mr. TAKANO. Is there any organization that has quantified people who have had to withdraw or have been homeless because of the way we process claims?

Ms. PEREZ. Oh, I think one is too many, sir.

Mr. TAKANO. I understand. Thank you. I agree.

Mr. DAKDUK. Ranking Member Takano, there is a major issue that Student Veterans of America is working on as we move forward and that is data collection and the lack of data on military veterans and family members in higher education.

We are actually working with the Department of Veterans Affairs on tracking student veteran outcomes. But to your specific question, no, we do not have that kind of data. But that has become a major priority for us moving forward.

Mr. TAKANO. Great. Ms. Hall, have you had to resort to going back to paper forms at all or has it pretty much gone to all automation?

Ms. HALL. What the VA wants, we are fairly automated. But, again, it is a very simple piece of software that does not allow for much in terms of changes. Once you report one record, it is often gone.

You have a period of time that you have to wait before you can make changes to that one record. And even then, some of those records you are not able to change. You have to create a whole other record in order to make a change in certain instances.

So the automation is simple. It works. I do not believe that there is many universities or colleges that are back to using old enrollment certification papers.

Mr. TAKANO. You mentioned this issue of only being able to make one change a day.

Ms. HALL. Yes.

Mr. TAKANO. What is that about?

Ms. HALL. What that is, is when you are submitting a certification or an adjustment, a change in the units or any type of a change to a record, if you do multiple submissions, it gets lost in that queue. It does not get to the VA in the order that it needs to get in to show how that student has reduced units or even if you are talking about money, we report full amounts of tuition and fees to the VA.

And then if there is changes, multiple changes due to add, drops in the student's schedule, you have to do those one day at a time. Otherwise, they—

Mr. TAKANO. This obviously takes up time and staffing from the institution.

Ms. HALL. Absolutely. To be quite honest, the tax offsets with the overpayments are taking up the majority of our time at this point.

I believe that most of our board members in our organization have been focused more on trying to figure out how to relieve some of the pressure from the tax offset programs and not being able to use as much of our labor and our time doing the school certifications.

Mr. TAKANO. And have schools resorted to having to ask students to pay up front because of the delays in processing?

Ms. HALL. Well, I do not know if you saw the Florida schools, but what is happening is, yes, the debt that the school has incurred has

been moved down to the student veterans to pay back so the school can make their payments back to the tax offset program.

I am sorry. Your question again?

Mr. TAKANO. Well, have institutions begun to ask veterans to pay up front because they are experiencing these delays in processing?

Ms. HALL. Yeah, no. It is probably where we are going. I do not believe at this point and time right now that the majority or even the minority of schools are asking for students to pay up front. We are doing our best to float the students until the VA pays.

But if the overpayments and tax offsets are not taken care of—we are in the hundreds of thousands of dollars that the schools are in debt with the tax offset. So if it continues, then we may have no choice but to begin that process of asking the students to pay up front.

Mr. TAKANO. Thank you, Mr. Chairman. My time has expired.

Mr. FLORES. Thank you, Mr. Takano.

I would like to recognize any other panel Members that may have questions. Let's start with Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

You know, one thing, and let me throw this out to all the Members, I am old school. I was a Vietnam era veteran. Came out of the Army. Transferred to the Marine Corps later on.

And so I was under that old GI Bill where it was just one check that you got and you decided, you know, where it was going to. And it was always on time. We never seemed to have the problems that the younger veterans have today.

And so it was enough money to attend a public university and to pay for tuition, room and board. I think it fell short on fees or something like that. So I was in the reserves and made up the difference there.

But I am wondering if part of this problem is the complexity of this program that we have a stipend for this and then we have a check for that.

And wouldn't it be better just to give the veterans, Ms. Hall, one check and allow them to make the decisions about how to allocate it?

Ms. HALL. That was a great time, wasn't it? The problem with that is that there—you know, right now we are extending, just based on that certificate of eligibility, we are extending that courtesy to move out those fees. I do not know that the schools would be so generous if the money went to the student. There is no guarantee that the student would bring that money to the university.

And, quite honestly, I do not know that—I mean, I know the students also have overpayments that they are dealing with, so they have the same problems that we are having with the tuition and fee check.

But I believe that it would probably more than likely resort back to the way it was in which the students would be held just like a traditional student to pay their tuition and fees on time.

Mr. COFFMAN. I just do not remember a problem. You know, my fellow veterans, you know, this is back in the 1970s, I just do not remember that anybody had problems in terms of delayed payments.

And, you know, people that, you know, serve this country in defense of our freedom make extraordinary sacrifices. I certainly understand individual responsibility and, you know, I just do not remember that there were problems in the old program that I am hearing now with this new program.

And let me defer to the veterans that are here today.

Mr. DAKDUK. Well, thank you, Mr. Coffman, for that question.

That is actually something that has been debated for quite some time since the inception of the Post-9/11 GI Bill. Do we remove the institutions from the equation? Do we pay the veterans directly like the old program?

It is something that me and my colleagues at the Veterans of Foreign Wars and The American Legion are trying to work on as well. And we are thinking about whether that will be the best bet moving forward.

The problem is, is we are trying to figure out if we have made these investments in solutions, what is known as the LTS and other IT systems, how can we not get this right in the 21st century technologically-advanced world we live in? There is no way to create some sort of algorithm or system that can process these claims in the adequate manner?

So it is kind of difficult for us to understand that, but then we also realize we are working with the Federal Government. So we have talked about and we are trying to figure out whether paying the veteran directly will potentially be the best way of solving this problem.

So I want to let you know that streamlining the process of the Post-9/11 GI Bill is a priority for Student Veterans of America.

Mr. COFFMAN. Thank you for your service.

And I think our time overlapped with the United States Marine Corps in Iraq. I was there 2005, 2006.

Ms. Perez.

Ms. PEREZ. I am not all that familiar with the old GI Bill, but I know, too, Mr. Coffman, there was not the hiccups that we are experiencing now. And I have to agree that streamlining the process would definitely propose a solution.

My husband receives his paycheck on time every month and I feel as though we should be able to get this right with the technology that we have before us today, sir.

Mr. COFFMAN. Thank you, Mr. Chairman. I yield back.

Mr. FLORES. Thank you, Mr. Coffman.

Ms. Kirkpatrick.

Mrs. KIRKPATRICK. Thank you, Chairman Flores and Ranking Member Takano.

And thank you to our veterans.

I want to tell you that when I first came to Congress four years ago, a veteran approached me and he said, Ms. Kirkpatrick, remember this because our veterans have already paid the price, you have to fight for them with all your might. And I have never forgotten that and your point is well made that we should be taking care of our veterans.

And I want to ask the two of you what your experience has been in the average delay in processing for these claims. Just sort of ballpark, what is the average time we are looking at?

Ms. PEREZ. Ma'am, I have seen anywhere from two months to five months where the semester is almost ending and the student is just receiving the first payment. And it is a substantial payment, but that did not help them to sustain life through the semester to take care of their family.

It can cause the veteran's studies to suffer. So to ensure that we are successful in the classroom, we need these tools so that we can utilize them and put our energy towards becoming productive citizens of society.

Mr. DAKDUK. Thank you, Ms. Kirkpatrick.

Six to eight weeks from the beginning of a semester or term, that is kind of the average timeframe we have seen, especially this last term, and the complaints we have received from student veterans.

As you get through the semester or the term, the VA tends to get on it or figure it out at that point or the school certifying officials in the institutions of higher learning are able to work with the veterans to come up with some sort of a fix to the issue.

But I also want to acknowledge Kim and NAVPA and what they have been saying around the debt collection issue, the tax offsets. That is a real issue. And if we do not get that right with the institutions of higher learning, then it is going to affect student veterans and then institutions are going to have to resort to some things that might hurt the student veteran in the long run.

Mrs. KIRKPATRICK. What do we need to do legislatively to address that in your opinion?

I will throw that out to the entire panel. Any one of you could address that.

Mr. DAKDUK. Well, I would say that what we are doing right now, we have made it a priority to really discuss this issue, potentially hold a hearing on the tax offsets and the debt collection and the process that occurs. I think that would be an important next step. But we are working with our colleagues at NAVPA and Student Veterans of America has made that a priority to look into this issue.

Ms. HALL. What we are asking right now is a lot of the overpayments have stemmed from the 2009, 2010 year when 9/11 first started and we are asking that the collection process be stopped at this point so that we can re-look at some of these tax offsets that are happening currently.

There are so many errors in the processing, duplicate payments, offsets for students that never attended an institution, and then the payments coming back from the Treasury Department are virtually unidentifiable by the schools.

They are sent back under a Federal tax ID number whereas we use facility codes. And so it comes back to the tax ID number. There could be multiple institutions within that tax ID number or one tax ID number for an entire state with the overpayments.

So the process right now really needs to come to halt until we can go back and re-review some of these offsets to see if there is—to find the legitimacy in them and make sure they are accurate.

Mrs. KIRKPATRICK. And if the process does come to a halt, what is your estimate of the timeframe it is going to take to correct these measures?

Ms. HALL. You know, if we could put and VA could put together a solid group that was familiar with the processing of the tuition and fees and how the debts were originated, you could go through those files fairly quickly, I believe, a month, maybe even weeks to get that through that process.

Mrs. KIRKPATRICK. And in your experience, is the processing problem a state-by-state problem or is it a Federal department's problem?

Ms. HALL. Absolutely Federal. Absolutely, yeah.

Mrs. KIRKPATRICK. Thank you very much. I yield back the balance of my time.

Mr. FLORES. Thank you, Ms. Kirkpatrick.

Mr. Runyan.

Mr. RUNYAN. Thank you, Chairman.

A few things. I think we got it. And I happen to chair the Subcommittee on Disability Assistance and Memorial Affairs with Ms. Titus as the Ranking Member. And I think we get these processes, same thing with VBMS, on how we are going to figure that out. It is a challenge.

But I think, Mr. Dakduk and Ms. Perez, I think you both kind of—Ms. Perez, when you brought up the fact that the hotline actually solved your problem, you know, I am talking about short-term solution, and actually person-to-person contact and getting it done.

In my experience, and I think you will probably be refreshed to hear this, my own brother went through this process and it got to the point in his academic career that he would call and say I need money for food, I need money to pay my rent, can you help me. The VA check is coming, but I do not know when.

So my question goes right now, I know we have a big systemic problem to short-term phase, what can the VA do, Mr. Dakduk, to make the hotline work?

I know you said about call volume kind of thing also. And when you answer this question, too, I want you to add in, is there a difference between the fall term and the spring term or the winter term because of people entering college traditionally September? You know what I am saying?

So there is going to be peaks and valleys in calls. And you obviously already said there is a beginning the semester problem, but is there, you know, an enrollment issue at the beginning of the traditional school year versus the rest of the year and what can the VA do to make the process work because obviously Ms. Perez says when she actually got through to somebody, it was soft?

Mr. DAKDUK. Thank you, Mr. Runyan.

You see issues at the beginning of a term. Usually it is a semester because that is how most traditional institutions of higher learning are set up. But it fluctuates depending on the type of institution.

And it is very important not to lump student veterans into traditional students because they are nontraditional students and they enroll at multiple times during the year.

But usually the influx that we have seen in working with the VA is during the beginning of a semester. There are some delays that may occur throughout a term, but that is the most.

Now, the GI Bill hotline, once you get through, you might have some success, but that is the key, getting through on the hotline. I made two calls before coming to this hearing to the GI Bill hotline over the past three days. I did one on Monday, and I did one on Wednesday or Tuesday and Wednesday.

