

**IMPROVING THE QUALITY AND TIMELINESS OF GI  
BILL PROCESSING FOR STUDENT VETERANS**

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**HEARING**  
BEFORE THE  
**SUBCOMMITTEE ON ECONOMIC  
OPPORTUNITY**  
OF THE  
**COMMITTEE ON VETERANS' AFFAIRS**  
**U.S. HOUSE OF REPRESENTATIVES**  
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## **IMPROVING THE QUALITY AND TIMELINESS OF GI BILL PROCESSING FOR STUDENT VETERANS**

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**Thursday, June 8, 2017**

COMMITTEE ON VETERANS' AFFAIRS,  
U. S. HOUSE OF REPRESENTATIVES,  
*Washington, D.C.*

The Subcommittee met, pursuant to notice, at 2:04 p.m., in Room 334, Cannon House Office Building, Hon. Jodey Arrington [Chairman of the Subcommittee] presiding.

Present: Representatives Arrington, Bilirakis, Wenstrup, Rutherford, O'Rourke, Takano, Correa, and Rice.

### **OPENING STATEMENT OF JODEY ARRINGTON, CHAIRMAN**

Mr. ARRINGTON. Okay. Let's get this thing started.

Good afternoon, everybody. I want to welcome you all to the Subcommittee on Economic Opportunity's hearing today entitled, "Improving the Quality and Timeliness of GI Bill Processing for Student Veterans." I know we can all agree that the Post-9/11 GI Bill is an extremely generous benefit, and for decades VA's education and training programs have been credited with the successful transition and reacclimation of our returning servicemembers.

However, while VA's administration of GI Bill benefits has improved over the years, challenges still exist. Oversight of the GI Bill and how it is administered to the men and women who have served and their families is the job of this Subcommittee, and we are here today to discuss ways in which we could improve the processing of these benefits to ensure that they are properly developed and administered so that our veterans receive what they have earned in a timely and accurate manner.

Processing of the GI Bill claims in its entirety isn't solely the job of the VA. They have to work with their partners at the Department of Defense to ensure that they are using the right Active Duty service information when determining GI Bill eligibility and the benefit amount for each individual applying for benefits.

This partnership and open communication between the two Departments is vital to certify that a beneficiary is receiving their earned benefits in a reasonable timeframe and that they are receiving a benefit amount that they have earned.

Recently there was an internal audit done by VA where it found that thousands of already processed claims needed to be reviewed again and needed additional information from DoD to verify that the veterans' Active Duty service time, which was used to process

the claim, was accurate and their benefit level was correct. Unfortunately, this did result in some delays in individuals receiving their benefits, which causes a negative impact on the veteran, obviously, or their dependent who is waiting for these earned benefits.

Today, I hope we can learn more about this audit and discuss ways to guarantee that there is open communication between the two Departments going forward so that future beneficiaries are not impacted by incorrect information being provided to the VA by the DoD.

I also look forward to examining a 2015 report done by the Government Accountability Office, which identified 416 million dollars in post-9/11 GI Bill overpayments in fiscal year 2014 affecting approximately one in four veteran beneficiaries and about 6,000 schools.

The GAO made eight recommendations to the VA to reduce these overpayments going forward and to increase collections of this money. However, many of these recommendations still have not been implemented, and based on the Department's written statement, it is unclear when they will be implemented, if ever.

I do not place all the blame for these issues on the education service or its employees, as it is clear that in many ways it is a matter of lack of IT resources and the need for greater prioritization to be placed on these programs within VBA. I know that IT resources are tight, but I believe it is time for the VA to prioritize resources for projects that provide direct impact to veterans and not other bureaucratic priorities or projects that are years behind schedule, millions of dollars over budget.

While I am encouraged by the Secretary's decision to modernize the electronic health record, I have to wonder how veterans could have been better served by investing even just a fraction of the billion dollars that has already been spent over the past decade to create a unified health record system between VHA and DoD in modernizing other VA systems like those that process education claims.

I hope today Members and panelists alike can discuss ways to ensure the education services get the resources and support they need to implement GAO's recommendations and to make the broader improvements necessary to its systems to reduce overpayments and to improve GI Bill processing overall and going forward.

By making the appropriate investments we can bring down the opportunity for overpayments and improve the quality claims decisions, which will benefit our veterans, the schools, the Department, and the taxpayers alike.

I look forward to hearing from our panelists, and I appreciate everybody being here today.

And now I yield to my friend and Ranking Member, Mr. O'Rourke, for any opening remarks he might have.

#### **OPENING STATEMENT OF BETO O'ROURKE, RANKING MEMBER**

Mr. O'ROURKE. Thank you, Mr. Chairman, and before the arrival of Dr. Wenstrup and Miss. Rice, I thought this was going to be a hearing restricted only to Members from Texas. I am glad to see that we have been joined by others. I don't know.

Mr. ARRINGTON. Big problems, two Texans, you got it solved. That is how I see it.

Mr. O'ROURKE. It is done.

We are glad you are here, as well.

I don't think there is much that I can add to the Chairman's remarks in outlining the importance of today's hearing, and what we are about to learn from the panel before us, but I do just want to ensure that we are fulfilling our commitments to every veteran who has earned a VA educational benefit, that that money is going to its intended use and purpose, and in those instances where it does not, that we do not unduly or unfairly burden the veteran with trying to recoup that money.

And we also always, and I know the rest of the Committee feels the way that I that I do, want to make sure we are maximizing the taxpayers dollar, that we are good stewards of that money, and that we are accountable for the money that is spent. And so, I am hopeful that we are going to get answers to some of these outstanding questions raised in the GAO report raised by the Chairman's opening statement and other questions that the other Committee Members will have.

And lastly, Mr. Chairman, I want to introduce you and the Committee to Cathy Yu, who is sitting to my right. She is a new staff director for the minority side of the economic opportunity Subcommittee for the VA.

Mr. ARRINGTON. Thank you, Cathy. Welcome to the team, and I look forward to working with you.

Let's just introduce our guests that are with us today. Joining us is Major General Robert Worley, Director of VA's Education Service, who is accompanied by Mr. Thrower, Acting Information Technology Account Manager for the Benefits Portfolio in the Office of Information Technology and Ms. Lowe, Director of the Debt Management Center.

We are also joined by Mr. Hebert, the Acting Deputy Assistant Secretary of Defense for Military Personnel Policy for the U.S. Department of Defense, and he is accompanied by Mr. Breckenridge, Deputy Director of the Defense Manpower Data Center for the U.S. Department of Defense.

General Worley, thank you for being here with us today and for your many years of service in uniform with the U.S. Air Force and your service at the VA. You are now recognized for 5 minutes, sir.

#### **STATEMENT OF MG ROBERT M. WORLEY II**

General WORLEY. Thank you, Mr. Chairman, and good afternoon.

Mr. Chairman, Ranking Member O'Rourke, and other Members of the Subcommittee. I am pleased to be here today to discuss the Department of Veterans Affairs Education Benefit Programs and our ongoing efforts to ensure education benefits are administered appropriately and accurately.

My testimony will focus on the status of our implementation of the eight recommendations of the Government Accountability Office report entitled, "Post-9/11 GI Bill Additional Actions Needed to Help Reduce Overpayments and Increase Collections." I will also discuss the recent education service internal quality review audit,

as well as resources provided education service to improve GI Bill processing times and outcomes for student veterans.

Accompanying me today, as you mentioned, is Mr. Lloyd Thrower from the VA Office of Information Technology; he is the benefits portfolio manager, and Ms. Robbie Lowe, Director of the Debt Management Center for the VA.

With respect to the GAO report, VA is committed to addressing overpayments under the Post-9/11 GI Bill. The October 2015 GAO report includes eight recommendations to improve the administration of the Post-9/11 GI Bill, reduce the occurrence of overpayments, and increase debt collections. VA concurred with these recommendations and has been working to implement them.

Of the eight recommendations we have completed the required actions and have requested closure of two. Five recommendations will be addressed in the reengineering of education service IT solutions currently in progress, and for the remaining recommendations VA has developed proposed regulatory changes.

With respect to the internal audit education service identified a need to improve the overall quality in internal controls of the Post-9/11 GI Bill program due to some trends that we identified with equitable relief and administrative error cases. Education service requested an audit from VA's Office of Internal Controls regarding the determination of eligibility percentage levels for Post-9/11 GI Bill beneficiaries.

