

**OVERSIGHT HEARINGS: IMPLEMENTATION OF THE  
NEW POST-9/11 GI BILL—LOOKING BACK AND  
MOVING FORWARD; AND IMPROVEMENTS TO  
THE POST-9/11 GI BILL**

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**HEARING**

BEFORE THE

**COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES SENATE**

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

APRIL 21 AND JULY 21, 2010

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## **IMPLEMENTATION OF THE NEW POST-9/11 GI BILL—LOOKING BACK AND MOVING FORWARD**

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**WEDNESDAY, APRIL 21, 2010**

U.S. SENATE,  
COMMITTEE ON VETERANS' AFFAIRS,  
*Washington, DC.*

The Committee met, pursuant to notice, at 9:30 a.m., in room 418, Russell Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Committee, presiding.

Present: Senators Akaka, Tester, Begich, Burr, Burr, Isakson, and Brown from Massachusetts.

### **OPENING STATEMENT OF HON. DANIEL K. AKAKA, CHAIRMAN, U.S. SENATOR FROM HAWAII**

Chairman AKAKA. This hearing will come to order. Aloha and good morning to all of you. Today we will review the implementation of the New Post-9/11 GI Bill. I welcome each of you to this very, very important hearing.

As one of only three current senators who received benefits under the original GI Bill after World War II, I know firsthand the value of this program. My life was changed by the opportunity to get an education with the benefits that I earned, and I am very grateful for that opportunity and that chance. That is why I was so pleased to join Senator Webb in cosponsoring the bill that created this important new education benefit, which became effective on August 1, 2009.

Since the program began, the Committee has been actively monitoring the implementation of the new benefits. I thank both VA and DOD for the cooperation they have shown to Committee staff during this oversight work. There are significant and complex issues relating to the new benefit package. There are also substantial issues relating to the delivery of benefits to those who have served.

This morning, we will be exploring what problems have been encountered to date and how they were addressed. We will also focus on what needs to be done to ensure that benefits are delivered in a timely and accurate way. In addition to representatives from VA and DOD, a number of stakeholders will also be joining us to share their experiences and the issues they have encountered.

There is much to do to make this program as good as it can be. It is time to begin that work. In that vein, I plan before Memorial Day to introduce legislation that will serve as a starting point for the discussion about how the program should be changed. In my view, it is imperative that we all work together to address the

issues involved, which today's witnesses will discuss in further detail.

It is also important that we not take a piecemeal approach to whatever issues and fixes we identify, but rather move forward in a comprehensive, considerate, and deliberate way. So I look forward to beginning that process, and thank you again for appearing here today and for your work on this important matter.

Before we move on, I would like to ask Babette Polzer, the professional staff member on this Committee who organized today's hearing, to please rise.

Yesterday, Babette achieved a Senate milestone by reaching 20 years of service to the U.S. Senate. I note that she accomplished this feat in a somewhat unusual way by being away from the Senate for 20 years in the midst of her career. But she has returned, and we are delighted she did so.

Babette, on behalf of the Senate, I am presenting you with your 20-year plaque and pin. Thank you so much for your service to the U.S. Senate and to our veterans. Mahalo. [Applause.]

Thank you very much. Her work with the GI Bill has been instrumental in our success with it.

Let me now call on Senator Tester for any opening remarks he may have.

**STATEMENT OF HON. JON TESTER,  
U.S. SENATOR FROM MONTANA**

Senator TESTER. Well, thank you, Mr. Chairman, but after your opening remarks and after that presentation, I absolutely cannot top that by any means. I want to thank you for the hearing, and I look forward to the presentation by the panelists and to some questions afterwards. So thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Tester.

We would like to welcome our first panel this morning, representatives from VA and DOD. Our first witness from VA is Keith Wilson, the Director of VA's Education Service. Also, Stephen Warren, the Principal Deputy Secretary for Information Technology. Finally, Dan Osendorf, the Director of VA's Debt Management Center, will present testimony on recovering advance payments and overpayments generally. From the Department of Defense, we are joined by Robert Clark, Assistant Director of Accession Policy.

So I want to welcome all of you and now ask Mr. Wilson to proceed with your statement.

**STATEMENT OF KEITH WILSON, DIRECTOR, EDUCATION SERVICE, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS**

Mr. WILSON. Good morning, Chairman Akaka, Ranking Member Burr, and Members of the Committee. I appreciate the opportunity to appear before you today to discuss VA's implementation of the Post-9/11 GI Bill. My testimony will address the challenges we face, the steps taken to improve the delivery of Post-9/11 GI Bill claims, and the current status of education claims processing.