And on Tuesday, I called around two p.m. eastern. I did not get through. It told me to call back and leave a message and to receive a call back from the VA. I hung up. I called back the next day, Wednesday at three p.m. It said to call back after hours, leave a message, and somebody will call back.

I did not call back after hours because at five-thirty, six o'clock I was on the Metro train on the way home. Seven o'clock I answered some e-mails to catch up on some work. Around eight I ate dinner and then I went to bed.

We do not operate on that same timeline of call back and we will respond to you at a certain time. There is no system that we can access that you can just find out status of the claim.

Now, I should take that back and say that there is a frequently asked question system that exists on the GI Bill Web site. I simply asked one question at the beginning of last year on how many months of my Post-9/11 GI Bill I had left because I saved some, and I wanted to use it for graduate school after I graduated with my undergraduate degree.

It took 30 days for a response just to say how much time I had left on my GI Bill which was roughly eight months. And it was wrong. It said I had eleven months. And I found out later that I only had eight. So even the response I got 30 days later was wrong.

So staffing the GI Bill hotline, these are all just short-term solutions. In the long run, we need some Web-based technology that allows the student to see this in realtime.

Thank you, Mr. Runyan.

Mr. RUNYAN. Thank you for that response.

With that, I yield back.

Mr. FLORES. Thank you, Mr. Runyan.

Ms. Brownley.

Ms. BROWNLEY. Thank you very much, Mr. Chair.

And I apologize for missing some of the original testimony, but it certainly seems to me that all of you have really laid out what the problems are. So we are very clear on what the problems are. But the fixes for it, both short-term and long-term, do not seem to be quantified or there is not a direction.

I was in a Committee hearing yesterday on mental health and talking about the response time from the time that a veteran would call and be attended to and how we have prioritized and made sure or making sure working towards the goal of a particular response time.

And I am just wondering, and I know the VA is going to come up and testify in the second panel, but from your perspective, what has the VA laid out in terms of shorter-term resolutions and longer-term resolutions?

I agree. It seems as though with technology that there should be a way in which technology should be able to really assist in this. It seems like better partnerships with higher education institutions

and communications and not working in silos should be part of the solution.

But I am just wondering are there any specific goals and specific plans for short and long-term solutions?

Ms. HALL. I just want to reiterate I think what Mike has been trying to say to you is that really the data portal, the ability for the school certifying officials to see the process as it happens in realtime is very important.

I mean, if the technology cannot get the process moving quicker and more accurately, then at least we need to be able to see what happens so that we can help the students continue to stay enrolled in school.

Ms. PEREZ. Can I add to what Ms. Hall said? With my personal experience when I called in, I spoke to four different people prior to talking to the woman that was able to fix it for me. So I think continuity of training is nonexistent with the people that you reach when you finally do get through the hotline.

And I do have to add that I think the call-back system is beneficial from where we were, where we were sitting on hold for an hour. An hour is a long time. I can do a lot of productive things in an hour.

But just continuity of training with the people that you get when you do finally get through that hotline, I think, is very, very important.

Mr. DAKDUK. I think, Ms. Brownley, what we need to do is really focus in on this portal. We need to focus in on some sort of Web-based interface where a student veteran can go on and school certifying official and see as well what the status of a claim is. It is just remarkable that we cannot do that now.

I believe the Department of Veterans Affairs when they testify will talk about the fourth release and the long-term solution which will provide some sort of concept around that. I do not know what that is. I do not know what it is going to look like. But if that is the last rollout in their phased approach on this long-term solution, we have got to make sure we get that part right for the long-term.

Ms. BROWNLEY. Thank you.

Mr. FLORES. Thank you, Ms. Brownley.

Ms. Titus.

Ms. TITUS. Thank you, Mr. Chairman.

As a university professor, I have worked with a number of students who are on the GI Bill at UNLV, so I want it to work right. And I have heard a lot of their complaints.

I do think that the VA has a responsibility to do a better job, but I can tell you sometimes university bureaucracy is to blame for part of the problem.

So I agree with Ms. Brownley. We need maybe to set some standards that universities have to meet as well at their end to help this process work better.

Also, several of you mentioned, or in your testimony, and in your answers, that you are nontraditional students. So a lot of veterans going back to school do not go to brick and mortar four-year liberal arts colleges. There are lots of other ways to get a college degree now, whether it is online or short-term in the summer, you know, just different kinds of seminars that you can take.

And I wonder, is the experience any different with the different kinds of approaches that you can take to a degree? Is it better in online programs? Is it better on University of Phoenix? Is it better at William and Mary or does it make any difference?

Mr. DAKDUK. Well, thank you, Ms. Titus.

First, I want to tell you I graduated from UNLV. I recall seeing you several years back when you came with Ms. Berkley—

Ms. TITUS. Nice to have you here.

Mr. DAKDUK. —and Secretary Shinseki at a round table and it is great to see you again.

I will say that there has been a lot of speculation right now in not only the halls of Congress, but in the media around the value of for-profit institutions of higher learning.

We have student veterans that attend colleges and universities at brick and mortar institutions and online. And what we are working on right now is tracking student veteran outcomes, getting the data on graduation rates, persistence, finding out what this data actually is.

There is a gentleman from the University of Phoenix in attendance here today. I met with his CEO. I met with the leadership of for-profit institutions, nonprofit institutions, private, public institutions of higher learning. I see student veterans succeeding all across the country. That is what I see anecdotally.

Although there have been reports in the media that student veterans are dropping out at high rates, these reports are unfounded. There are no facts to them.

That is why it is a major priority of Student Veterans of America working with The American Legion and VFW and the Department of Veterans Affairs, I want to acknowledge that, to track student veteran outcomes and get this data to find out how successful student veterans are at different institutions of higher learning.

I just met with President Barron, the Florida State University president. His graduation rate is 87 and a half percent for military veterans. But there are very few institutions of higher learning in our country that are actually tracking student veteran outcomes.

That needs to be done so we can find out how successful they are and what are the programs and initiatives that are leading to success. That is a major priority for us moving forward.

Thank you, Ms. Titus.

Ms. TITUS. Thank you.

And if you are one of our graduates, you make us very proud. You have obviously done very well.

Other comments about the process or the results depending on the approach?

Ms. HALL. Our membership is made up of a consortium of colleges and universities. And I would say that the claims processing is the same across the board with all of them. We all experience the same problems, the same delays, the same communication issues. I would say there is not a wide difference in the processing.

Ms. PEREZ. Thank you, Ms. Titus.

I would have to agree with Ms. Hall. Having attended a brick and mortar institution as well as an online school, I did not notice a difference as far as any of the processing. So I do not think there

is data that supports whether one is more easily available versus the other.

Thank you, Ms. Titus.

Ms. TITUS. Thank you, Mr. Chairman.

Mr. FLORES. Thank you, Ms. Titus.

I appreciate the feedback we have received from the panel. We received several noteworthy pieces of information that will be helpful to us as we continue this process.

I do have one sort of a closing question for Ms. Hall. And that is, it seems to me like one of the things we heard is that this process might work better if we went back to the Montgomery GI Bill payment processing system which is essentially monthly payments.

If we were to do that, what is your feeling as far as the schools finding that to be an acceptable solution? You would have to take your payments on a monthly basis. Is that something you think schools would be willing to do?

Ms. HALL. Are you inquiring about the tuition and fee payment being paid on a monthly basis?

Mr. FLORES. That is correct. That is essentially correct.

Ms. HALL. You know, I do not think that the amount, the amount of the money is—I guess it is the issue. The issue really is that we do not know what we are getting from the VA.

When we certify the tuition and fees, we give them an amount. We are not billing the VA. We just tell them this is what this student's tuition and fee amount is. And it is what we get back is what is becoming the issues. We do not know how much money the VA is going to pay.

And oftentimes, we have students, I mean, again, if they did pay monthly and we knew they were going to pay a certain amount, we could bill them like an authorization, say this is what we have to have and we knew that is what we were going to get, absolutely, it would work.

But until we are sure about the money that we are going to get and the ability to be able to make changes to that amount, right, because the students add, drop all the time, and so as they add, drop, the tuition and fee amounts change.

And so the LTS, the system has to be able to process those changes quickly. And just off the top, I would say trying to do that on a monthly basis would become very labor intense.

Mr. FLORES. Thank you, Ms. Hall.

One of the things that came out of the testimony that we received today is that there is one issue that seems to be, let's say, an important issue that might be easily resolved temporarily and it has to do with the concerns expressed by the NAVPA. And it suggests that there are significant problems with the debt management and collection process.

And this comment is more for the second panel as they prepare to come up. It seems to me and maybe to other Members of the Subcommittee, it would be appropriate to temporarily suspend the collection of overdue payments until the VA and the schools can work together to develop a mutually beneficial solution to this particular issue.

That way, the schools are not damaged economically or financially rather, and the VA comes up with a system that would actu-

ally enable it to do what it is trying to do in terms of collecting debts.

If there are no further questions, the witnesses are excused, and we thank you for your service to our Nation's veterans and we thank the two witnesses that have also served our country.

Following a short break for biological purposes, I am going to ask the second panel to come to the witness table.

With us today are the Honorable Roger Baker who is Assistant Secretary for Information and Technology for the VA and Major General Rob Worley, Director of the VA's Education Service.

We will resume in about two minutes.

[Recess.]

Mr. FLORES. This hearing will resume.

I would like to thank both of you for appearing today.

And Mr. Baker is recognized for five minutes.

STATEMENT OF ROGER BAKER

Mr. BAKER. Thank you, Mr. Chairman.

Good morning, Ranking Member Takano and Members of the Subcommittee.

I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs' efforts to create and implement the long-term solution for processing Post-9/11 GI Bill claims.

Accompanying me today is Mr. Robert M. Worley, II, Director of the Education Service.

And as we take questions, you will see that I tend to lean towards the IT side of things and he will tend to lean towards the policy and business side of things.

My testimony will address the current status of education claims processing and the status of the implementation of the Post-9/11 GI Bill long-term solution IT system.

Most importantly, we can report to the Subcommittee and to our Nation's veterans that VA is currently processing supplemental claims for Post-9/11 education assistance in an average of seven days from their receipt, a remarkable achievement given that today we are still in the peak enrollment period for the spring term.

For comparison purposes, on this date in 2011, that number was 19 days. In 2012, it was 14 days. Today we have approximately 80,000 claims pending which is a dramatic decrease from previous years at this time, about a 50 percent decrease.

In January, over 149,000 claims, supplemental claims were processed in one day at the VA as a result of automation. That improvement is largely due to the automation implemented in the long-term solution.

But this does not mean that we think the LTS system or the complex processes that it helps automate are perfect. With hundreds of thousands of veterans attending school each semester, even a small error rate, and our error rate at this point in time is about one percent, means unacceptable delays for far too many people.

But I want to assure you, Mr. Chairman, and every Member of this Committee that VA employees, whether a claims processor, a

software developer, or a manager, care deeply about doing the best job possible for our Nation's veterans. It is why we are here.

During my confirmation in the spring of 2009, I consistently heard that the VA would fail in the implementation of the systems needed to support the Chapter 33 program. And I can use the word universal for that opinion.

Under pressure to implement the new GI Bill on time, we also had to transform an 8,000 person IT organization so that it could deliver while implementing this critical new program which is why, frankly, I am so proud of the results.

From a forecast of failure, the VA IT organization delivered the LTS system under tight deadlines and even took on an extra year of development when Public Law 111-377 was passed in January of 2011 making extensive modifications to the system necessary.

The LTS delivered on time from initial capabilities in April of 2010 through 33 different functional releases and now processes over 40 percent of supplemental claims within one day of receipt.