The Office of Internal Controls reviewed a sample of over 78,000 cases. Of those, approximately 14,000 cases were referred to education service to review for proper accounting of the initial Active Duty training and service dates. Education service was able to quickly resolve approximately 3,000 cases without referring them to the DoD and contacted DoD to verify the service information on the remaining 11,000 cases. This verification requirement created a hardship on DoD just due to the volume of the cases and limited DoD resources to answer these requests.

As we continue to work the situation, the education service re-evaluated those 11,000 cases to reconfirm that we would, in fact, need information from DoD and then we prioritized the cases and reallocated our own resources to focus and process these cases as expeditiously as possible.

Additionally, we put in place new procedures for our field claims examiners, and all the claims examiners were retrained to ensure effective, consistent, and standardized claim development with DoD. As of today there are 466 claims remaining pending a decision, and 22 of those are actually related to current enrollments where payments are involved.

Now with respect to IT resources, on September 24th, 2012, VA successfully activated end-to-end automation of supplemental claims for the Post-9/11 GI Bill benefits through long-term solution or LTS.

This calendar year an average of over 5,200 claims per day are processed automatically without human intervention. Approximately 85 percent of all Post-9/11 GI Bill supplemental claims are either partially or fully automated. Since transitioning to sustainment there has been no significant development funding for LTS or other supporting systems, however, there have been six



minor releases to add small improvements to fix defects and install security enhancements. Additional LTS functionality is needed to further increase efficiency and effectiveness in education claims processing.

VA is prioritizing replacement of legacy systems due to the increased costs and risk of maintaining these systems. For example, the Benefits Delivery Network, BDN, is the claims processing payment, tracking, and disposition system for education programs. It consists of antiquated mainframe systems and is in need of replacement. These and other risks involved in operating in this environment have made the replacement of BDN a high priority for VA. There are a number of other legacy systems that are in need of modernization and further automation.

VBA and OIT continue to assess these capabilities for education service. Our goal, as always, is to improve our service to our servicemembers, veterans, and their families.

Mr. Chairman, this concludes my statement, and we look forward to responding to your questions.

[THE PREPARED STATEMENT OF ROBERT M. WORKEY, II APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, General Worley.

Mr. Hebert, you are now recognized for 5 minutes. Do I have that right, Hebert?

Mr. HEBERT. Hebert.

Mr. ARRINGTON. Hebert.

Mr. HEBERT. Good French and Cajun name.

Mr. ARRINGTON. Okay. Mr. Hebert, the floor is yours. Five minutes, sir.

#### **STATEMENT OF LERNES J. HEBERT**

Mr. HEBERT. Yes, sir. Good afternoon, Chairman Arrington, Ranking Member O'Rourke, and esteemed Members of the Committee.

I am pleased to be before you today with Mark and my colleagues from the VA. The Department of Defense takes our responsibility for ensuring veterans receive their benefits very seriously. Together with our partners from the VA we work hard to ensure that accurate and timely information is processed and available to determine the veteran's eligibility for education benefits.

Since 2003, the Department of Defense has been providing daily updates of electronic personnel records to the VA from the first day a servicemember signs in until the day they depart. Direct lines of communication are critical, as you would expect, in an enterprise such as ours. Whether it is a regional offices contacting the various service components offices for additional data or information or between our headquarters, we routinely and almost daily are in contact with respect to the Post-9/11 GI Bill. DoD monitors the data reported to the VA, but clearly, there is still additional room for improvement in this area.

One of the changes that occurred back in 2009 with the implementation of the Post-9/11 GI Bill was a requirement to change the certificate of release or discharge from Active Duty to the DD214

to incorporate an additional data element. This data element was the initial training end date.

The reason I mention it here is that prior to this point this date had no specific purpose with respect to policy or statute, and so it took us a little while to get it incorporated in many data systems that we have across the Department so that the VA could receive it in a timely fashion.

Incorporating it in 2009[PL1] was an effort to help duplicate some of the data flows that were going to the VA so they would have instant access to this information.

Yet if a veteran applies for benefits and this information isn't available, we work in an expeditious manner with the VA to try and clear this up and provide this additional information.

A second area of focus that we found that was troubling to us is that several periods of qualifying service for veterans were not being included in the records that were being passed to the VA. This primarily dealt with Guard and Reserve Members and the systems changes that were occurring in trying to align all the systems up so they could properly receive the information.

It stemmed from the elimination of the Reserve Education Assistance Program and their subsequent transfer to the Post-9/11 GI Bill. As a result, the VA claims examiners are currently working with the services to ensure all qualifying service is accounted for.

We are committed to resolving these cases and as expeditiously as possible. Rest assured the Department remains committed to taking care of veterans and ensuring the success of the Post-9/11 GI Bill which aids greatly in military recruiting and retention efforts. To address gaps in the current process, my office, along with the Defense Manpower Data Center, will meet with each of the reserve components to develop a plan for significant process improvement on our side of the equation.

Going forward we will also institute a governance process, a structure that works to make sure that we have quality data being passed to the VA and to other institutions that require personnel data.

Mr. Chairman, this concludes my statement. I thank you and the Members of the Subcommittee for your continuing support of servicemembers, veterans, survivors, and their family members.

[THE PREPARED STATEMENT OF LERNES J. HEBERT APPEARS IN THE APPENDIX]

Mr. ARRINGTON. Thank you, Mr. Hebert. I will now yield myself 5 minutes for questions.

Mr. Worley, has what Mr. Hebert suggested he would do to improve the coordination and sharing of information, is that going to be sufficient to solve the challenges? And I can imagine there will always be some challenges in coordinating two behemoth bureaucracies, quite frankly, and so I want to be reasonable here.

But what are your thoughts about that, and what would you emphasize from your perspective from VA's perspective needs to happen, IT systems, standardizing process, governance, what do you think? A, how do you react to what he has said, and, B, what would you emphasize or add?

General WORLEY. Mr. Chairman, I just like to start off by saying that we have a very solid relationship with DoD in this regard. We have had computer matching agreements with them since at least 1990, if not sooner, earlier than that.

I think the steps that Mr. Hebert has outlined will very much help as we go forward. We have identified a person in my staff to be my lead, if you will, on working with the DoD, whether it be through a working group or this governance structure, and I think there are a number of areas that we need to focus on with respect to the data sharing itself, the sources, and just, you know, basic communications.

I would also just point out to you, sir, that just to give you a scope, since this fiscal year 2017 we have had about 50,000 or so cases that we have requested information from DoD. And the timeliness of their response to us is, for the most part, averages 10 days or less, so it is more issues related to how quickly their, I think, databases get updated and our tapping into those. There may be better ways that our people can tap in more directly to their databases.

Mr. ARRINGTON. That seems to me like a more reasonable and commonsense solution is to provide access without being able to alter the data in a way that is secure, obviously, but just to tap into that database.

I mean, 10 days, I imagine you could shorten that significantly if you could just tap into it from the VA side without a lot of moving parts on the DoD side. I mean, am I wrong about that? That is just an observation.

General WORLEY. It is something we would want to explore with DoD as part of this working group.

Mr. ARRINGTON. Is that something DoD would be willing to consider?

Mr. HEBERT. Absolutely, Mr. Chairman. We already have an application out there that is available to the VA. They can log in and check out all the records of all the military personnel that they would like to on a case-by-case basis, and we are also providing the data feed.

The challenge comes in making sure that the records are complete in a way that is digestible to the VA, and so, but absolutely, we are willing to work with the VA on additional opportunities in that regard.

Mr. ARRINGTON. I have in my notes that VA employees have said that they are still seeing problems receiving needed information from the services in a timely manner. I don't know, you know, that is anecdotal. I don't put a lot of stock in that, quite frankly.

I would like to know what the numbers are. I would like to know what empirical data from an internal audit or from the GAO. Is there any numbers, hard numbers, to measure the—because there are different sides to this equation—but the component of the DoD coordination, is there empirical data to suggest that that part is inefficient or broken?

General WORLEY. Mr. Chairman, we track, and that is where I got the 10 days from, we track from the time we send the request to the DoD to their response, and the range is wide.

I mean, it goes from same day to 50 days, but on average it is about 10 days for them to respond to us with the information that we are asking for, which is typically either character of service, but more often it is Guard and Reserve kinds of information with respect to service dates and the authorities under which guardsmen and reservists are activated.