Joining me today are Stephen Warren, Principal Deputy Assistant Secretary for Information and Technology, and Dan Osendorf,

Director of Department of Veterans Affairs Debt Management Center.

As this Committee knows well, the Post-9/11 GI Bill passed by Congress in 2008 is the most extensive educational assistance program authorized since the original GI Bill was signed into law in 1944. Secretary Shinseki and the entire VA Department are committed to ensuring all servicemembers, veterans and their family members eligible for this important benefit receive it in a timely manner so they can focus on their education.

Enactment of the Post-9/11 GI Bill on June 30, 2008, gave VA approximately 13 months to develop a new, highly complex eligibility and payment systems for thousands of claimants who would be eligible to receive the benefits on August 1, 2009. To meet this challenge, VA began development of an interim claims processing solution while simultaneously developing a long-term rules-based solution in cooperation with the Space and Naval Warfare System Center Atlantic, SPAWAR.

Currently, Post-9/11 GI Bill claims require extensive manual processing using four separate IT systems that do not interface with each other. Since May 1, 2009, VA has received and processed over 578,000 enrollment certifications and 237,000 changes to enrollments. For Fiscal Year 2009, the average time to process all education benefits, including Post-9/11 GI Bill claims, was 26 days for original claims and 13 days for supplemental claims. Claims processing took more time on average during the fall semester due to the increased workload from the Post-9/11 GI Bill.

For this fiscal year, our average processing time is 53 days for original claims and 21 days for supplemental claims. However, our average processing time windows for the current month is 20 days for original claims and 13 days for supplemental claims. We have issued over \$2.7 million in payments to approximately 246,000 individuals and their educational institutions.

To ensure veterans who enrolled in the spring term received their benefits on time, VA took many steps, including issuance of advanced payments. We set a goal to process any enrollment certification we received before January 19 for payment on February 1. We are pleased to report to the Committee that we were able to achieve that goal.

VA partnered with SPAWAR to develop an end-to-end claims processing solution that utilizes rules-based industry-standard technologies for the delivery of education benefits. This is our long-term strategy for implementing the Post-9/11 GI Bill. VA's automated systems are scheduled to be released in four releases with incremental capability being rolled out to our claims examiners.

Release 1 of this effort was deployed on March 31, 2010, with reduced functionality. Release 2, scheduled for June 30 of this year, will serve as the foundation from which VA will retire the interim solution and automate education benefits processing. The scope of Releases 3 and 4, currently scheduled for September and December of this year, respectively, will contain interfaces to VA legacy systems to pre-populate information and automate payments.

VA has made significant progress in implementing the Post-9/11 GI Bill, and we are working every day to ensure veterans timely receive the education benefits they have earned through their serv-

ice and sacrifice. We appreciate the support of this Committee and the Congress as we carry out this mission.

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

[The prepared statement of Mr. Wilson follows:]

PREPARED STATEMENT OF KEITH M. WILSON, DIRECTOR, EDUCATION SERVICE,  
VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS

Good morning Chairman Akaka, Ranking Member Burr, and Members of the Committee. I appreciate the opportunity to appear before you today to discuss the implementation of the Post-9/11 GI Bill. My testimony will address the challenges we faced, the steps taken to improve the delivery of Post-9/11 GI Bill claims, and the current status of education claims processing. Joining me today is Stephen Warren, Principal Deputy Assistant Secretary for Information and Technology, who will discuss the status of implementation of the Long-Term Solution. I am also joined by Dan Osendorf, Director of the Department of Veterans Affairs (VA) Debt Management Center (DMC), who will discuss recoupment of advance payments.

As this Committee knows well, the Post-9/11 GI Bill, passed by Congress in 2008, 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 ensuring all Servicemembers, Veterans, and their family members eligible for this important benefit receive it in a timely manner so they can focus on their education.

#### BACKGROUND AND CHALLENGES

Enactment of the Post-9/11 Educational Assistance Act on June 30, 2008, gave VA approximately 13 months to develop a new, highly complex eligibility and payment system for thousands of claimants who would be eligible to receive benefits under the new program on August 1, 2009. To meet this challenge, VA began development of an interim claims processing solution, while simultaneously developing a long-term rules-based processing solution, in cooperation with the Space and Naval Warfare Systems Center Atlantic (SPAWAR). VA's Office of Information & Technology (OI&T) 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. However, development of the interim solution was more challenging than anticipated, given the complexity of the new program and the reduced timeline for delivery. Prior to the August 1 implementation, OI&T delivered two phases of the interim solution. Phase three, which provided increased functionality and additional automation for processing Post-9/11 GI Bill claims, was originally scheduled for deployment in September 2009 during the peak enrollment period for processing education claims. Due to the complexity of the processing steps and requirements for both amended awards and overlapping terms, phase three was delayed until November 2009. Amended award functionality includes changes in a student's actual charges for tuition and fees and reduced or increased course loads. As the law requires VA to pay actual charges, amended awards are required for every dollar change to a student's tuition and fees.