From an IT perspective, and from a VA perspective, and most importantly from a veteran perspective, the LTS is delivering value.

As with any IT system, there are many new features and functionality users would like to see. This is as true for the LTS as it is for any of the other 1,000 plus IT systems that we operate inside the VA.

Inside VA, we have a disciplined approach to prioritizing our IT needs and allocating funding available to those needs.

For fiscal year 2013, we have focused our resources to fully support the secretary's goal of eliminating the claims backlog in compensation and pension by the end of 2015.

In conclusion, our veterans' hard-earned educational benefits are the vehicle by which many of our Nation's heroes pursue their educational goals and successfully transition to civilian life.

VA is dedicated to ensuring that veterans are able to make well-informed decisions concerning the use of their benefits and receive a quality education.

We look forward to working with the Subcommittee to provide the best possible support to our veterans and beneficiaries as they pursue their educational goals.

Mr. Chairman, this concludes my statement. Mr. Worley and I would be pleased to answer any questions you or the Members of the Subcommittee have. Thank you.

[THE PREPARED STATEMENT OF ROGER BAKER APPEARS IN THE APPENDIX]

Mr. FLORES. Thank you, Mr. Baker.

And I will begin the questioning. Several times in the response of the VA to our pre-hearing questions, the VA stated that future releases and functionalities for the LTS would be subject to priorities and IT funding.

Can you tell us where the LTS falls in the IT priority list at the VA at this time?

Mr. BAKER. Yes, I can, Chairman.

If I can give you a little bit of a complex answer and maybe explain a little bit of our prioritization process.

For 2013, as we looked at our available funding and the issues we had, we decided that we had a lot of automation coming on board with the 33 system and that actually moving to utilize those automations would take a lot of the fiscal year 2013 year.

And as you see, the automations and supplemental continue to increase our ability to utilize those. And so in fiscal year 2013, we have focused our dollars on the compensation and pension side of the system.

Congressman Runyan had referred to the VBMS system, the Veterans Benefits Management System that we are rolling out right now.

We believe that subject to availability of funding in 2014, there are improvements that could be made to the system. And we also are looking to identify funding inside of our 2013 budget still to provide improvements in the 2013 system.

So the specific answer to your question, Congressman, is it is one of the first things we will fund in addition to what we're doing right now when we identify the available funding.

Mr. FLORES. Okay. Thank you.

Would it be—I am going to ask you the same question I asked of Ms. Hall in the prior panel. Do you—in your opinion, would it be beneficial to—make the payments under the Post-9/11 GI Bill under the similar protocols of the Montgomery GI Bill, essentially on a monthly basis?

Mr. BAKER. Let me defer that one to Mr. Worley.

Mr. FLORES. Okay. General Worley.

General WORLEY. Mr. Chairman, thank you.

It would simplify the debt issues that we've been talking about, and we'd be willing, of course, to work with the Committee on a proposal along those lines.

Mr. FLORES. Okay. In your written statement, you listed seven impediments that stand between you and 100 percent end-to-end automation of GI Bill claims.

Can you tell us what the plan is to overcome those seven impediments?

Mr. BAKER. I apologize, sir.

Mr. FLORES. I think it's on the PowerPoint that you presented to the staff, excuse me.

STAFF. It's the last page.

Mr. FLORES. Last page of the PowerPoint. Sorry about that.

Mr. BAKER. And I apologize. I am sure that is somewhere in the book here as well.

My staff has laid out a plan and necessary funding to address the items around certificates of eligibility and to be able to automate those as well as making certain that we do maximum automation of the supplemental claims.

I am not as familiar in depth with the pieces of this. I can tell you that in particular where certificates of eligibility are concerned, there are a number of systems that will need to be improved because the data quality is a key item as we look at certificates of eligibility.

Today the reason that a person is so much in the loop with those is that if the data does not appear to be right, for example, about

term of service or various items, they will go look in other areas to find that information.

So automating that we believe is going to require more than just changes to the long-term solution system itself, but also to a lot of the data feeder systems that feed into that to make certain that we achieve quality results for these when they go through.

I do know if there is any of the specific items, Mr. Worley handed me the slide, that you would like me to address in here, but the staff has laid out a plan for how do we address all of these in an automated system.

Mr. FLORES. I think since I have limited time, I am going to ask you, if you would, is to provide the Subcommittee staff with what it would take on each of the seven impediments, if you do not mind.

Mr. BAKER. We would be happy to do that.

Mr. FLORES. And that will, I think, satisfy the rest of that question.

Do you have the PowerPoint in your package there? If you go to page nine, we had a question regarding our, and maybe somebody else will take this up because I have limited time, so I will go ahead and ask the question, and you can think about somebody else picking it up, what I need you to do is put your response in plain English for me so we can understand what the costs are with the process of automating the processing of original claims.

So with that, my time has expired, and I will turn the mic over to Ranking Member Takano.

Mr. TAKANO. Thank you, Mr. Chairman.

I am having trouble understanding the discrepancy in what you say is the average turn-around time for processing a claim.

You say it's now seven days?

Mr. BAKER. In supplemental claims, I believe the latest number is six days of average time to complete supplemental claims processing from when it's submitted by the school into the online V.A.—ONCE system to when we put in the payment file to go to Treasury.

Mr. TAKANO. The advocates for the students and the student vets, are saying that they experience six to eight weeks.

Are we talking about two different things here?

Mr. BAKER. In hearing that, my thought was that I think we're talking sample size. For good or for bad, what the V.A. looks at is a half a million or more claims that are going through the system.

Mr. TAKANO. Okay. So what—what—OK, so what percentage of the total claims are—how many—what percentage of our student vets are experiencing delays of six to eight weeks, would you say?

General WORLEY. If I could try to comment on that, I don't have a percent of veterans who may be experiencing those delays.

But we do track a lot of the statistics on days to complete a claim of the various benefit types and so forth, because clearly we want to do that as quickly and as accurately as possible.

Today, or just yesterday, I asked for the percent of Chapter 33 supplemental claims that we have that are greater than 30 days old, and the answer to that is about 4 percent of them.

On original claims, it's a higher number, which is, as Mr. Baker pointed out; it takes more development in many cases to establish the eligibility.

Mr. TAKANO. Excuse me. So was Mr. Dakduk speaking about original claims or supplemental claims? Because I'm now learning this new vocabulary of supplemental and original.

General WORLEY. He may have been talking about both. The first step is to get the original claim in, which provides a certificate of eligibility and in some cases, those come in without an additional supplemental claim, which is an enrollment, which are the actual certifications that result in payments to veterans.

But the first step is to get the certificate of eligibility which takes a little bit longer. So it—

Mr. TAKANO. I mean, on the supplemental claims, can you give me an average number definitively? I mean, the data must exist on when claims are processed or not processed.

So on original and supplemental claims, I would imagine you should be able to provide the Committee with information about what percentage of the claims are taking six weeks long. Is that possible?

General WORLEY. Yes, Congressman, that is possible. For original claims, I can tell you today it is about 30 days and that has been coming down. That is the average for processing an original claim for Chapter 33. And nationwide for all benefits, it is 29 days. For supplemental claims for Chapter 33, as was pointed out, we are running about six days right now with automation.

Mr. TAKANO. Now, is it accurate that we spent about \$250 million on this new system? It is mind boggling to me that we spent that much money on a system. Can you comment on the value or the amount of money spent for a custom software system? I may not know the market very well, but what can you say about that?

Mr. BAKER. I can certainly comment to that. I believe the number that we provided the Committee was \$263 million—

Mr. TAKANO. Right.

Mr. BAKER. —from start to the point we are right now. As we have rolled through building the system, it is a very complex set of rules that we process to inside the education system.

I made the observation to someone while we were on break that the difference between a VA and an Amazon is if Amazon finds a rule, a business rule that they have that they do not like because of what they are doing in the system that would make the system hard, they can change the business rule. If it is in the law, we do not have that opportunity.

And so we have built a system that processes claims to the law for education claims.

I can speak a little bit to the IT side of this. I, you know, have a fair amount of experience in government. Not many IT systems in government deliver to the timelines and with the level of functionality that this system has without grossly exceeding their budget. And this system has not.

So the question of is \$263 million the right amount of money to spend on this, there is a huge difference between the way the government does these things and the way the private sector does.

Mr. TAKANO. Thank you.

Mr. Chairman, my time has expired.

Mr. FLORES. Thank you, Mr. Takano.

Ms. Brownley.

Ms. BROWNLEY. Thank you, Mr. Chair.

Just to follow-up on that line of questioning then, are there ways in which or laws in which we can improve upon the system understanding that, you know, we cannot be as quick as Amazon might be able to be, but are there things that we can be doing to improve the system under the current sort of architecture of which was created based on a law?

Mr. BAKER. Thank you, Congresswoman.

I would just make two observations for you. One is, there are parts of the system that, if changes, fit inside of— make the changes very quickly. When the law was passed in 2011, there was a requirement for a number of changes to occur within 60 days. And because those impacted in the area that we call the rules engine, we were able to quickly make those changes and implement those within that timeframe.

As we get to more extensive changes in the law and in the system, it then gets into the basic software of the system, and that does take a fair amount of time to change.

We tried to build the system to accommodate the ability to make changes more quickly. But as I said in my testimony in January of 2010, that is not a miracle. You know, it will accommodate some things more than most IT systems, but certainly not everything.

And so it really becomes a discussion between the business folks, the technology folks, and the folks writing the law of what is going to be easy to implement and what is going to be hard to implement and then the business choices along that path.

I cannot give you a more fine-grained answer than that, although I will point out that this Committee, actually years ago, did the VA a huge favor by consolidating our IT organization into one appropriation. That has allowed us to make the kind of management changes that allowed us to deliver this system on time.

The VA before that could never have delivered this system, not on time, not to any budget. They could not have delivered this system. So this Committee has a lot of credit for just putting that in place.

Ms. BROWNLEY. Thank you, sir.

And just another question. It seems as though based on the earlier testimony and your testimony, there seems to be, we have not really reconciled, we are not in agreement, let's just say, between the VA and the stakeholders vis-a-vis our response time in order to fulfill these backlogs and what the claim time really is.

And so if we were going to follow what you are saying the data is, and I think you mentioned there was a difference in sample sizes, then that leads me to think that there are pockets, regional pockets that are different, having the different response time if we are looking, you know, you are quoting the averages.

So am I right in that and if I am, are there ways in which those can be identified?

General WORLEY. Thank you, Congresswoman.

I would address that by saying we are in a period of transition. I think many of the horror stories about delays happened in the

fall semester of this past fall. The pending claims, if you will, that came in peaked at about 220,000. We did not have automation yet and we were struggling to keep up at that time.

As we examined that problem, we turned our focus to the types of claims that actually pay our veterans. In other words, the certification of the supplemental claim as we call them. That let some of the original claims that were coming in for the certificates of eligibility that did not have an immediate enrollment with them, that let some of those claims age.

Since the implementation of the automation, we have been able to, as you heard, process the supplemental Chapter 33 claims very quickly and that percent started off at about 25 to 28 percent of supplemental claims in the beginning of October. And today it is in the mid 40s consistently among all the regional processing offices, which is obviously a consistent growth in the percent that are automated.

So that has allowed us to turn some of the manpower to the more aged claims and make sure that those are worked and come down.

With the volume that we deal with, well, unfortunately there will be cases where mistakes are made or we do not get to something quickly enough. We will acknowledge that and fix it as quickly as possible. It is not acceptable to us to have someone waiting eight weeks or longer for their claim to be paid.