Mr. ARRINGTON. Well, I am going to yield to my colleague. I have got several questions on the IT systems front. They may cover it for me. So with that I yield 5 minutes to the Ranking Member, Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chairman. General Worley, what is the total dollar value of outstanding uncollected overpayments?

General WORLEY. I think I would have to defer to my debt management center folks, if I could.

Mr. O'ROURKE. That is good with me.

Ms. LOWE. Good afternoon.

Mr. O'ROURKE. Hi.

Ms. LOWE. My system at the Debt Management Center retains the information on debts that veterans owe. For fiscal year 2016 I show an outstanding balance of \$107 million. For fiscal year 2015, an outstanding balance of \$49.5 million.

Mr. O'ROURKE. Are both those numbers overpayment?

Ms. LOWE. They would be monies that veterans or schools owe the VA, yes.

Mr. O'ROURKE. Okay. So, sorry, repeat fiscal year 2016 again for me?

Ms. LOWE. Fiscal year 2016 was \$107 million. Fiscal year 2015, \$49.5 million. Fiscal year 2014, \$31 million. And fiscal year 2013 and all prior years is \$44 million. And I do want to mention on the—

Mr. O'ROURKE. And for each of those years that you gave us, this is outstanding uncollected overpayment.

Let me ask you this next question. Where does that money reside? For example, is it with the institution? Is it with the veteran, or do we know?

Ms. LOWE. I do believe I have those details.

Mr. O'ROURKE. And what I am trying to get at is I want to make sure that if it is with the institution, we are going to the institution to collect the money, instead of asking the veteran for the money.

Ms. LOWE. Yes.

Mr. O'ROURKE. But see if you can give me the answer to that.

Ms. LOWE. Yes, sir. For example, in fiscal year 2016 veterans owe us for books and supplies of \$3.7 million. The veterans owe us for housing debts \$47.6 million. For tuition and fees they owe us \$49.1 million. And schools owe us approximately \$6.9 million.

Mr. O'ROURKE. And in every instance where you said the veteran owes 3.7, 47.6, 49.1 million, that money has been paid to the veterans. It was at one point in their possession. It is not with the institution held in the veteran's name?

Ms. LOWE. Correct. Well, VBA makes the determination on who owes the money, and, for example, in the area of tuition, whether the school owes the money, or the veteran owes, it depends on the reason why. So, for example, if the veteran dropped the course and

never attended it, it might be the school that owes it, but, again, I would defer that to General Worley to answer that question.

Mr. O'ROURKE. And the way I ask the question is important to me. I want to know where the money resides, perhaps a different question than who owes the money. So it may be legally that the veteran owes that money back, but the money never flowed through to the veteran is held by the institution for the credit hours that were never served to the veteran.

So I don't want the collections agency going to the veteran, I want it going to the institution. And I may not be making myself clear. Does that make sense?

Ms. LOWE. Yes, it makes sense. Unfortunately, VBA education service determines the debts, and so they would determine whether the veteran owes the money or the school, so I would defer to General Worley.

Mr. O'ROURKE. Okay.

General WORLEY. If I could, the way the debts are established, as she mentioned, has to do with when the change is made with respect to their rate of pursuit. So if an individual veteran is taking 12 hours at a school and the term starts after the start of the term, anything they do with respect to reducing their rate of pursuit or whatever results in a debt against the veteran because the school was paid on behalf of the veteran.

Mr. O'ROURKE. Okay. But let me stop you there. So let's use that example. Let's say that a veteran signed up for 12 hours. First day of school they are sitting in 12 hours' worth of classes. Second day of school they say, you know what, for whatever reason, I am going to take it down to four hours. The school was paid for the 12 hours. That money never flowed through to the veteran. Whose door will be knocked on for the collection for the balance?

General WORLEY. In that case, the veteran's.

Mr. O'ROURKE. Even if the money never came to them?

General WORLEY. That is correct, sir.

Mr. O'ROURKE. And so how do we change that so that it is the school who actually has the money who pays the money back instead of the veteran?

General WORLEY. The reason it is set up the way it is because the VA does not get in the middle of school refund policies. There are many different refund policies amongst the schools.

Mr. O'ROURKE. Could you get in the middle of it? I mean, you have the leverage. You are paying out hundreds of millions of dollars to these institutions and say a condition for receiving this money is that if the veteran does not go to the classes for which that money was paid, you the school are on the line for it, you will pay it back to us. You have the facilities and capacity to make that transaction much more quickly and efficiently than does the individual veterans.

And I have got to think from a collection standpoint that is a much more effective way to get that money back than finding thousands of veterans spread out all across the country.

General WORLEY. That is the intent of the GAO's recommendation number eight, which we concurred with. That, like several of the other ones, is a fairly big lift with respect to the IT changes

we need to make in the system, but, yes, sir, that is part of the GAO recommendation.

Mr. O'ROURKE. Thank you. I have exceeded my time. I yield back to the chair.

Mr. ARRINGTON. Thank you, Mr. O'Rourke. I yield 5 minutes for questions to Mr. Wenstrup.

Mr. WENSTRUP. I would like to yield my time right now to Mr. Bilirakis.

Mr. ARRINGTON. Mr. Bilirakis, you have 5 minutes.

Mr. BILIRAKIS. Thank you. I appreciate it very much, Mr. Chairman. Thank you again for your testimony, as well.

Mr. Worley, VA should be commended for their efforts to partially automate the supplemental claims through LTS. However, it is my understanding that the processing of original GI Bill claims is not automated and still takes just about as much time as it did back in 2009. What do you see as the impediment to completing the long-term solution or LTS and increasing the number of claims that can be processed without human intervention?

And then what plans does VA have in place to finish the LTS and finally automate original claims? Again, how much do you think this would cost, as well? If you can answer those questions for me, I would appreciate it.

General WORLEY. Congressman Bilirakis, thank you. Just to provide a little input on the timeliness. Original claims today are processed in fiscal year to date in 2017 in about 21 days. That is actually much better than it was in 2009 when we didn't have automation of any kind. Much better than even in 2012 when it was probably 30 plus days.

Supplemental claims with automation on average for all benefit types is running about 6 or 7 days. So we are pretty proud of the improvements that we have made with respect to serving our veterans and timeliness of processing the claims.

You are right. Original claims are not automated, and I would say it is something that originally when the long-term solution was being developed, that was something that was desired. The focus was put on supplemental claims because that, quite frankly, is 85 or so percent of our business, and that was going to be the biggest bang for the buck.

As always, it comes down to resources and priorities kinds of discussions within the VA, and so we have got business requirements laid out, and I think the estimate that SPAWAR gave us, which was the original contractor, they are no longer on contract, and then I will defer to Mr. Thrower, but was I think 30 million to automate original claims and provide some of the other functionalities that we needed.

Mr. BILIRAKIS. Thank you. Let me ask another question. What can this Committee do to encourage the Office of Information and Technology to provide additional funding to the education service to improve the GI Bill processing? If you can answer that question, I would appreciate it.

General WORLEY. What can—

Mr. BILIRAKIS. Well, what can this Committee do to encourage OI&T, again, to provide additional funding to the education service to improve the GI Bill?

General WORLEY. May I refer to my IT colleague?

Mr. BILIRAKIS. Yes, what can we do?

Mr. THROWER. Hello. Well, thank you for the question.

Mr. BILIRAKIS. Sure.

Mr. THROWER. I would say that the first thing I would like to be clear is that within OI&T we established the priorities for what our development efforts in any given year in conjunction with our partners in VBA. We do not do this unilaterally. It is every year a rack and stack of all of the challenges that are facing the administration, each individual administration, and we determine which are the highest priorities.

Certainly through 2012 getting LTS up and running was one of our number one priority. In the last 2 to 3 years our priority has been automating the comp and PIN process. We are now actually moving to a very different strategy this year with the constraints that we are dealing with, with funds.

We have put a focus in this particular year on managing some very important aspects—well, not only focusing on the electronic health records, but also, the management and the disposition of quite a few really important legacy systems. Within the benefits space education systems, well, the Benefits Delivery Network, BDN, is right at the top of that list. We are right now in the process of doing an analysis and reengineering effort on all education systems looking to see where they stand.