Post-9/11 GI Bill claims currently require manual processing using four separate IT systems that do not interface with each other. When an application or enrollment certification is received, the documents are captured into the Image Management System (TIMS). The documents are routed electronically to a claims examiner for processing. The claims examiner reviews the documents in TIMS and determines the student's eligibility, entitlement, and benefit rate using the Front End Tool (FET). The FET is used to calculate and store student information to support the Post-9/11 GI Bill claims adjudication process. However, the FET has limited capability for processing the multiple scenarios encountered in determining eligibility and entitlement under the new program. As a result, VA, in conjunction with MITRE Corporation, developed multiple job aids or out-of-system tools and spreadsheets to augment claims processing.

Once the benefit rate and payment amount are determined, the claims examiner enters the payment information into the back-end tool (BET). The BET utilizes the existing Benefits Delivery Network (BDN) to issue payments. A payment cannot be processed until at least two individuals approve the award and payment amount. All evidence to support the award actions taken by the claims examiner, and a sen-



ior claims examiner, is captured into TIMS. This process is completed separately for the housing allowance, the tuition and fees payment, and the books and supplies stipend. Due to a lack of integration among systems, the time to complete a Post-9/11 GI Bill claim is significantly longer than the processing time for other education benefits.

Because the program implementation date fell in the middle of some school terms and many students were enrolled in another education program such as the Montgomery GI Bill-Active Duty (MGIB-AD), VA had to determine rates payable to students in school on August 1, 2009, under two separate benefit programs and prorate Post-9/11 GI Bill benefits. Further complicating the claims process was overlapping terms. It is not uncommon for many students to enroll in courses that begin and end in overlapping time periods at different schools. Processing these claims involved additional manual calculations for the overlap as well as separate payments going to more than one school.

To complicate an already challenging situation, the new benefit program requires VA to determine maximum tuition and fee rates for each state before the beginning of each academic year. Schools do not typically set their tuition and fee rates until state support is determined for the academic year. Many states did not pass their operating budgets until late July/early August. Correspondingly, institutions could not set tuition and fee rates until late August. Delays in determining the 2009–2010 maximum tuition and fee rates resulted in delayed processing of payments for students attending school in those states. Finally, VA had to train newly hired employees on the interim processing solution during the fall enrollment period. This includes the 530 term employees hired in December 2008, and the additional 230 term employees provided by Congress under the American Recovery and Reinvestment Act (ARRA).

#### CURRENT WORKLOAD AND PROCESSING STATUS

On May 1, 2009, VA began accepting applications to determine eligibility for the Post-9/11 GI Bill. On July 7, 2009, we started accepting enrollment certifications from school certifying officials for Veterans utilizing their Post-9/11 GI Bill benefits for the fall term and began processing claims for payment. While most schools submitted their enrollment certifications to VA in a timely manner, some schools did not for various reasons. This delayed the payment of benefits to Veterans, since VA could not pay until it received an enrollment certification from the school. Since May 1, 2009, we have received and processed over 578,000 enrollment certifications and 237,000 changes to enrollments for Veterans attending school under the Post-9/11 GI Bill.

For fiscal year 2009, the average time to process all education benefit claims, including Post-9/11 GI Bill claims, took 26 days for original claims and 13 days for supplemental claims. Claims processing took more time on average during the fall semester due to the increased workload from the Post-9/11 GI Bill. To ensure Veterans who enrolled in the spring term received their benefits on time, VA set a goal to process any enrollment certification we received before January 19, 2010, for payment by February 1, 2010. VA is pleased to report to the Committee that we were able to achieve this goal.

For this fiscal year, our average processing time is 53 days for original claims and 21 days for supplemental claims. However, our average processing time for the current month is 20 days for originals and 13 days for supplementals. We have issued over \$2.7 billion in Post-9/11 GI Bill payments to approximately 246,000 individuals and their educational institutions.