Ms. BROWNLEY. Thank you, sir.

Thank you, Mr. Chair.

Mr. FLORES. Thank you, Ms. Brownley.

Mr. Baker, one quick question for you. If we were to choose to go to the old Montgomery processing methodology, is it possible to change the system to accommodate that and how long would it take?

Mr. BAKER. Congressman, if I could get back to you, I would like to have the folks that know the system best give you an answer instead of me, if you will, guessing on that at this point.

Mr. FLORES. Okay. If you would. And we will do that and we will also send you some additional questions. We would ask the VA to get back to us as soon as possible on that.

I will now recognize Mr. Takano for any closing remarks that he has.

Mr. TAKANO. Mr. Chairman, thank you very much for this moment.

I want to express the desire of the minority to work with the majority on helping to serve our veterans better. It is the least we can do for the service they have done for our Nation, and it is a great privilege to serve on this Committee with you, sir.

Mr. FLORES. Thank you, Ranking Member Takano.

I have to concur with your comments. This is fortunately one of the Committees where we have good bipartisan relationships, I believe, to work cooperatively for the benefit of our Nation's veterans.

In closing this hearing today, I would like to ask the VA in the strongest terms possible to fund and develop the functions that were listed by today's witnesses.

I realize the demands of any IT system budget and development are significant, but it does not make sense, I think, that we have

come so far and you said fairly clearly about the successes you have had, and it seems like it is appropriate to go ahead and try to take that to the next level and add the capabilities that will lessen the number of calls to the Muskogee call center and to give our veterans and our schools the ability to monitor the benefits and as a result, improve the administrative processes for all concerned.

I believe that this is an important model for other VA benefit programs and we intend to visit an RPO soon. And I would like to invite the Members and the staffs to join me, to take that trip with me, and we will be getting back with each of you very soon on that.

If there is no further business, this hearing is adjourned with my thanks to our second panel, with all of our witnesses.

Finally, I ask unanimous consent that all Members have five legislative days to revise and extend their remarks, include any extraneous material in the record of today's hearing.

We are adjourned.

[Whereupon, at 11:26 a.m., the Subcommittee was adjourned.]

A P P E N D I X

Prepared Statement of Hon. Bill Flores

Good morning. I want to begin by welcoming each of our new Members especially our Ranking Member, Mr. Takano, to the Committee. I also want to publicly thank Mr. Takano for agreeing to become an original co-sponsor of legislation I have introduced that will mandate the contents of the Transition Assistance Program (TAP).

I realize everyone introduced themselves at the Full Committee organizational meeting but I think it would be good to do that again. With that said, I now recognize the distinguished Ranking Member.

My thanks to each of the Members and I am looking forward to a productive and bipartisan 113th Congress.

We are here today to review development and implementation of the computer system used to process Post-9/11 GI Bill claims and so a little history is in order. In the run up to passage of the new program, VA stated unequivocally that the system used for decades to process Montgomery GI Bill claims would not be able to handle the more complex Post-9/11 program. So, Congress authorized \$100 million to develop a new system, what is now called the Long Term Solution, or LTS.

Since the Post-9/11 GI Bill became law, this Subcommittee has held at least 7 hearings on the program including the new LTS. Until recently, our understanding was that the system is being developed to handle all Post-9/11 claims beginning with an original claim through supplemental claims.

We now understand that the major development effort has focused on automating supplemental claims with comprise the bulk of the interactions between VA and the students and schools. I think in terms of a strategy, and I applaud VA for that decision which, this strategy has resulted in over 40% of supplemental claims being processed without human intervention. But like most things it also had negative results, because that decision left original claims relatively unautomated. As a result, an original claim still takes about 45 minutes to process, a time little changed from 2009.

In short, we are supportive of VA's efforts related to the LTS and our focus today is looking forward towards the future and finish full development of the LTS. Without making the system and its information more accessible to veterans and schools, it is not complete. I would add to that the ability to provide a robust analysis function to enable VA and Congress to make better-informed decisions on education and training benefits in the future.

VA has now spent about \$286 million dollars on the LTS and without adding such functions, it would be like buying a new luxury car without air conditioning, heated seats, and a satellite radio. As our witness from NAVPA says in her testimony, "LTS must continue to evolve so it is able to process more complex claims and changes."

With that, I recognize the Ranking Member for his opening remarks.

Prepared Statement of Hon. Mark Takano

Thank you Mr. Chairman.

Good morning, I would like to thank everyone for joining us today and I would like to thank our witnesses for taking time to testify and answer our questions.

Mr. Flores, congratulations on being the new EO Chairman. I look forward to working with you to help our veterans and their families across our country. As our country begins to reduce operations in the Middle East and bring more our troops home we will need to have the right programs to address their needs.

We have spent \$263 million dollars on the Long Term Solution (LTS) and many questions still remain on the system's effectiveness, its completion and our return on investment. The system does not process all claims from beginning to end and

there is quite of a bit of human intervention necessary to complete claims. When the VA first began processing claims with the Short Term Solution it took about 45 minutes to process an original claim. Years later with millions of dollars spent it takes about the same time to process an original claim. I do not see the anticipated gains that were visualized when VA and SPAWAR came here to our Subcommittee and testified before us. As always we are open to ideas on how to improve this custom designed system.

Besides the cost and problems with the LTS we need to know where completion of the LTS ranks for VA. Is the LTS first on their IT priority list or has this now tumbled to bottom of the list? I hope VA came prepared today to discuss where they are in completing the LTS and what will be the remaining cost. I know Congress has made some changes to the GI Bill that required VA to pivot from their original plan to accommodate mid-stream changes. I would like to know the impact of these Congressional changes so that we have a complete picture of what has transpired since we began working on the LTS.

The colleges and universities are reporting a number of issues with the system. I know that off-ramp problems have been an issue and there may be a simple solution to address the over 80 reasons that off-ramps occur. I look forward to what NAVPA has to say and how we can streamline payments to the colleges. I hope that we can figure out how we can streamline and improve functionality of LTS that is so fundamental to veterans for their education. This was the promise of the Act to them when it became law under Public Law 110-252 and it is our priority now as Members of this Subcommittee.

I remain very interested to hear from the VA the details about how the provisions that have been implemented are performing, and how soon additional functionality will be implemented and what that will mean for processing times and improved services for veterans.

Thank you, Mr. Chairman, for scheduling this hearing. I look forward to the testimony and discussion we will have today.

Prepared Statement of Michael Dakduk

Chairman Flores, Ranking Member Takano and members of the Subcommittee:

Thank you for inviting Student Veterans of America to address the Subcommittee on "Increasing the Functionality of the Post-9/11 GI Bill Claims Processing to Reduce Delays."

Student Veterans of America (SVA) is the largest and only national association of military Veterans in higher education. Our mission is to provide military veterans with the resources, support, and advocacy needed to succeed in higher education and after graduation. We currently have over 750 chapters, or student veteran organizations, at colleges and universities in all 50 states that assist veterans in their transition to and through higher education. SVA chapters are organized at four-year and two-year public, private, nonprofit, and for-profit institutions of higher learning. This diverse and direct contact gives SVA a unique perspective on the needs and obstacles faced by our nation's veterans as they utilize educational benefits in preparation for their future transition into the civilian workforce. This on-the-ground perspective, which comes from every corner of this nation, and our experience in supporting thousands of GI Bill beneficiaries, provides the framework for our testimony regarding the Long Term Solution and other recommendations regarding improvements for the processing of the Post-9/11 GI Bill.

The Long Term Solution (LTS), a proposed fully automated end-to-end processing system for the Post-9/11 GI Bill, being implemented by the Department of Veterans Affairs (VA) has been a topic of discussion since 2010. While the LTS is a behind-the-scenes, information technology (IT) system being rolled out in phases, SVA has concerns with the lack of real-time information currently being provided to student Veterans. We have routinely called for a secure, web-based single portal system that allows student Veterans to see the status of their GI Bill claims in real-time. Currently, student Veterans are only able to track the status of their claims by calling the GI Bill hotline or interfacing with their school certifying official.

The GI Bill hotline has elongated wait times and during periods of heavy call traffic the automated system instructs student Veterans to call back at a later time. This process is highly inefficient and extremely frustrating to Veterans. The LTS should include a single portal where student Veterans can access and view in real-time the status of their GI Bill claims. By providing instantaneous information, student Veterans can make well-informed life decisions based on the timely, or untimely, processing of their GI Bill benefit. We recommend the real-time tracking of

GI Bill claims be housed in eBenefits, the current single portal system used for all VA benefits and claims.

The other option for gaining information on the status of a Veteran's GI Bill claim, and often the most consistent, is for a student Veteran to connect with the school certifying official (SCO) on campus. SCO's have a private, and by most accounts, reliable hotline for delayed GI Bill claims. However, this is not a long term solution for the timely processing of the GI Bill. SCO's should have access to a system that allows them to submit certifications of enrollment in a streamlined manner and, most importantly, follow the status of a student Veteran's claim in real-time. Since SCO's interact with student Veterans on a regular basis, they are often inundated with questions about the status of a student Veteran's GI Bill claim. While most SCO's go above and beyond the responsibilities of their position to provide a student with an appropriate answer, they are clearly overburdened. They must be provided with the adequate systems to process and view the status of a student Veteran's claim. We recommend that SCO's be provided the appropriate real-time access to the status of GI Bill claims utilizing 21st century web-based technology.

Both the student Veteran and SCO portal we propose is not a concept unknown to the public or private sector. We liken the concept to that of the U.S. Postal Service, FedEx, or UPS. All major shipping services have near real-time tracking of packages worldwide. Not only are customers notified of an estimated time of delivery, but when a hiccup occurs in the delivery of a package, the receiving customer is notified in a timely manner and given a new delivery time. It is difficult to grasp, in a technology-rich society, why the timely processing of the Post-9/11 GI Bill is still a subject of concern. Equally disturbing is the inability of student Veterans to access the status of their claims in real-time. Information Technology systems that are customer-service based and oriented toward serving the student Veteran must be included in the LTS.

Student Veterans of America is grateful for the opportunity to provide this testimony. We thank the Chairman, Ranking Member and the Subcommittee members for their time, attention, and devotion to the cause of strengthening the GI Bill process. We look forward to continuing to work with this Subcommittee, the House Veterans' Affairs Committee, and the Congress to ensure the success of all generations of Veterans through education.

Thank you for allowing Student Veterans of America to participate in this important Hearing.

Executive Summary

- THE LONG TERM SOLUTION (LTS) SHOULD INCLUDE REAL-TIME, WEB-BASED INFORMATION ON THE STATUS OF A GI BILL CLAIM
- REAL-TIME TRACKING OF GI BILL CLAIMS SHOULD BE PROVIDED TO STUDENT VETERANS AND SCHOOL CERTIFYING OFFICIALS
- THE STUDENT VETERAN GI BILL CLAIMS TRACKING PROCESS SHOULD BE HOUSED IN EBENEFITS, THE MAIN PORTAL USED FOR ALL BENEFITS AND CLAIMS
- STREAMLINING THE GI BILL CLAIMS PROCESS WILL INEVITABLY TAKE TIME, BUT PROVIDING NEAR REAL-TIME INFORMATION ON THE STATUS OF A CLAIM SHOULD NOT
- PROVIDING UP-TO-DATE GI BILL INFORMATION ALLOWS STUDENT VETERANS TO MAKE BETTER LIFE DECISIONS THAT MAY AFFECT THEIR ACADEMIC STUDIES, CAREERS AND FAMILIES

Prepared Statement of Kim Hall

Chairman Flores, Ranking Member Takano, and members of the Subcommittee on Economic Opportunity, the National Association of Veterans Program Administrators (NAVPA) is pleased to be invited to provide comment on the topic of increasing the functionality of the Post 9/11 GI Bill claims processing. NAVPA's membership is comprised of educational institutions from all sectors with an organizational commitment to advocating for what is in the best interests of student veterans at our institutions. Our expertise lies in the administration of veterans' education programs at colleges, universities, and other education providers and most of our members also serve as School Certifying Officials for VA education benefits. NAVPA is a voluntary organization with a primary mission to provide training and professional development to member institutions, collect and disseminate best practices surrounding support for student veterans and military members, and advocate on behalf of students and our institutions. Our organization represents close to 400

educational institutions nation-wide and our leadership is comprised of non-paid staff members. We voluntarily serve NAVPA in an effort to better serve the veterans on our campuses.