We know that we have some legacy systems—legacy environment there that needs to be cleaned up in order to make sure that all of the processes going forward can be uplifted and modernized very effectively. A lot of the things that the GAO report has asked for are things that during this process over the next year, year and-a-half we are going to be implementing as part of that re-engineering effort.

We have about, I think, \$31 million in the budget for fiscal year 2018. We have some residual funds that we are devoting to that this year. As I say, we are building the engineering plan and figuring out when we can bring these individual capabilities online now.

Mr. BILIRAKIS. Very good. Thank you. Mr. Chairman, could I have an additional 10 seconds?

Mr. ARRINGTON. Yes, sir.

Mr. BILIRAKIS. Okay. Thank you very much. I appreciate it.

I introduced House Resolution 1994, the Vocational Education and Training Enhancements for Reintegration Assistance Act, the Veterans Act, asked Congress to address this very issue, and we are funding it for IT \$30 million. My bill would direct the secretary of VA to make improvements to the information technology system, which would surely improve the quality and timeliness of adjudicating these claims.

So, again, without objection I have a letter I would like to submit, Mr. Chairman, before the record.

Mr. ARRINGTON. Without objection.

Mr. BILIRAKIS. Thank you very much, and it is from the Association of the United States Navy. So and they are supporting my bill, so I would like to discuss that with you, and we have got to fix this.

So thank you very much, and I apologize for going over Mr. Chairman.

Mr. ARRINGTON. Thank you, Mr. Bilirakis. Now I recognize Ms. Rice and give her 5 minutes for questions.

Miss RICE. Thank you, Mr. Chairman.

I guess this question would be for Mr. Worley. Do you think that a wider expansion of the VSOC program and educational institutions could be one supplemental initiative utilized to further the VA's efforts to ensure that education benefits are administered appropriately and accurately for student veterans? We have some VSOCs in our area, but we are still hoping to get more. I know it is a program that could use some expansion but would you see that as a benefit?

General WORLEY. It is difficult for me to comment on it because I am not responsible for the VSOC program. That falls under the Vocational Rehabilitation and Employment Service in VBA. I know there have been many discussions about expanding VSOC, but I am not the expert on VSOC itself.

Miss RICE. I am wondering if there is any data to show that schools, where there are VSOCs, where there is an ability for a student to get some advice and counsel, shows less of a—those students have less of a likelihood of getting mixed up in this whole quagmire of, you know, tuition repay and all that kind of stuff?

General WORLEY. I understand.

Miss RICE. You don't have any—

General WORLEY. I understand the question. I think we would have to take that one for the record, ma'am, if we could, and we can get back and answer you.

Miss RICE. Yes, I would be interested to see if that has any—

General WORLEY. I would say just along those lines, as you know, the people that deal directly with our beneficiaries at the schools are the school certifying officials, kind of our generic term for veteran certifying officials, and we have extensive training opportunities and resources for them to work with the veterans, make sure they understand the debt potential for dropping classes and those types of things.

As well as we work with them on the dual certification piece that was recommended in the GAO report. So there are many opportunities, and we see them as kind of the front line in terms of providing this kind of information to our veterans, but certainly the VSOC counselors that are on those campuses can provide that kind of important information, as well.

Miss RICE. So it seems I have heard a lot about the IT, IT, IT, IT, and what concerns, I am sure, everyone on this Committee, is that there is no money for IT. I mean, the budget really kind of—it is not there. So we need to be having conversations with Secretary Shulkin and things like that, but it seems to me like a lot of the issues that we are talking about could be rectified by a bigger investment in IT.

So, Mr. Worley, I guess you would be the right one for me to talk about joint services transcripts?

General WORLEY. I am sorry?

Miss RICE. Can I talk to you about joint services transcripts?



General WORLEY. Well, I know a little bit about joint service transcripts. That is really a DoD issue.

Miss RICE. Oh. So maybe I should ask Mr. Hebert? Well, basically—

General WORLEY. I can try to answer your question.

Miss RICE [continued].—some members before they start their outside the military education have actually gotten credits that are transferable to schools that they plan on attending using GI funds.

General WORLEY. Sure.

Miss RICE. And it seems to me that we should try to coordinate that along with the payment to schools of the tuition, that we should incorporate some automatic transferal of joint service transcripts because another avenue for savings could be if the veteran knows themselves that they actually have these credits that would only require them to maybe go for 3 years as opposed to four, that is significant savings if you add that up down the line.

So I would just—I think we have to have a conversation about that to see if—

General WORLEY. Yes, ma'am. I would say that is a great point, and I would say in order to be a GI Bill approved school you have to have policies that assess prior credits wherever they come from.

Miss RICE. Right.

General WORLEY. And there has been a lot of focus on this in the higher ED community, GI Bill community, if you will, with respect to providing, you know, it is a school decision essentially. Individual schools have different policies related to what credit they will accept, but they have to have a policy to review prior credit wherever it comes from and apply that so that our beneficiaries can make more efficient use of their benefits.

The joint service transcript is a key part of that coming out of the service when they transition. They might have other, you know, other credits that they could get just for military training itself that they go through.

So those things are looked at quite significantly, and, again, to be a GI Bill-approved school you have to have a policy that says you review those prior credits and give them where appropriate.

Miss RICE. So I think if I can just make this one point, Mr. Chairman, I think that if we require schools to have that process, we should make sure they get those transcripts, right? Otherwise, why are we requiring them to have that evaluation of prior credits? Okay. Thank you.

General WORLEY. I understand.

Miss RICE. Thank you, Mr. Chairman.

Mr. ARRINGTON. Thank you, Miss Rice, and I would like to recognize Mr. Rutherford for 5 minutes of questions. Mr. Rutherford?

Mr. RUTHERFORD. Thank you, Mr. Chairman. Gentlemen, if you could, one area that I have heard complaints about in my district is the VA Work Study Program and the fact that there is actually no automated or notification system for this program like there is for the GI Bill processing, and that means that these students all have to scan or email all of their documentation. And the lag time in the payment as a result of that often has some serious impact on these students who depend on that money.

Can you discuss the challenges with the Work Study Program and how we can improve that for our student veterans, as well?

General WORLEY. Yes, Congressman. The Work Study Program, as you have indicated, is a great program for student veterans that allow them an opportunity to make some money and do work that relates to veteran service, if you will, at various locations, not just even at schools. The system for paying them is, as you said, it is not automated. It is not part of the long-term solution automation. It is, you know, it is computerized, if you will, but, yes, to get the hours that are worked that comes in either by email, by fax, by through our ask a question on our Web site, and then is put into our management or image management system and then the work is done by a small team to go in and to pay those.

We have been looking at this more closely with respect to some of the things that you alluded to on some timeliness problems. First thing we need to do is clean up the way we actually account for the timing of how we process these claims. We have made some different decisions 2 or 3 years ago with respect to the frequency of paying the work-study employees, and, again, we work to try to do this as quickly as possible, but we are focusing more on it to ensure the timeliness and that these individuals are paid quickly. As quickly as we can.

Mr. RUTHERFORD. Just to follow up briefly, are there any plans to make some type of automation available for submission?

General WORLEY. It is certainly something—we would like to have all these little standalone systems rolled into the bigger automation, absolutely.

Mr. RUTHERFORD. Okay. And actually that is a good segue into my next question. I see where Secretary Shulkin has decided to purchase the DoD a system that is apparently an IT system that is apparently congruent with the DoD's system because they use it now. I don't know that that has any—well, is there any potential there for that to help with the GI Bill post-GI Bill folks or any tie-in to the schools at all or is it too early to know that?

General WORLEY. That has to do with electronic health records, and it is out of my lane.

Mr. RUTHERFORD. I wasn't sure what the limitations were on it. Okay. Thank you.

I would like to point out one other issue. According to a lot of our veteran military folks, our resource service and universities find it almost impossible to get anyone from the VA to answer the phone between the third week of August and mid-September because everybody is, and not that they are not working hard, in fact, they are probably working incredibly hard, and that is why they are not answering the phone, is VA trying to address this?

You know, that is a very critical time obviously. You have all these registrations going on. Is there any plan to try and beef up personnel during that time or somehow address that workload?

General WORLEY. Congressman, if I can get perhaps a little more fidelity on what kinds of, you know, what kinds of calls were being made, I could probably answer that question better, but we have an education liaison representative in each State or assigned to each State, and sometimes that is a one-deep position for all the institutions in a given State, and they are the usually the first re-

source a school certified official will go to try to get an answer to a question.