The Post 9/11 GI Bill (Chapter 33) is an incredibly generous and complicated benefit program. The level of detailed, often manual work required of School Certifying Officials is frequently overwhelming. There are a number of things we believe could be done to ease the burden on SCOs and on VA processors to make this a more streamlined and manageable process.

Regulations and Policy Guidance:

We must have regulations for the GI Bill law passed over 2 years ago (PL 111-377). Schools are being held liable for overpayments by policies that are not in alignment with existing regulations and schools are expected to comply with legislation that has not been regulated. VA attempts to manage the implementation of the changes in PL 111-377 via policy statements but these are not well or consistently communicated to all educational institutions. We continue to ask for an online archive of all policy and procedural changes since it seems difficult to push information out to the field and schools through VA communication channels.

VA Once/IT Concerns:

The VA Once certification data entry system still requires schools to upload data multiple times for the same student, one student at a time – there are no batch uploads, certifying officials are advised to input only one change per day for each student to insure they are received correctly at the Regional Processing Office, and the ability to modify, update or correct some inputs is severely limited if not impossible to do electronically. We still must rely on paper forms to report some situations clearly or resort to duplicate certifications – one example comes from recent ELR guidance reminding schools that they cannot make any changes to a terminated certification and that the only option is to completely recertify the term with explanatory remarks. As a very senior certifying official wrote recently, “We should be able to correct anything that we send to the VA via VA-ONCE to keep it clear and clean.” Data entry limitations result in a great deal of extra work on the part of the already heavily burdened SCO. Limitations on data inputs via VA Once and the set of standard remarks available do not allow for all reporting scenarios and needs.

Payment Processing Issues:

Ch 33 claims processed by the LTS’ automated functionality are now paid very quickly – as soon as five work days from submission from our observation. But this is still a minority of supplemental claims and includes no original claims. LTS must continue to evolve so it is able to process more complex claims and changes.

Certificates of Eligibility are NOT the same as authorizations for payment as used under Ch 31 or military Tuition Assistance. COEs do not represent a guarantee of payment at a set amount, but rather a statement of general eligibility for a program. The VA still can pay all or a portion of reported charges based on a number of possible criteria and situations. Many schools are nonetheless willing to defer student bills until GI Bill tuition and fee payments arrive, but some are not. Some are even willing to disburse other aid while awaiting GI Bill funds. The number willing to do so would likely decrease dramatically if funds were to be sent to the student rather than the school, a situation that would result in even less confidence in the eventual payment of charges.

Since SCOs and business offices are expected to know whether they have been paid correctly by VA – and must reconcile payments so they know what to do with balances on student accounts, they must be taught payment processing rules and policies – how to calculate a prorated payment based on a reduction in hours after the start of term, for example. Only by understanding this level of detail can the school be assured that payments – and debts/overpayments – are correct.

As long as VA requires schools to report every change in enrollment or charge, waiting till the end of term to submit tuition and fees will not help reduce the number of adjustments or amendments required, but will rather compress them into a very limited time period rather than submitting them as they occur throughout the term. The only way to reduce the reported 50% of the claims backlog that results from adjustments is to convince students not to change their schedules. Every one of these changes has to be reported – individually – and, as mentioned previously, on separate days to be sure that the data arrives at VA intact.

Overpayments and Debt Collection:

The RPOs should communicate with schools prior to sending school debts to the VA’S Debt Management Center for collection. There should be agreement on both the rationale and amount of the overpayment before the DMC starts collection proc-

esses. The VA's review in 2011 of outstanding 2009–2010 overpayments was obviously flawed as the DMC suspended collection on over 800 of these debts and many, many schools reported offsets taken for debts that were already paid or previously reassigned to the student by the RPO.

The US Treasury Offset Program procedures **MUST** be changed to prevent multiple agencies from offsetting the same debt simultaneously. A system that only allows a weekly update of offset-eligible VA debts is irresponsible. This has caused enormous confusion, frustration, and effort on the part of institution to track and reconcile inbound payments and offsets from multiple non-VA-related federal sources including the refunds of erroneous or duplicate offsets taken.

Redundant/Useless Reporting Requirements:

Eliminate useless school reporting requirements such as graduation – data collected through that process is incomplete and providing highly inaccurate view of veteran completion rates. Also, while an admirable goal, reporting students on probation so that VA can send a letter reminding them that they have tutoring, counseling, and advising available to them seems a less than optimum use of resources since schools already work closely with students on probation status. These VA and SCO resources could be better utilized elsewhere.

Data Sharing:

It seems unreasonable in this IT-driven age that the four Regional Processing Offices cannot see electronic files in each other's jurisdiction. This lack of visibility requires additional form submission by veterans if their initial application was processed and their Certificate of Eligibility issued by one RPO but the veteran decides to enroll in a school in another region. Veterans cannot reasonably be expected to know what RPO their forms are processed in nor that they must notify VA when they move from one RPO to another. The Education Call Center staff in Muskogee has visibility on veteran files from all four regions – why not all four RPOs so that this additional paperwork and delay on claims processing can be avoided.

There is still no school access to real-time eligibility and payment data for students using the Post 9/11 GI Bill – our most long-standing request. This significantly impacts schools' ability and willingness to extend financial protection or courtesy for student veterans. Schools' initial experiences with the Post 9/11 GI Bill including the recent debt collection efforts have not served to build confidence in the program or its accurate implementation. Only direct access to data will change this

Benefit Recommendation:

There needs to be a change to the net-cost consequences for those veterans at less than 100% eligibility for Ch 33 who cannot combine federal or other restricted aid programs to get 100% of their costs covered. When VA pays after all others, and only a percentage of what remains, the veteran can never get all charges paid for, even with multiple available programs. This is unfair to these individuals, primarily Guard and reserve members/veterans. Ch 33 rules should allow for payment of the veteran's net-cost not to exceed the full cost multiplied by the veteran's eligibility tier.

Mr. Chairman, members of the subcommittee, thank you again for the opportunity to contribute these statements on behalf of the National Association of Veterans Program Administrators. Our organization stands ready to assist in all efforts to better support the women and men who have served this nation. We thank you for your continued leadership on issues of critical importance to America's veterans. NAVPA would be happy to respond to any questions you may have.

Prepared Statement of Hayleigh Perez

Chairman Flores and Respective Committee Members, thank you for the opportunity to testify before your subcommittee today.

My name is Hayleigh Perez. As a female Veteran having served on active-duty in the U.S. Army, a wife and mother, a student Veteran, and currently the Vice President of Social Media with the Student Veterans Advocacy Group, I feel very proud to be here speaking on such a relevant topic effecting thousands of student Veterans around our country today.

The words, "Freedom isn't free" are so very true, yet our Veterans today seem to be so demonized as though we are asking for something that's not already ours. Our Veterans should never have to ask, and sometimes beg for the very things we were promised for the sacrifices made to protect our great nation.

As in any good business...taking care of those whom take care of you, builds strength we all benefit from. While the economy is tough, statistics prove that taking care of our Veterans through the benefits promised to them, yields one of the highest return on investments of any others out there...period. By doing so, our Veterans are given the square deal promised to them, which yields such a high return that will benefit the rebuilding of our local, state, and national economy as a whole.

Theodore Roosevelt once said, *"A man who is good enough to shed his blood for the country is good enough to be given a square deal afterwards."*

Based on research and assessments many universities as well as our organization have been able to work on regarding the number of Veterans whom are enrolling at a school of higher education due to interrupted studies resulting from active-duty service, and those whom are enrolling for the first time, we have determined:

- *Prior to 2011, nearly 75% of student Veterans were using the GI Bill to complete their education after interruptions from active-duty service obligations.*
- *After 2011, only based on information we've collected from various service-members whom have only served in the military after 2008 and recently having completed their active-duty service obligations, approximately 67% of them are attending a traditional classroom setting in a two-year or four-year college for the first time.*

According to American Counsel on Education (ACE) research:

- *"only 64% of Post-9/11 GI Bill beneficiaries who responded to surveys anticipated they could finish their degrees on time. Under the Post-9/11 GI Bill, qualified veterans are allowed 36 months to complete their education. To accomplish this, veterans specified that courses must be made available when they need them and cited the importance of receiving academic credit for military service and training. The main two factors that contribute to graduating on time are course availability and course credit."*
- *Because of the size of their student populations, course availability is a larger concern at public universities. Veterans get the courses they need by taking approved classes at accredited schools near their primary institution."*
- *According to an ACE survey, only 47% of veterans who made an attempt to transfer credits were satisfied with the results. Veterans most often receive course credit for degree programs at private schools by finding allies such as academic advisors and professors who advocate on their behalf and initiate appeals. This helps them transfer more course credit and ensures that they will graduate on time."*

There are considerable challenges and obstacles facing student Veterans today different than in times past. Such challenges our student Veterans are facing today are a result of the short-sited decisions being made by the Federal, and some State governments due to the financial hardships facing our Nation. History has proven post-war is the worst recession, and best economical boom our Nation experiences, versus other time-periods. Part of such success is due to the positive impact educating our Veterans has on the economy, which is paramount to the growth needed today.

Many Veterans are finding it extremely difficult to adjust back to civilian life for a multitude of reasons. Let's keep in mind a big difference with the ten-year war in Iraq and Afghanistan contrary to past wars, is that our service-members have survived at a higher rate than prior wars. Of course, that's a blessing, but it also precipitates a much greater need for preparation and care at home our nation wasn't ready for.

As a result of the unanticipated transitional difficulties from the backlog of delayed processing of VA claims: many service-members, Veterans, and families thereof, are suffering from unforeseen hardships that could otherwise be avoided.

WHAT ARE THE ISSUES?

Processing Delays

Student Veterans are often faced with extreme financial hardships when transitioning into school for the first time, starting new semesters, or changing schools or programs. When following up with their paperwork, student Veterans often realize they and the Universities have done everything on their end to ensure timely processing of claims – though months often pass with no payment and no answer from VA as to the reasoning for such delay.

The way by which current VA GI Bill claims are being processed needs significant improvements. Many of our nations student Veterans are relying on their earned GI Bill benefits for groceries, child care, bills, etc., and the delinquency by which

these funds are being disbursed, or not, are often times life-altering causing some consequences as extreme as leaving some student Veterans homelessness.

A fellow student Veteran, Juan M. Beltran from Silver Springs, Maryland wrote to our organization, stating:

*"There is a little known book called, **When the War Comes Home** by Aaron Glantz. In his concluding chapters, Glantz speaks to the uphill battles veterans have had in obtaining Veterans benefits over the past 60 years, battle that undoubtedly continues.*

"Members of Congress and bureaucrats at the Pentagon and the Department of Veterans Affairs may not be attacking vets with mortars and IEDs, but they are literally killing them with indifference", Glantz writes on page 212."

This past semester, beginning Graduate school, I experienced this first-hand. When I first contacted the VA in January, I was told there was not even a record of my attending Graduate school, which I began attending a week earlier. After re-submitting the same documents I sent already sent in November of 2012, I was told to follow-up in a week. After calling the VA every week for over 5-weeks I finally made it through the never ending hold-time with the VA and spoke to a very nice woman by the name of Yvonne, whom located all of the information and forms I'd already filed in November of 2012 in addition to all of my inquiries, whereby she was able to actually process my book-stipend and housing allowance payments. Within a few days I received the funds I was owed, my certificate of benefits from the previous school I'd never received, as well as the one I needed for Graduate school.

The prevailing question our organization posed with respect to the similar issues thousands of student Veterans have been, and are currently facing was:

Why was Yvonne able to resolve my GI Bill issues while the 4 other VA representatives I previously spoke with not able to?

I asked this question of Yvonne when discussing my issues and was told the VA Educational Assistance Department is currently using two different software programs that cannot communicate with one another. Therefore, if my information was entered into one program but not the other, the representatives working with the other software program cannot assist me because they can't find my information, while it all resides within the other software program.

Potential Solutions

1. Consolidate the two software programs currently being used by the VA Educational Assistance Program to one standard software program.

By consolidating the software programs to one standard program, all VA representatives would have equal access in addressing any GI Bill beneficiary claims issue, whereby resolving beneficiary problems in a more timely manner. This would also assist in maximizing productivity for the VA and its representatives, while reducing the financial burden facing thousands of student Veterans. The outcome of applying this would be a considerable cost-savings measure to both the GI Bill beneficiaries as well as the Department of Veterans Affairs, which would certainly help reduce spending for our Federal Government.

2. Re-education and certified training for all VA representatives, in addition to required annual training for changes and updates to the software program being utilized by the VA.

This is one of the largest observable downfalls with respect to current deficiencies in how the VA processes GI Bill education benefits claims.

3. Education and re-training of all VA representatives on all forms, past, present, and future, of the GI Bill (chapter 30, 33, etc).

Many emails the Student Veterans Advocacy Group receives from student Veterans complain about the lack of GI Bill knowledge one would think is necessary in order to work in the Educational Assistance Program for the VA.

4. Each Student Veteran should have a VA representative assigned to them on a local, state, or regional basis.

By assigning each GI Bill beneficiary an individual representative for their claim, communication would be far better, and personable as well. Being able to contact or email an individual representative would help reduce the debilitating complaints currently stagnating the VA. This measure can additionally ensure more compliance, accountability, and continuity are being met by the VA.

Conclusion

Our society today is overstated with the “blank-checks” it offers to one group or another. The difference between student Veterans and other groups is that they’re not asking for any more, or less, than what’s owed them for their sacrifices in-service to protect our nation. We’re not asking for a hand-down, hand-up, or hand-out. Rather - we’re merely asking for the benefit we’ve fought for, died for, and earned, in defending the freedoms our great nation continues to enjoy.

Have we really fallen so far from where America once was that we resolve ourselves to believe if we’re not personally affected, then it doesn’t matter? While in many ways having become disenfranchised with some of the questionable actions by our government I can still honestly say that I would sacrifice my life to secure the liberties and freedoms we have in America. So, is really too much to ask that our government fulfill its’ obligations, as intended, to our service-members and Veterans?

To this end, you (*Members of the House Sub-Committee on Economic Opportunity of the House Committee on Veterans Affairs*) have a tremendous opportunity to be heroes to the Veterans and families, whom have served our great Nation. With your dedication and leadership, our Veterans can be better able to assist in the future successes our economy and country so desperately need.

Character is defined not just by what we say we’re going to do, but what we do following what we say. As Theodore Roosevelt once said, *“when making any decision, the best thing you can do is the right thing, the next best is the wrong thing, and the worst thing you can do is nothing.”* The right thing to do for our Veterans is reflected best through our actions, not rhetoric.

Very Respectfully,

Hayleigh Perez
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Student Veterans Advocacy Group
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Follow the SVAG at:

Facebook: www.facebook.com/SVANC
Twitter: www.twitter.com/Student—Vets

Prepared Statement of Hon. Roger W. Baker

Good morning Chairman Flores, Ranking Member Takano, and Members of the Subcommittee. I appreciate the opportunity to appear before you today to discuss the Department of Veterans Affairs’ (VA) efforts to create and implement the Long-Term Solution (LTS) for processing Post-9/11 GI Bill claims. Accompanying me today is Mr. Robert M. Worley II, Director, Education Service. My testimony will address the current status of education claims processing and the status of the implementation of the Post-9/11 GI Bill LTS.

Most importantly, we can report to the Subcommittee and our Nation’s Veterans that VA is currently processing supplemental claims for Post-9/11 educational assistance in an average of 7 days, a remarkable achievement given that we are in the peak enrollment period for the spring term. For comparison purposes, on this date in 2011, it took 19 days to process supplemental claims, in 2012, it took 14 days. As we go through the rest of my testimony, the most important fact is that Veterans are receiving the payments they are due in a timely manner that supports their educational efforts.

As the Subcommittee Members know, the Post-9/11 GI Bill is the most extensive educational assistance program authorized since the original GI Bill was signed into law in 1944. Secretary Shinseki and the entire Department are committed to making sure all eligible Servicemembers, Veterans, and family members receive this important benefit in a timely manner, so they can focus on what is most important – their education.

Background

In June 2008, Congress passed the Post-9/11 Veterans Educational Assistance Act, which established a new education benefit program under chapter 33 of title 38 United States Code, which VA refers to as the “Post-9/11 GI Bill.” Upon enactment, VA had approximately 13 months to develop a new, highly complex eligibility and payment system for claimants eligible to receive benefits under this new program effective August 1, 2009. To meet this challenge, VA initially sought contractor

support for development of an information technology (IT) system to process these claims. At that time, it was proposed that the contractor would be accountable for providing a technical solution and support that would allow VA to provide timely and accurate education claims processing by completing original claims within 10 days, supplemental claims within 7 days, while concurrently achieving a 98 percent accuracy rate. However, VA did not receive enough proposals from qualified private-sector contractors to create an IT program. VA terminated the solicitation process and began development of an interim claims processing solution, using in-house resources, while simultaneously developing a long-term, rules-based processing solution in cooperation with the Department of Navy's Space and Naval Warfare Systems Center Atlantic (SPAWAR).

Program Executive Office

To manage the development of the overall process for administering the Post-9/11 GI Bill, VA established a Program Executive Office within Education Service comprised of senior business-line managers, management analysts, individuals with program and project management experience, and administrative support. This office is responsible for coordination of all projects within the VA comprehensive management plan to successfully implement the Post-9/11 GI Bill.

Short-Term Strategy

VA's short-term strategy to implement the Post-9/11 GI Bill consisted of a two-part IT solution: a fiscal payment system which used the Benefits Delivery Network (BDN) to issue payments and a "Front-End Tool" (FET) by VA claims examiners to use to augment the manual adjudication of claims. VA's Office of Information and Technology (OIT) designed the interim processing solution functionality in three separate phases. Each phase delivered a specific set of functionalities for claims examiners to manually process Post-9/11 GI Bill claims with some IT augmentation. The final phase of the Interim Solution was deployed in November 2009.

LTS Development

While development of the short-term solution was ongoing, VA partnered with SPAWAR to develop a long-term solution for Post-9/11 GI Bill education claims processing—an end-to-end claims processing solution that utilizes rules-based, industry-standard technologies for the delivery of education benefits. The Post-9/11 GI Bill contains numerous, complex eligibility rules and benefit determinations that led us towards inclusion of rules-based technology to minimize human intervention.

While VA initially planned to release the automated system in four major releases, two additional releases – one full year of systems development—were necessary to implement the changes to the Post-9/11 GI Bill required by Public Law 111-377, the "Post-9/11 Veterans Educational Assistance Improvements Act of 2010." This law expanded the Post-9/11 GI Bill in many ways, to include non-college degree programs, modified the statutory tuition and fee payment provisions to allow VA to pay all in-state public school costs, and created a national cap for training pursued at a private institution.

During the initial development, VA planned to include the following functionality in each respective release:

Release 1

- Processing original Post-9/11 GI Bill claims;
- Automated calculation of award payment;
- Automated calculation of overlapping term/interval awards;
- Demographic and service data from the VA/Department of Defense Identity Repository;
- Conversion and data transfer from the Interim Solution;
- Processing supplemental claims;
- Chapter 33 kickers (also known as the Army, Navy, or Marine Corps College Funds) and supplemental kickers; and
- Claims containing award amendments.

Release 2

- Award letter generation;
- Data Warehouse data feed; and
- Record security enhancement.

Release 3

- Interface with VA's Benefits Delivery Network for automated payments.

Release 4

- Expansion of previously released functionality and Veteran self-service capability to access and view the status of applications online.

Delivered Functionality

VA has deployed six major releases of LTS, all of which were delivered on schedule according to the original timeline. Release 1 was deployed on March 31, 2010, and included the capability to complete new original claims; automatic calculation of awards including tuition and fees, housing, books and supplies, Yellow Ribbon, and Montgomery GI Bill – Active Duty and Reserve Educational Assistance Program kickers; and automatic calculation of awards for overlapping terms and intervals.

VA deployed Release 2 on June 30, 2010. This release allowed VA to process changes in enrollment information, claims for transfers of entitlement, and to generate various letters to beneficiaries. Additionally, data conversion from the Interim Solution FET database to the LTS occurred for Veterans determined eligible but had not yet enrolled. Release 2.1 was deployed on August 23, 2010. This release allowed us to retire the short-term, or interim, solution by fully replacing the functionality of the Interim Solution and associated manual processing tools.

VA deployed Release 3 on October 30, 2010. This release provided enhanced enrollment processing and an interface with the VA Online Certification of Enrollment (VAONCE) system to allow information to pre-populate in LTS, which reduced key-strokes for claims examiners. This release was a critical step toward end-to-end automation.

Release 4, which was deployed on December 20, 2010, provided the BDN payment interface and self-service capabilities for claimants to access and view their enrollment history and entitlement information through eBenefits. Release 4.1, deployed on January 16, 2011, converted Basic Allowance for Housing (BAH) payments to calendar year 2011 rates. Release 4.2, deployed on March 5, 2011, incorporated changes to tuition and fee and honorable service requirements as required by Public Law 111-377. Note that the changes included in release 4.2 were accomplished within 60 days of passage of the Public Law.

VA deployed Release 5 on June 4, 2011. This release included other changes required by Public Law 111-377, such as the annual tuition-and-fees cap, housing for distance learners, books and supplies payments for active duty Servicemembers, and qualifying service for National Guard. Release 5.1 was deployed on October 17, 2011, and provided the remaining requirements of Public Law 111-377, including functionality for processing non-college degree programs, apprenticeship, flight, and on-the-job (OJT) training. In Release 5.2, deployed on February 21, 2012, the architecture was expanded to allow for end-to-end automation of supplemental claims.

Release 6.0 deployed on July 30, 2012 to provide end-to-end automation for supplemental claims and centralized letter-printing capability. It also included an interface with The Image Management System (TIMS), our electronic filing system. However, the automation feature was not fully deployed until September 24, 2012.

Prior to the LTS initial release, it took claims examiners over one-and-a-half hours to process an original claim. Following the release, it takes approximately 45 minutes to process an original Post-9/11 GI Bill claim.