So in that regard, yes, we are thin, a bit thin on ELRs, especially, again, during that period of time or if there is a new school certifying official, it is a complicated benefit, and there are a lot of nuances to it. So if it is something more generic with respect to the benefits and that kind of thing we do have the education call center in Muskogee, Oklahoma, and they do a great job.

There are sufficient resources there to handle the call volume. Even, I mean, there are issues during the peak times like early first part of the month or early September for example.--

Mr. RUTHERFORD. I think this was specifically about the ELRs and their accessibility. Thank you. Thank you very much.

Mr. Chairman, I yield back.

Mr. ARRINGTON. Thank you, Mr. Rutherford. And now I would like to recognize Mr. Correa and give him 5 minutes for questions.

Mr. CORREA. Thank you, Mr. Chairman. Ladies and gentlemen, welcome today. Thank you for your hard work for all of our veterans.

Served in the California legislature for a number of years, and, unfortunately, the last few years we have had very disturbing developments with private for-profit institutions of education. Some have closed down leaving a lot of students a lot of debt, and as you know, student debt is the only debt you cannot essentially forgive through bankruptcy. Very unfortunate situation.

So my general question to all of you is, can you do anything, should we be doing anything to tighten up as to what educational institutions in this country are eligible to receive the GI revenues, the GI funds from our students, and I say that from two perspectives.

Number one, a lot of these institutions promise, you know, full employment or a great job after you graduate, and they are not there.

And, number two, related to the reimbursement policy. Education can be said to be a business. Taxpayer dollars are being invested in these veterans to educate them. We want to make sure they are getting a good deal.

And so I am trying to figure out how can we better vet these educational institutions to make sure that, for example, policies like automatic reimbursement should the veteran drop out, you know, before the semester is over is part of their policy to be part of our system of GI benefits.

General WORLEY. Thank you, Congressman Correa. As you know, in order to administer the Post-9/11 GI Bill in accordance with the statutory requirements, very many types of schools are eligible, whether they be public, private for-profit, private not-for-profit, vocational schools, that is the thing, that is one of the great things about the GI Bill is the breadth and the magnitude of opportunity there for veterans and servicemembers and families to use.

I acknowledge your comments about some institutions and some abrupt closures in recent history, and I think as you are aware currently—under the current statute the VA has no authority to either continue paying housing for a little while in a situation like that or to reinstate entitlement that someone may have lost or perhaps

wasted at an institution that closes like that. And, again, as you know, many times those credits don't transfer anywhere.

So what we focused on is not trying to identify a good school or a bad school and try to be the judge of that as a Department. What we have tried to do is focus on doing everything in our power to create informed consumers and provide information about these things to our veterans who are making these educational decisions for their future.

Things like articulation agreements with respect to schools accepting other credits, these debt issues, looking at the graduation rates of a school and those types of things, trying to help our beneficiaries make good decisions up front because as you know you get 36 months, and that is it for the GI Bill.

Mr. CORREA. And that is why, sir, I think it is important to provide education, and I am not trying to have a paternalistic government here in terms of telling our vets what to choose and what not to, but some of them these students many times are victims of having been sold a basket of goods that actually is not there. It is just a marketing and sales ploy, and ultimately they get hurt as well as the taxpayer.

So I know you don't have the legislative authority to delve in this area, but I would ask you to think about coming up with a system to provide additional safeguards for veterans.

With that, Mr. Chair, I yield the remainder of my time.

Mr. ARRINGTON. Thank you, Mr. Correa.

And now I recognize Chairman Wenstrup and give him 5 minutes for questions. Thank you.

Mr. WENSTRUP. Thank you, Mr. Chairman. I want to thank you all for being here, and I want to start with you, Mr. Hebert. I am just curious over the last several years what kind of technological improvements have we seen when transitioning information from active duty to VA, especially for guard and reserves.

I mean, I know 10 years ago when I came home, here is your DD214, and later I did get a letter from VA saying, hey, you need to check in with us. Is some of this being automated now, and maybe you both want to address that somewhat, but is it being automated at this point where it kind of goes automatically or how is that working?

Mr. HEBERT. It does. As I mentioned earlier, we do send data flows each day to the VA.

Mr. WENSTRUP. What is in that?

Mr. HEBERT. If I may, the expert is sitting right to my left.

Mr. WENSTRUP. It works for me.

Mr. BRECKENRIDGE. Thank you, Congressman. Yes, since about 2003, the Department of Defense has maintained a DoD and VA data share with VA so that in realtime we update the data that is received from the services.

So Defense Manpower Data Center receives personnel data feeds from the service personnel systems. We process it through this DoD/VA data share and in realtime update those records in what is called VADIR, the VA/DoD Information—

Mr. WENSTRUP. What is in that?

Mr. BRECKENRIDGE [continued]. It is the service personnel record for all the benefits, including the education benefits that are required for VA.

So as soon as we get the first day of a servicemember's personnel record that is available, that is transitioned to VA. And then we continuously update it until they separate or retire from the service.

Mr. WENSTRUP. And does the troop get access to that data themselves? Is that something they can see, print out? I mean, you talk about benefits especially, is that something that is accessible to them?

Mr. BRECKENRIDGE. The veteran?

Mr. WENSTRUP. Sure.

Mr. BRECKENRIDGE. The veterans do not have direct access to it, but they do have access to it through the systems, which are used by VA and within the Department of Defense and servicemembers, as well.

There is a second system which does provide direct access to their online service record, the DEPRA system, so they can also see their online service record as well both during service and after they have left the service, and that is an actual image system which has been provided since that same time period.

Mr. WENSTRUP. So what is the process for Guard and Reserve, they will go active for a year and then they are going home. Are they aware of what is going over to VA? I mean, how informed are they? I mean, I just am speaking for me, I was kind of lost, right, from I got a letter from VA saying come in and get your physical.

Mr. HEBERT. I think depending on the seniority of the servicemember there have varying degrees of education on exactly how much we interchange with the VA. I think most people are not cognizant of it. I think the key, particularly with the Guard and Reserve, is after they complete their deployment or mobilization they get back and getting that updated in the record typically is not something they are very urgently pursuing.

Mr. WENSTRUP. I agree.

Mr. HEBERT. I want to get back with mom and the kids, and I want to get reacclimated with my unit and my family, and sometimes that gets—there is a delay there. It required some servicemember intervention. We can do a lot of things on our own, but they need to validate it so that we can attribute that service to them.

But the largest problem at least at this point in time that we have identified is the handoff of the data between all the systems and being able to transition the data in a way that each system all the way into the VA systems can recognize and have the completeness that they need in order to make that eligibility decision, and that is where we are going to focus and our efforts in the future because if we can get the right data to the VA, such that it doesn't require manual intervention, then they won't have to ask DoD for the data.

And the smaller that population, well, the quicker we can respond to those requests because we have now whittled down the number of requests that we are getting for manual intervention, if that makes sense.

Mr. WENSTRUP. Yes, I appreciate that goal, and thank you very much. I yield back.

Mr. ARRINGTON. Thank you, Mr. Chairman. And now I want to recognize Mr. Takano and give him 5 minutes for questions.

Mr. TAKANO. Thank you, Mr. Chairman. My question is for Mr. Worley. Regarding the GAO recommendation that the VA send out more emails or use e-benefits to communicate with veterans in addition to snail mail it just seems like that is commonsense.

These days people change their mailing addresses a lot more often than their emails, and it is just, I think, a better way to reach people by email in order to communicate about important information. So I am glad that the VA is trying to implement supplemental email communication, but I understand for nondebt collection purposes, the VBA or the Veterans Benefit Administration does not have to use snail mail at all, that, in fact, VBA conducted a study that found that using electronic communication would save a certain amount of money over a 5-year period if it replaced snail mail.

Do you know how much money the study the study found electronic communication would save, is that number something that you know?

General WORLEY. I don't have that number at my fingertips—my fingertips, not my fingerprints—Congressman. No, we concur with that recommendation. And I think enterprise-wide in VA, we are moving in that direction. We didn't always require an email address on applications for GI Bill. That changed a couple of years ago, but nevertheless, our systems are not set up to do that easily.

With respect to some of the closures and some of the schools where there have been negative impacts to veterans, we have been able to go and collect an email address—it typically gets a large portion of the students'—and try to communicate with them proactively that way.

But for regular mail, yes, our notifications need to be in writing. It can be electronic. And we are, IT and the Enterprise in VA is working toward that.

Mr. TAKANO. Well, I understand that fixing these problems at the VA, like any other problem at the agency, is going to require dedication and creativity in the budget constraint environment in which we find ourselves. And nothing is going to get better if the agency continues to do things like conduct studies, but then just put them in a drawer someplace and not try to do anything productive with the study.

So I would like to see the VA commit to revisiting the results of this study and potential implementation plans. And I hope you will provide a report back to the Committee, because, you know, you have already done a study. It already showed you already have other parts of—do you want to respond? Go ahead.

Ms. LOWE. Yes. I would just like to add that for the Debt Management Center, 38 CFR 1.911 states that we provide it in writing, and notification is sufficient when sent by ordinary mail directed to the debtor's last known address and not returned as undeliverable by postal authorities.

So, to make email dreams come true, we would need help.

Mr. TAKANO. But I was asking about nondebt communication.

Ms. LOWE. Oh, just nondebt communication? Okay, my misunderstanding.

Mr. TAKANO. I understand that nondebt communication for purposes—that the VBA does not have to use snail mail. I understand that in debt collection, you have a different level of standard there.

But it seems to me that if we are trying to facilitate communication with our veterans that we have at least your own study—a previous existing study has shown that there is a savings to be had. And, you know, I would hope that you would commit yourselves to moving down that path and then report back to this Committee your results.

Let me just yield back.

Mr. ARRINGTON. We will make sure and follow up on that.

Mr. ARRINGTON. I think that is a good point. I think it is a great point, actually.

I will yield any more time that my colleague Mr. O'Rourke needs for further comments and questions.

Mr. O'ROURKE. Thank you, Mr. Chairman. Just a quick question, General Worley.

I think there are a lot of bigger questions that were raised that I think you are either coming back to us on or we may need to talk to the Secretary about, especially some really good questions about IT integration with DoD. And we know every servicemember and every veteran comes through DoD, and we want those systems to work more closely, as they will on the health record sharing side, thanks to the decision Secretary Shulkin made there.

But—and correct me if I am wrong—I understand that one of the things that you are working on to make it clearer to veterans about their obligation is including a line or a paragraph in the letter that goes out to veterans with their award saying, you are responsible for the difference if you drop classes. And that that apparently took a year to approve that language and that language is still not in the letters that are going out.

And we hope—and this, again, is my understanding, you correct me if I am wrong—that the VA is going to be able to get that in place by August, which is obviously cutting it really close for this next school year.

Correct me if I have the wrong impression or explain to me why it takes that long to do that and whether or not we will be able to get that information, important information out to veterans before the start of this next school year?

General WORLEY. The award letters have for a long time, prior to even I think the GAO report, had a bold box in it that says, you are responsible for any debt created with respect to changes in your rate of pursuit, or words to that effect.

I think what the GAO is trying to do, a couple of things with respect to their recommendations related to letters, whether they be award letters, debt letters or whatever, is to give our beneficiaries the total picture in one place: Why the debt was established, in the case of a debt; and how to pay it back.

With respect to award letters, it is something that everybody gets every time they enroll and a certification goes through. So it is a good means—we will get to the electronic eventually—to communicate that kind of thing with respect to the debt. So what they

want us to do is put more information in the letter related to that debt, related to the potential for debt, you know, incurring debt. So there is more now in those letters.

It is more complicated, and I could ask Mr. Thrower to maybe give more detail, but it is not a Word document that we can just go in and change a few lines and hit, you know, save. These are letters that are generated as part of the long-term solution. They have information in them, data in them that relates to calculations and a whole set of things.

So it is a nontrivial event to try to make significant changes in these letters. Should it take a year, year and a half? No, sir, it shouldn't. But nevertheless, it is more complicated than it looks on the surface.

Mr. O'ROURKE. Yeah. Well, I appreciate you addressing it. And I don't know if I have the answer or you can give the answer that we are looking for. And I think one of the challenges we have, and it is not the fault of present company, but when we have these ancient IT systems, we can just keep saying, well, we have got this ancient IT system and it is really hard to update that stuff. So is a year a really long time? I don't know. Maybe the system is so old, it takes a year to do this.

It is just hard for us to hold you accountable, hard for veterans to hold us accountable when we can fall back on that excuse. And I share the concern raised by others, including Miss Rice, that we are not seeing the investment in those systems.

I think a really good conversation would be, you know, hey, Beto, quit banging on me for not being able to get this stuff done quickly enough. We are on an old system. What I need you, as a Member of Congress, to do is authorize X and have the appropriators appropriate the money for X so that we can finally get this done.

I would love to have that conversation so that my successor is not here in 4 years having the same conversation with you or your successor. So an open request to you and to the Secretary to tell us what you need as an investment to once and for all fix the IT system so that that is no longer an excuse. That would be my request.

Thank you, Mr. Chairman, for holding this hearing.

Mr. ARRINGTON. Thank you, Mr. O'Rourke.

I am going to yield myself 5 minutes for additional comments and take off on what you said.

I couldn't agree more. And so let me start probably where I should have from the outset. General, what is a goal, what is a good and reasonable goal for a timeframe? You mentioned 21 days to process original claims. You are down to 6 days on supplemental. What is a good goal on the original claim side?

General WORLEY. Mr. Chairman, my goal would be to model it similar to loan guarantee. An individual goes into e-Benefits or perhaps into future vets.gov, loads in their information and hits send/submit, and within a few seconds they get back a certificate of eligibility. That would be my dream, then it would be instantaneous.

I mean, I think, you know, that would take a lot, but that is the future. No one is complaining to us right now, however, about 21 days other than the situation that you mention where there are



longer delays because of whatever situation on a subset of the claims.

So it is hard to know. What do the veterans want? We have improved timeliness over time. We are not getting a lot of complaints except, again, unique situations. And the supplemental claims, again, which is 80, 85 percent of what we do, are being processed right through the system very, very quickly.

Mr. ARRINGTON. My understanding is this LTS was being implemented, and then there was a shift in priorities and so it wasn't fully implemented, so we didn't realize the full value of that IT solution. Is that a fair assessment?

General WORLEY. I think that is a fair assessment. I mean, again, when you have limited resources, you focus on where you get the biggest bang for the buck. And at the time, it was supplemental claims and all that went before that. There were six major releases, starting from March of 2010 till September of 2012, to get us to where we are.

And I think I would—you know, as we are talking about antiquated systems, I would maybe defend LTS as one of the more recent and effective systems. I mean, I don't know what other business line can make the claim that half of their claims get processed untouched by human hands, based on a complicated benefit and the rules-based system that we have.

So LTS, when that went into effect in 2012, it was truly a game-changer, in terms of timeliness and service to our beneficiaries. Was there more we wanted to do? Absolutely. I mean, there is some small subset of supplemental claims we don't automate today and then the original claims.

The original claims are 10 to 15 percent of what we do. Obviously, that is a critical stage in the process, because we are determining their eligibility level and all of that, and it is a little more complicated because we need to know service data and those types of things. But that is very much something that can be automated, and that is our next big priority I would say after BDN.

Mr. ARRINGTON. So what specifically—and this may be, Mr. Thrower, in your bailiwick, but I am happy to have the general comment as well.

But what specifically—it does sound like LTS did a tremendous job in improving the timeliness of the process, processing these claims, but what else, if you had the money, what would you do to further expedite that or to cut the 21 days into 6 days or cut it in half to 10 or 11 days?

Mr. THROWER. Let me try to answer it this way, as I kind of have been working with the engineering team to sort of understand the landscape of the challenge we have ahead of us. Our first challenge really is to retire the Benefits Delivery Network, BDN.

That will eliminate a 50-year-old system that is very risky in terms of its technology underneath of it. It is tied into all of the various—particularly into the education platforms. A lot of that retirement, which we will be doing over 2018, will actually take many of the benefits, things that we have done with Chapter 30, and make them available for all the other chapters. It will give us better consistency across the board.

It will actually close off some of these, a couple of these GAO recommendations: For instance, the one about the monthly certifications. We will be able to manage certain things in that. But it will give us a platform that will be much, much simpler for us to be able to move forward and add on additional capabilities going forward.