Success of LTS

The Chapter 33 LTS has been a significant success from an IT implementation perspective. It was one of the first large-scale system implementations in government to use Agile development methodologies, and the first completely new system to be developed under the VA's Program Management Accountability System (PMAS). Because of the volume of education claims and the limitations of the short-term solution, it was critical to VA, and to Veterans, that this system be delivered on time, and that it work correctly when delivered. Our people, processes, contractors, and technology met that challenge. As noted above, every major release of the Chapter 33 LTS system has been delivered on time, a feat nearly unheard of in government for such a large system. Under PMAS, the system has been required to deliver new functionality at least every six months, and it has met that challenge. Using Agile development methodologies has allowed us to readily adapt to changing priorities, from both business needs and new laws, by prioritizing new, urgent requirements ahead of other items on the requirements list. It has also helped enhance accountability in the IT development process, which allowed VA to better execute available IT funds. In an effort to achieve automation and meet the business sponsor's needs, there were a total of 33 releases that provided customer-facing functionality (combining 21 minor and 12 major releases). This translates into deploying new functionality at an average rate of one major release every two months.

The Chapter 33 application is considered to be the first VA application to implement a true service-oriented architecture (SOA). As a result, it has helped VA lead the Government in the use of commoditized infrastructure services (Infrastructure as a Service [IASS]); and has also spearhead VA policy (regarding security, acquisitions, management) in the industry best practice of outsourcing infrastructure use of commercial and Cloud computing hosting services.

The program was nominated for a 2012 Government Computer News (GCN) Award for excellence in federal, state, and local government IT projects and management teams to honor their ingenuity, organizational skills, and contributions to the public and is a finalist as Best Business Process Management (BPM) Project in the American 2013 Process Excellence Award.

Four years ago, during my congressional office visits as part of my Confirmation, I consistently heard that VA IT would fail in implementation of the systems to support the Chapter 33 program. Today, the LTS system processes over 40 percent of supplemental claims within one day of receipt. From an IT perspective, from a business perspective, from a VA perspective, and most importantly from a Veteran perspective, the Chapter 33 LTS system is delivering real value for the investment made by the American taxpayers.

Automation

End-to-end automation of claims for the Post-9/11 GI Bill was originally planned for June 2011, but enactment of Public Law 111-377 required reprioritization of planned functionality to meet the law's effective dates. To meet the requirements of the law, end-to-end automation was pushed back by approximately one year.

Calculation of benefits due under Chapter 33 is a complex process. LTS has over 1,600 calculation rules that support benefits for Veterans, Servicemembers, and transferees. Seven types of training are supported, which include graduate, undergraduate, non-college degree, correspondence, apprenticeship, on-the-job training (OJT), and flight. Up to six benefits are calculated per term including housing, books and supplies, tuition and fees, Yellow Ribbon, and additional DOD-funded "kicker" payments for active duty beneficiaries (Chapter 30 kickers) and for members of the Selected Reserve (Chapter 1606 kickers). LTS supports the entry of unlimited service periods, enrollment periods, and changes to enrollment periods.

Currently, approximately 80 percent of all Post-9/11 GI Bill supplemental claims are automated – partially or fully. For the month of January, 2013, 44 percent of incoming enrollment documents (over 149,000 documents) were fully automated and 36 percent (over 109,000 documents) were partially automated. There are approximately 80 business rules that support end-to-end automation of supplemental claims for the purpose of ensuring payment accuracy for Veterans. Each of these rules constitute a reason why a claim should not be fully automated and is exited for manual processing. When an issue is identified, automation is suspended to prevent payment errors and a manual review and/or entry is required to complete the remaining processing. We expect end-to-end automation to continue to improve overall claims processing timeliness and reduce delays in payment of education benefits.

Workload

Processing timeliness has improved significantly since implementation of LTS. With the implementation of end-to-end automation and mandatory overtime at the regional processing offices, we reduced the number of pending Post-9/11 GI Bill claims from 177,000 in September 2012, to 62,000 in November 2012. The continued expansion of the automated functionalities in the Post-9/11 GI Bill processing system is already having an impact on improved benefits delivery. At the end of January we had approximately 86,000 claims pending, 50 percent lower than the total claims pending the same time last year. The average days to process Post-9/11 GI Bill supplemental claims has decreased by 16 days, from 23 days in September 2012 to 7 days in January 2013. The average time to process Post-9/11 GI Bill original education benefit claims in January was 34 days.

Outreach

On June 3, 2010, VA sent a notice to school certifying officials informing them that they may submit enrollment certifications for training pursued during the fall semester even if they do not know a student's actual tuition-and-fee charges. Upon receipt of the student's actual charges, the school certifying official was asked to submit an amended enrollment certification to VA with the corrected information. On December 7, 2010, school certifying officials were again told to submit enrollment certifications with \$0 reported for tuition and fees if the tuition and fees charges had not been finalized for a student. School certifying officials have been encouraged by VA to continue with this practice for subsequent semesters because it ensures that our Veterans will receive timely payments for their housing allow-

ance and books and supplies stipend while waiting for their tuition-and-fees charges to be finalized. While accepting enrollments without tuition-and-fees charges has allowed VA to issue more timely payments of the monthly housing allowance and books and supplies stipend, there has also been an increase in the number of claims submitted because schools have to amend their original submissions to include tuition-and-fees charges.

Expenditures and Improvements

Since inception, VA has issued over \$25.9 billion in Post-9/11 GI Bill benefit payments to approximately 911,000 individuals and their educational institutions. The total lifecycle cost to develop the LTS system to date is estimated at \$263 million, which represents one percent of the total benefits paid. For FY 2013, we are increasing end-to-end automation of supplemental claims, with funding allocated to implement this feature at \$4.4 million. LTS is also transitioning from development to a sustainment phase. The cost for sustainment of LTS in FY 2013 will be \$18.7 million.

Certain deferred functionality will be considered for implementation in future years. Some of the deferred functionality includes, but is not limited to: certificate of eligibility (COE) automation, multiple sources of entitlement, expansion of external data service capabilities, monthly certification of attendance, and business analytics.

There are numerous challenges to COE automation including:

- Creating a streamlined electronic application that includes all the information necessary to process an original claim;
- Creating an interface between the application system and LTS;
- Verifying the identity of the individual submitting the application;
- Verifying and reconciling service data of the individual;
- Verifying attendance at a service academy;
- Verifying and accounting for entitlement used under other educational assistance programs; and
- Functionality to handle the benefit relinquishment and election issues properly.

It would be a significant development effort to achieve end-to-end automation of all eligibility determinations.

Conclusion

Veterans' well-deserved educational benefits are the vehicle by which many of our Nation's heroes pursue their educational goals and successfully transition to civilian life. VA is dedicated to ensuring that Veterans are able to make well-informed decisions concerning the use of their benefits and receive a quality education. We look forward to working with the Subcommittee to provide the very best support possible to our Veterans and beneficiaries as they pursue their educational goals.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or other Members of the Subcommittee may have.

Questions For The Record

Letter From: Hon. Bill Flores, Chairman, Subcommittee on Economic Opportunity, To: The Hon. Eric Shinseki, Secretary, U.S. Department of Veterans Affairs

February 27, 2013

The Honorable Eric Shinseki
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Shinseki:

On Thursday, February 14, 2013, the Honorable Roger Baker the Assistant Secretary for Information and Technology testified before the Subcommittee on Economic Opportunity during an oversight hearing entitled, "Increasing the Functionality of Post 9/11 GI Bill Claims Processing to Reduce Delays." As a follow-up to the hearing, I request that the department respond to the following questions and provide the requested materials by no later than close of business on Tuesday March 26, 2013.

1. Several times in your response to the Subcommittee's pre-hearing questions, you stated that future releases and functionalities for the LTS would be subject to priorities in IT funding. Where does LTS fall in the IT priority list?

2. In your written statement you listed seven impediments to 100% end-to-end automation of GI bill claims. What is your plan to overcome these impediments and when will they be completed?

3. How do you respond to NAVPA's request that all four Regional Processing Office have access to veteran's education claim records regardless of the jurisdiction? Is this something that can be accomplished since the call center already has this same access?

4. Please give us an update on when regulations will be promulgated for P.L. 111-377 which became law over two years ago.

5. Please provide a clearer and more understandable response on slide nine to our pre-hearing question on the costs associated with automating the processing of original claims?

6. Please provide to the subcommittee a full list of the top 20 off-ramps for processing in the LTS. Also, please include which of these off-ramps you believe are the most significant and which off-ramps you believe could be addressed in future releases of the LTS.

7. Your response to pre-hearing question four and five states that LTS is "transitioning from development to a sustainment phase." What does this mean and what additional functions will be accomplished with the \$4.4 million stated in your response?

8. The response to pre-hearing question number nine stated that with LTS release 4 veterans could access their remaining entitlement through e-benefits. Our understanding is that access through e-benefits is only possible if a student has a premium account which requires a student to provide ID verification at a VA facility. Why is this access limited to the premium account?

9. The answers to pre-hearing questions 11 and 12 indicate that LTS will continue to rely on the Benefits Delivery Network (BDN) for payments. Why has this legacy system continued to be used and are there plans to replace the BDN with the Financial Accounting System tool?

10. The response to pre-hearing questions 13 stated that VA would have to do further "analysis of VA/DOD cross cutting systems." What are those cross cutting systems and what would be the specific analysis needed to further clarify the answer to questions 13?

11. Has VA improperly collected money from the veteran and the school for the same debt?

13. When will schools have the ability to batch uploads to the VA ONCE system?

14. When will VA begin to process original claims with the LTS?

15. Why does the U.S. Treasury program allow only a weekly update of offset eligible VA debts?

16. If we asked you to make a change to the LTS do you have the authority to make that change?

17. You state that it takes 34 days to process an original claim. Does this mean the veteran gets his/her money within 34 days?

18. Some veterans are asking for a portal where veterans can access and view in real-time the status of their GI Bill claims. Is this at all possible?

Your attention to these questions is very much appreciated. If you have any further questions, please contact Mike Brinck, Subcommittee on Economic Opportunity Staff Director, at mbrinck@mail.house.gov or at (202) 225-3527.

Sincerely,

Bill Flores

Chairman

Subcommittee on Economic Opportunity

Post-Hearing Questions for VBA and OIT

Question 1: Several times in your response to the Subcommittee's pre-hearing questions, you stated that future releases and functionalities for the LTS would be subject to priorities in IT funding. Where does LTS fall in the IT priority list?

Response: At this time, OIT is unable to provide the ranking of future enhancements to LTS on the priority list of unfunded requirements. OIT is currently executing its FY 2013 funding for sustainment, development and pay/administration in accordance with the budget guidelines under P.L. 112-175, Continuing Appropriations Act, 2013. VA prioritizes its unfunded IT requirements (UFRs) every fiscal year to provide flexibility in budget execution. If funding becomes available, the UFR list will be prioritized, reviewed, and OIT will be able to provide the status of funding for future enhancements to LTS.

Question 2: In your written statement you listed seven impediments to 100% end-to-end automation of GI bill claims. What is your plan to overcome these impediments and when will they be completed?

Response: The seven impediments to 100% end-to-end automation are as follows:

1. Creating a streamlined electronic application that includes all the information necessary to process an original claim;
2. Creating an interface between the application system and the Long-Term Solution;
3. Verifying the identity of the individual submitting the application;
4. Verifying and reconciling the service data of an individual claimant;
5. Verifying whether a claimant has attended a service academy (which may affect entitlement to benefits);
6. Verifying and accounting for entitlement to the Post 9-11 GI Bill when a service member has used other educational assistance programs (which may reduce entitlement to Post 9-11 GI Bill benefits); and
7. Functionality to handle the benefit 'relinquishment and election' issues properly (i.e., functionality to process and capture a service member's decision to transfer his benefit to a spouse or child.)