So our sense is that right now for us it is a timing issue now that we have the priority. You know, the Secretary has established a priority that education is sort of the area within the benefits portfolio that is the priority now.

Starting with BDN, let's get the platform up to a certain level in this year, and then we can start layering new capabilities that won't just be available for one chapter or for one subset of veterans, but, as we layer these things on, they will be available for everyone.

Mr. ARRINGTON. If I recall, you said 10 days, on average, for DoD to share information when requested.

General WORLEY. That is correct, Mr. Chairman. That is correct.

Mr. ARRINGTON. Would you guys work together and report back on being able to just integrate the system to where they can access that information without having to pick up the phone and whatever other manual steps that would need to be taken, and just access that information as part of their process as long, again, as it meets the security requirements and, you know, they can't change the information. I mean, you would know what you would need to feel comfortable in doing that.

But would you guys work together and tell us if you can do it. And if you can't do it, please give us a good reason why you can't. That right there is several days.

Does that seem like a reasonable thing to do and does it seem like something that you could easily attainable between the two agencies?

General WORLEY. I would say so.

Mr. ARRINGTON. I am talking to Mr. Hebert.

Mr. HEBERT. Mr. Chairman, yes, absolutely.

Mr. ARRINGTON. It is hard to see my eyes from—

Mr. HEBERT. Sure. No problem.

General WORLEY [continued]. And it is not that there isn't any of that right now. As you mentioned, the first thing a claims examiner does is go into the DPRIS system, the Defense Personnel Information System; and then the VISN, the system by which we access, the VATER, the DoD system.

But the question is the quality of that data, and then are there other accesses or things that might be able to expedite the process.

Mr. ARRINGTON. Okay. Fair point.

Okay. Any questions, anybody else on the Committee? Miss Rice, do you have any other further questions or comments?

Well, I want to thank the panelists today for coming, and I appreciate your time and your thoughtful responses to our questions.

I now ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material. Without objection, so ordered.

This hearing is now adjourned.

[Whereupon, at 3:17 p.m., the Subcommittee was adjourned.]

## A P P E N D I X

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### Prepared Statement of Robert M. Worley II

Good morning, Mr. Chairman, Ranking Member O'Rourke, and other distinguished members of the Subcommittee. I am pleased to be here today, along with Mr. Lloyd Thrower, Office of Information & Technology (OI&T) Acting Information Technology Account Manager, Benefits Portfolio, and VA Debt Management Center Director, Robbie Lowe to discuss the Department of Veterans Affairs (VA) education benefit programs and our ongoing efforts to ensure education benefits are administered appropriately and accurately. My testimony will highlight the status of our implementation of the eight recommendations in the Government Accountability Office (GAO) report entitled, "POST-9/11 GI Bill: Additional Actions Needed to Help Reduce Overpayments and Increase Collections" (GAO-16-42). I will also discuss a recent VA Education Service internal quality review audit, as well as the resources provided to VA Education Service to improve GI Bill processing times and outcomes for student Veterans.

#### Overview

VA's education programs provide education and training benefits to eligible Servicemembers, Veterans, dependents, and survivors. These programs are designed to assist Veterans in readjusting to civilian life, help the Armed Forces both recruit and retain members, and enhance the Nation's economic competitiveness through the development of a more highly-educated and productive workforce.

#### GAO Report

An October 2015 GAO report, "POST-9/11 GI Bill: Additional Actions Needed to Help Reduce Overpayments and Increase Collections," examined the extent of Post-9/11 GI Bill overpayments, how effectively VA has addressed their causes, and the effectiveness of VA's collection efforts. GAO identified that VA made \$416 million in Post-9/11 GI Bill overpayments in fiscal year 2014. GAO found that most overpayments were collected quickly, but as of November 2014 (when VA provided data to GAO), VA was still collecting \$152 million in overpayments from fiscal year 2014, and an additional \$110 million from prior years, primarily owed by Veterans with the remainder owed by schools. The report includes eight recommendations to improve the administration of the Post-9/11 GI Bill, reduce the occurrence of overpayments, and increase debt collections. VA agrees with these recommendations, and has been working to implement them.

The status of VA's implementation of each recommendation is provided below.

**Recommendation 1:** This recommendation calls for VA to improve program management by expanding monitoring of available information on overpayment debts and collections. This could include regularly tracking the number and amount of overpayments created and the effectiveness of collection efforts.

**VA Status:** The Veterans Benefits Administration (VBA) worked in collaboration with VA's Debt Management Center (DMC) and GAO to update its procedures to track and report overpayments. VBA conducted an initial analysis on the top 100 student debts, finding approximately 80 percent are related to transfer of entitlement (TOE) issues. To address these issues, VA created a TOE Fact Sheet for use by the Department of Defense (DoD). Additionally, VA established procedures for semi-annual reporting by DMC for both student and school debt data, which VBA will continue to analyze to identify trends, root causes and mitigation strategies. VA considers this recommendation fully implemented and is awaiting closure from GAO.

**Recommendation 2:** This recommendation calls for VA to address overpayments resulting from enrollment changes by providing guidance to educate student Veterans about their benefits and consequences of changing their enrollment.

**VA Status:** VBA is taking action to modify the initial and subsequent award letters issued to students. The modifications would include: (1) attaching Frequently Asked Questions (FAQ) to all award letters to provide more detailed information on education benefits and the consequences of changes in enrollment; (2) adding information in the Choosing the Right School guide; and (3) adding information in the Accessing Higher Education track of the Transition Assistance Program. Implementation of this functionality will be addressed in the reengineering of Education Service solutions currently in progress.

**Recommendation 3:** The recommendation calls for VA to address overpayments resulting from enrollment changes by providing guidance to schools about the benefits of using a dual certification process where schools wait to certify the actual tuition and fee amounts until after the school's deadline for adding and dropping classes.

**VA Status:** VBA has been encouraging schools to use the dual certification process for several years through direct communication with schools and through School Certifying Official (SCO) training conferences. In addition to these efforts, guidance to SCOs about the benefits of using the dual certification process was presented during a webinar on June 30, 2016, and guidance was included in the SCO Handbook update on February 15, 2017. In addition, an official letter from VBA on dual enrollments was mailed to schools on March 24, 2017. VA considers the recommendation related to dual certification fully implemented and has requested closure.

**Recommendation 4:** This recommendation involves addressing overpayments resulting from enrollment changes by identifying and implementing a cost-effective way to allow Post-9/11 GI Bill beneficiaries to verify their enrollment status each month, and require monthly reporting.

**VA Status:** The functionality for monthly certification of attendance for Post-9/11 GI Bill beneficiaries is similar to the current practice under the Montgomery GI Bill. This solution will allow claimants to certify their attendance before releasing a subsequent monthly housing allowance. Currently, VBA's systems release monthly housing payments without verification of attendance. Implementation of this functionality will be addressed in the reengineering of Education Service solutions currently in progress.

**Recommendation 5:** This recommendation calls for VBA to improve its efforts to notify Veterans and schools about overpayment debts by identifying and implementing other methods of notifying Veterans and schools about debts to supplement the agency's mailed notices (e.g., e-mail, eBenefits).

**VA Status:** VBA has developed business requirements to add functionality for providing notification to schools via electronic means. Implementation of this functionality will be addressed in the reengineering of Education Service solutions currently in progress.

**Recommendation 6:** This recommendation calls for VA to improve efforts to notify Veterans and schools about overpayment debts by including in debt letters information on both the cause of the debt and how to repay it.

**VA Status:** DMC has completed modification of their debt letters to schools to include school term dates. VBA has modified Long Term Solution (LTS) letters to include both the cause of the debt and how to repay the debt. Implementation of this functionality will be addressed in the reengineering of Education Service solutions currently in progress.

**Recommendation 7:** This recommendation calls for VA to revise its policy for calculating overpayments to increase collections by prorating tuition overpayments when Veterans reduce their enrollment during the term based on the actual date of the enrollment change rather than paying additional benefits through the end of the month during which the reduction occurred.

**VA Status:** The "end of month rule" which requires the payment of benefits through the end of the month during which a reduction in enrollment occurred is codified in VA regulations (38 CFR § 21.9635(d)). VBA has developed proposed revisions to the existing regulations which are currently under review.

**Recommendation 8:** This recommendation calls for VA to ensure it is recovering the full amount of tuition and fee payments if a school does not charge a Veteran for any tuition or fees after dropping a class or withdrawing from school.