In order to effectively address these impediments, updates and changes to a variety of programs and system interfaces will need to be made ("system interfaces" are interfaces that allow data to be transferred from one program to another). Updating these programs and system interfaces will require considerable analysis and planning. This planning will be carried out within a formal planning framework that includes the development of a "business requirements document"—a document that includes a detailed description and analysis of the current state of the systems and programs used to process Post 9-11 GI Bill claims, as well as a prioritized list and analysis of new functionality that is needed in order to accomplish the goal of an end-to-end automation of Post 9-11 GI Bill claims.

Every year, the Veterans Benefits Administration (VBA) provides VA's Office of Information and Technology (OIT) with a list of requests for development support on its Information Technology (IT) systems and programs. This list encompasses all VBA-administered IT systems and programs, including those that support the administration of the Post 9-11 GI Bill. Items on this list are prioritized in order of their importance and their impact on VBA's workload. Funding determinations for particular line items are made based on a strategic-level assessment of VBA's priorities.

Question 3: How do you respond to NAVPA's request that all four Regional Processing Office(s) have access to veteran's education claim record regardless of the jurisdiction? Is this something that can be accomplished since the call center already has this same issue?

Response: Under the Long-Term Solution (LTS), Regional Processing Offices can view and modify claims outside of their jurisdiction. Specifically, it is possible for designated users in one Regional Processing Office to access and modify an education claim record that is stored in The Image Management System (TIMS) of another Regional Processing Office. However, because the data stored in TIMS includes sensitive personal information on claimants (such as social security numbers), the ability to access and modify data across the jurisdictional boundaries of

Regional Processing Offices is restricted to designated users. This restriction of access is done for privacy, policy, and claims-management reasons, not technical reasons.

Question 4: Give us an update on when regulations will be promulgated for P.L. 111-377 which became law over two years ago.

Response: Currently, the regulations for Public Law 111-377 are in the internal VA concurrence process.

Question 5: Please provide a clearer and more understandable response on slide nine to our pre-hearing question on the costs associated with automating the processing of original claims?

Response: When the Post 9-11 GI Bill became law, VA responded by developing plans to create an automated system to process claims. As part of the planning process, the development team identified the various functional capabilities that would be needed to efficiently and effectively process claims. These functionalities were then prioritized based on an assessment of the following two factors: (1) how important a particular functionality is to ensuring that claims can be processed efficiently and effectively, and (2) the time, cost, and difficulty of developing and deploying that functionality.

A strategic decision was made to have the development team focus its resources on developing and implementing the functionalities at the top of the prioritized list. Though development activities centered on the items at the top of the prioritized list, the system was designed to enable developers to incorporate functionalities lower on the list at a later period, as time and resources allowed.

The development plan prioritized the functionality for fully automating original claims lower on the list, because it was determined that greater claims-processing gains could be quickly realized by focusing development efforts on the automation of select supplemental claims. The context in which these judgments were made is important: When the Post 9-11 GI Bill became law, VA had very little time to develop a system to administer the new educational benefit before VA had to begin processing claims. Because of this time-constraint, VA had to develop a claims adjudication system that blended manual claims-processing with automated claims-processing. The decision to prioritize the automation of supplemental claims over original claims was made because developers determined that the time and resources needed to create and implement a fully-automated system for original claims was far greater than the time and resources needed to automate supplemental claims.

Original claims are currently partially automated. The cost estimate for the development of original claims automation is unavailable at this time.

Question 6: Please provide to the subcommittee a full list of the top 20 off-ramps for processing in the LTS. Also, please include which of these off-ramps you believe are the most significant and which off-ramps you believe could be addressed in future releases.

Response: The attached list (Attachment 1) provides the top 20 off-ramps that occurred in February 2013 in order of the most frequently off-ramped claims. While sufficient development would reduce the frequency of nearly all of the off-ramps, VA believes that development releases to reduce the number of VA-ONCE free-text remarks in enrollment certifications will have the greatest impact on automation. It should be noted that LTS has transitioned from a major initiative to a sustainment project. As such, there are no development releases currently planned. Any future releases of LTS will require IT development effort and funding.

With its current functionality, LTS has fully automated over 487,000 (more than 40 percent) of the supplemental claims received electronically since September 24, 2012. While the automation percentage varies daily, LTS recently fully automated over 53 percent of claims received in one single day.

Question 7: Your response to pre-hearing questions four and five state that LTS is “transitioning from development to a sustainment phase.” What does this mean and what additional functions will be accomplished with the \$4.4 million stated in your response?

Response: The phrase “transitioning from development to sustainment” means that all planned and funded development objectives for the Long-Term Solution (LTS) have been met and, as a result, LTS is moving into a sustainment phase during which VA will continue to maintain the system but will not develop new functionality or enhancements to the system.

The \$4.4 million that is referenced in Question 7 has already been spent. These funds allowed VA to correct software defects in LTS; update business rules to im-

prove the accuracy and the number of claims that are automated; centralize letter printing for automated claims; and add capability to allow call centers visibility into the Chapter 33 claims process. Finally, the \$4.4 million allowed VA to make modifications to ease the transition into sustainment.

Question 8: The response to pre-hearing question number nine stated that with LTS release 4 veterans could access their remaining entitlement through e-benefits. Our understanding is that access through e-benefits is only possible if a student has a premium account which requires a student to provide ID verification at a VA facility. Why is this access limited to the premium account?

Response: eBenefits offers over 47 self-service features to Veterans, Servicemembers, and eligible family members. Although most features require Premium access for the protection of the Veteran, there are some features that require only a Basic account. One of those features is the Post-9/11 GI Bill Enrollment Status. This feature allows both Veterans and eligible dependents to view entitlement and school enrollment information for Post- 9/11 GI Bill Education benefits.

Most individuals that require Premium access may obtain it online by answering a few security questions to verify their identity. Servicemembers may verify their identity online by using their Common Access Card. For those unable to verify identity online, there are other options available such as telephone proofing, which allows those in receipt of VA benefits via direct deposit, to have their identity verified by calling 1-800-827-1000 and selecting option 7.

Question 9: The answers to pre-hearing questions 11 and 12 indicate that LTS will continue to rely on the Benefits Delivery Network (BDN) for payments. Why has legacy system continued to be used and are there plans to replace the BDN with the Financial Accounting System tool?

Response: When the LTS went into development, the Financial Accounting System was not ready to issue payments. As a result, the LTS relied on the BDN to meet the benefit payment roll-out demand. The decision to replace the BDN with the Financial Accounting System tool is one that would require a significant amount of work and time, which would necessitate the use of resources that are currently dedicated to other VA enterprise work.

Question 10: The response to pre-hearing question 13 stated that VA would have to do further “analysis of VA/DOD cross cutting systems.” What are those cross cutting systems and what would be the specific analysis needed to further clarify the answer to question 13?

Response: The two most important cross cutting systems are the Defense Manpower Data Center (DMDC) and the VA/DoD Identity Repository (VADIR). DMDC collects military service data and other information from DOD service organizations, and then transfers that information to VADIR. The LTS interfaces with VADIR to make eligibility determinations for Post 9-11 GI Bill benefits. The absence of various kinds of service information from VADIR impedes the ability to automate initial eligibility determinations in LTS. Therefore, a gap analysis needs to be performed to determine what additional information needs to be provided by DMDC to VADIR.

Question 11: Has VA improperly collected money from the veteran and the school for the same debt?

Response: Veteran and school debts are assigned unique identifiers when they are created. Accordingly, there should be no occurrences where money is collected from both the Veteran and the school and applied to the same debt. VA's Debt Management Center and Education Service are not aware of such an occurrence.

Question 12: The official list of Questions for the Record provided by the Committee did not include a Question 12.

Question 13: When will schools have the ability to batch uploads to the VA Once system?

Response: The ability to perform batch uploads to the VA-ONCE system will require significant IT development. VA is currently defining the requirements and reviewing the funding needed for an improved VA-ONCE system, which would include this feature.

Question 14: When will VA begin to process original claims with the LTS?

Response: VA has been utilizing LTS to process original claims since its inception. For instance, nearly all calculations for original claims are automated; however, full end-to-end automation of original claims is currently not available. This feature will require major IT development effort and funding.

Question 15: Why does the U.S. Treasury program allow only a weekly update of offset eligible VA debts?

Response: VA sends updates to the U.S. Treasury three times a week, each Monday, Wednesday, and Friday, which provide updated balances on accounts that VA has referred to the Treasury Offset Program. Treasury's system is programmed to provide Federal Agencies a file of offsets once each week. VA receives Treasury's file each Thursday. Upon receipt, VA immediately applies the offsets collected to update balances on VA accounts.

Question 16: If we asked you to make a change to the LTS do you have the authority to make that change?

Response: Yes, VA has the authority make changes to LTS.

Question 17: You state that it takes 34 days to process an original claim. Does this mean the Veteran gets his/her money within 34 days?

Response: An eligibility determination is made when an original claim is processed, and does not necessarily require a payment when completed. However, if an enrollment certification is received with the original claim, a payment will either be deposited within 3–5 business days or received via postal mail within 7–10 business days after the claim is processed. This is in addition to the 34 average days to process the claim.

Question 18: Some veterans are asking for a portal where veterans can access and view in real-time the status of their GI Bill claims. Is this at all possible?

Response: VBA fully supports the ability of Veterans, Servicemembers, and eligible dependents to view the status of their GI Bill claim. VBA is reviewing the funding needed to support this feature, and will add it to the eBenefits Roadmap at the soonest possible date.

Attachment 1

TOP 20 LTS OFF-RAMPS

FEBRUARY 2013

1. REVIEW VAONCE REMARKS
2. VALIDATION ERRORS DETECTED DURING AUTOMATED WORK PRODUCT
3. CHANGE OF STUDENT ADDRESS SUBMITTED BY SCHOOL
4. NEW FACILITY CODE FOR CLAIMANT
5. WORK PRODUCT IN PROGRESS, ONE OR MORE ENROLLEES/ADDMENDMENTS HAVE BEEN ADDED TO THE VAONCE INBOX
6. A CHANGE IN VADIR SERVICE DATA HAS BEEN DETECTED
7. CLAIMANT'S ENTITLEMENT IS EXHAUSTED
8. BDN END PRODUCT COULD NOT BE OPENED FOR CLAIMANT
9. NCD ENROLLMENT RECEIVED FOR CLAIMANT
10. CLAIMANT RECORD COULD NOT BE ACCESSED DURING AUTOMATED PROCESSING
11. COE LETTER PRODUCED
12. NO MATCHING ENROLLMENT FOR ADJUSTMENT
13. CHANGE IN HOUR TYPE DETECTED
14. VAONCE CLAIMANT FILE NUMBER DOES NOT MATCH LTS
15. CHARACTER OF SERVICE IS NOT HONORABLE
16. ONE OR MORE AWARDS TOO LARGE FOR AUTOMATION AUTHORIZATION

- 17. NO LETTERS PRODUCED
- 18. WORK PRODUCT REQUIRES REVIEW FOR SECOND SIGNATURE
- 19. A CHANGE IN VADIR TRANSFER OF ENTITLEMENT DATA HAS BEEN DETECTED
- 20. OLDER VAONCE CLAIMS(S) CANNOT BE AUTHORIZED WITH VAONCE CLAIMS RECEIVED AT THE SAME TIME OF AUTOMATED PROCESSING