**VA Status:** VBA implemented initial procedural actions to account for school refund policies. However, modifications to LTS are required to fully address this issue.

Implementation of this functionality will be addressed in the reengineering of Education Service solutions currently in progress.

#### **Internal Quality Review Audit**

VBA Education Service identified a need to improve the overall quality and internal controls of the Post-9/11 GI Bill program due to trends identified with some equitable relief and administrative error cases. Education Service requested an audit from VBA's Office of Internal Controls (OIC) regarding the eligibility percentage levels for Post-9/11 GI Bill beneficiaries. The key area of concern found by OIC related to the fact that certain active duty service is subject to exclusion when establishing Post-9/11 GI Bill benefit eligibility and not considered qualifying service.

OIC reviewed a sample of over 78,000 cases since inception of the Post-9/11 GI Bill in August of 2009. Of those, approximately 14,000 cases were referred to Education Service to review for proper accounting of initial active duty training and service dates. Education Service was able to resolve approximately 3,000 cases without further information from DoD. To complete this review, VA initially contacted DoD to verify the service information on the remaining 11,000 cases. This verification requirement created a hardship on DoD due to the volume of cases and the lack of DoD resources to answer requests.

To remedy this situation, Education Service informed the point of contact for each DoD service component that VA would re-evaluate the 11,000 cases to confirm that VA would in fact need DoD's assistance. VA then prioritized the cases based on claims with pending enrollment certifications or if a decision could be made with the service information currently available. Resources have been reallocated to process the cases as expeditiously as possible, and all VA claims processors have been retrained to ensure effective and efficient claim development with DoD. As of May 25, 2017, approximately 1,000 claims are still pending a decision.

#### **Education Service Information Technology (IT) Resources**

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, otherwise known as the Post-9/11 GI Bill. VA OI&T contracted with the Department of the Navy's Space and Naval Warfare Systems Command (SPAWAR) to develop a long-term solution for education claims processing—an end-to-end claims processing solution that utilizes rules-based, industry-standard technologies for the delivery of education benefits. VA has deployed six major releases for LTS, including several releases of functionality to implement changes to the Post-9/11 GI Bill required by Public Law (P.L.) 111-377 (Post-9/11 Veterans Educational Assistance Improvements Act of 2010).

On September 24, 2012, VA successfully activated end-to-end automation of supplemental claims for Post-9/11 GI Bill benefits, which are paid to Veterans and schools. During calendar year 2017, an average of over 5,200 claims per day were processed automatically without human intervention. Approximately 85 percent of all Post-9/11 GI Bill supplemental claims are either partially or fully automated.

Since transitioning to sustainment, there has been no significant development for LTS or other supporting systems. However, VA has deployed six minor releases to add small improvements, fix defects, and install security enhancements to LTS.

Additional LTS functionality needed to further increase efficiency and effectiveness in education claims processing includes: automated certificates of eligibility for original claims; electronically generated letters; expanded automation of supplemental claims; issuance of advance payments; monthly certification of attendance; and improved business analytics for reporting purposes.

VA is prioritizing replacement of legacy systems due to the increased cost and risk of maintaining these systems. For example, the Benefits Delivery Network (BDN) is the claims processing, payment, tracking, and disposition system for education programs. It consists of antiquated mainframe systems and is in need of replacement. Support and maintenance are difficult or impossible to find for 70's-era systems like BDN - warranties have expired, security best practices that are common on newer systems cannot be used, integration with newer systems is increasingly difficult to support, and the knowledge pool for ongoing support and maintenance is becoming nonexistent as experts retire. These and other risks involved in operating in this environment have made the replacement of BDN a high priority for VA.

Additionally, there are a number of other legacy systems such as the Web Enabled Approval Management System (WEAMS), VA-Online Certification of Enrollment (VA-ONCE), Electronic Certification Automated Processing (ECAP), and the Work Study Management System that are in need of modernization and further automation.

VBA and OI&T continue to assess IT capabilities for Education Service. Our goal, as always, is to improve our systems in order to ensure that Servicemembers, Veterans, and their families have every opportunity to attain personal and economic success.

### **Conclusion**

Mr. Chairman, this concludes my statement. We would be pleased to answer questions from you or other members of the Subcommittee.

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### **Prepared Statement of Mr. Lernes J. Hebert**

Good afternoon, Chairman Arrington, Ranking Member O'Rourke, and esteemed members of the Subcommittee. I am pleased to appear before you today to discuss improvements to the quality and timeliness of GI Bill processing for student Veterans.

The Department of Defense (DoD) takes our responsibility for ensuring Veterans have access to their benefits very seriously. Together with our partners from the Department of Veterans Affairs (VA), we work hard to ensure that accurate information is available to determine a Veteran's eligibility for education benefits. We recognize that the road to becoming a Veteran is always through service in the military. Accurate reporting of that service is vital to the determination of eligibility for all post-service education benefits. DoD has been providing data on member military service to the VA since the enactment of the Montgomery GI Bill in 1985; during this time, a strong and enduring relationship has developed.

For today's hearing, I will focus on the role that DoD plays in providing data to the VA for the Post-9/11 GI Bill, and how our two Departments continue to work together to ensure the successful administration of this program. The strong relationship between DoD and VA benefits Service members, Veterans, and their families.

Since 2003, the Department has been providing automated daily updates of Service member and Veteran personnel data to the VA. From the day someone enlists or is commissioned into the military, DoD sends that person's electronic record to the VA, and we update this information as it changes. Since the implementation of the Post-9/11 GI Bill, whenever a Service member elects to transfer educational benefits to a family member, we also include those family members in the VA and DoD Information Repository. This provides the VA with daily updates to approved Service member transfers of this benefit, and allows the VA to administer the related payments.

To assist in resolving questions about a Service member's or Veteran's record, direct lines of communication link the VA Regional Processing Offices with each of the Service Components. This process allows VA claims examiners to get quick updates or clarifications for a Veteran's record of service.

DoD monitors the data reported to the VA to ensure a timely and efficient process for determining eligibility for Post-9/11 GI Bill benefits for members and their families. In keeping with this responsibility, we are focusing on two areas for improvement. The first area involves missing initial training end dates, which can be crucial to Post-9/11 GI Bill benefit eligibility in some situations. In August 2009, we added a space on the Certificate of Release or Discharge from Active Duty (the DD 214) to capture the initial training end dates; this information is included in the data exchange from DoD to VA. However, because this information was not captured before 2009, individuals who entered or separated prior to that time may not have the requisite data in their records. We have identified approximately 40,000 Regular Component Veterans with less than 24 months total service time, whose records do not have an Initial Training End Calendar Date. We are currently working to resolve the missing values, with a goal of completing this effort by September 30, 2017. If a Veteran from this population applies for benefits in the interim, we will work with the VA to expedite resolution on a case-by-case basis.

Our second area of focus involves missing qualifying active service segments for Reserve and Guard members. The elimination of the Reserve Education Assistance Program resulted in the transfer of its participants to the Post-9/11 GI Bill, presenting data challenges, which we have subsequently addressed. However, the time lag in updating data requirements resulted in incomplete information on periods of qualifying active service for members of the Reserve and Guard Components from September 11, 2001 to 2011. As a result, the VA claims examiners must work with the their Service counterparts to develop most Reserve and Guard benefit requests manually, to ensure all qualifying periods are captured in determining the final Post-9/11 benefit amount. This manual review creates a burden on the Services in

order to report Reserve and Guard eligibility to the VA, and also adds time for VA Claims Examiners to administer the benefit. This affects all Service Veterans and family members applying for their Post-9/11 GI Bill benefits.

The Department of Defense is absolutely committed to taking care of Veterans and ensuring the success of the Post-9/11 GI Bill. The Post-9/11 GI Bill will have major impacts on military recruiting and retention, and few areas are more important to us. To address the data shortfall, my office and the Defense Manpower Data Center will meet with each Reserve Component to develop a plan for significant process improvement to resolve the missing active service data and address data quality issues by the end of the year. Going forward, I will institute a governance structure that includes the VA and other agencies. The governing body will be responsible for improving the quality and timeliness of GI Bill processing for student Veterans.

Mr. Chairman this concludes my statement. I thank you and the members of this Subcommittee for your outstanding and continuing support of our Service members, Veterans, survivors, and their families.