#### SPRING 2010 ENROLLMENT

VA took numerous steps to reduce the number of pending claims and prepare for the spring enrollment period. As a result of these improvements, VA was able to increase its daily completions of Post-9/11 GI Bill enrollment certifications from an average of 1,800 per day during October to nearly 7,000 per day.

On October 28, 2009, VA awarded a contract to Affiliated Computer Services (ACS) in London, Kentucky, to provide claims processing support for non-Post-9/11 GI Bill. This effort allows VA to focus resources on the more complex Post-9/11 GI Bill claims. This contract is scheduled to expire on April 28, 2010.

VA utilized 230 term employees hired through the funding provided by Congress under ARRA. We implemented a mandatory overtime policy at the four regional processing offices (RPOs) requiring all employees to work three additional days per month. We also utilized 200 ARRA employees at five VA satellite offices to authorize Post-9/11 GI Bill payments. Procedures were amended to streamline the entire

claims process and eliminate duplication of efforts and redundant or unneeded development.

VA worked closely with the Department of Defense (DOD) to ensure Servicemembers' data would be exchanged electronically for eligibility determinations under the Post-9/11 GI Bill. VA and DOD also developed an electronic means whereby information related to spouses and children with transferred entitlement would be exchanged to process a claim under the transfer of entitlement provision of the Post- 9/11 GI Bill. When the electronic system was unavailable, VA and DOD ensured the data were exchanged manually in a timely manner so that benefit payments were not negatively impacted.

#### FALL 2010 ENROLLMENT

On August 1, 2010, payments under the Post-9/11 GI Bill will be expanded to include the children of those Servicemembers killed while on active duty. The Marine Gunnery Sergeant John David Fry Scholarship will be available for the children of an active duty Servicemember who died in the line of duty since September 11, 2001. Eligible individuals can receive up to 36 months of entitlement. VA will begin accepting applications for this program on May 1, 2010. We anticipate approximately 2,400 children will be eligible for the Fry Scholarship in fiscal year 2010. We do not anticipate the delays from last fall will recur during the fall 2010 semester for veterans applying for educational benefits. VA expects students will experience significant improvements in the delivery of their education payments.

#### LONG-TERM SOLUTION

VA partnered with SPAWAR to develop an end-to-end claims processing solution that utilizes rules-based, industry-standard technologies, for the delivery of education benefits. This is our long-term strategy for implementing the Post-9/11 GI Bill. The Post-9/11 GI Bill contains eligibility rules and benefit determinations that will work well with rules-based technology that requires minimal human intervention.

VA's automated IT system is scheduled to be released in four phases to provide incremental capability to the users in the field stations. Release 1 of this effort was successfully deployed on March 31, 2010 which provides: functionality to calculate new original awards; automated calculation of awards including tuition and fees, housing, books and supplies, yellow ribbon, Chapter 30 and 1606 kickers; automated calculation of awards for overlapping terms and intervals, including interval rules for summer terms; and demographic and service data from VA DOD Identity Repository (VADIR).

Originally, release 1 was envisioned as having additional capabilities. However, due to an increased understanding of the complexity of amended awards, certain capabilities were delayed to Release 2." As our subject matter experts (SME) worked with the SPAWAR team, it became clear that the amount of software remaining to be developed exceeded what could be done to meet the March 31, 2010, milestone requirement. VA deployed Release 1 to a limited set of claims processors at our Muskogee RPO to fully exercise the Long-Term Solution such that any "hidden" defects are found and corrected before Release 2 is deployed on June 30. The claims processors at the Muskogee RPO are currently using Release 1 to process original certificates of eligibility and amended claims.

Feedback from our end-users indicates the Long-Term Solution offers ease of use and allows increased efficiency. Release 2, currently scheduled for June 30, 2010, will serve as the foundation from which the VA will retire the Interim solution and automate the Education benefits business process. The scope of Releases 3 and 4, currently scheduled for September 30, 2010 and December 31, 2010 respectively, will contain interfaces to Education legacy systems in order to pre-populate data and automate payment. The final scope for these releases has not been set.

There are a number of challenges to fully implementing the Long Term Solution. It is important to recognize that the methodology we are using to deliver this system is based on an agile approach. It is based on making tradeoffs between schedule and functionality. We have developed the schedule such that there is a release of software every 3 months. To accomplish this, we adjust the delivered functionality to what can be done in 3 months. This is a significant change to how VA has run IT development projects in the past.

#### ADVANCE PAYMENTS

In October VBA began issuing advance payments to Veterans and Servicemembers who had not yet received their VA benefits for the fall enrollment period to ensure that all Veterans and eligible students were able to focus on their aca-

demic studies and not be burdened with financial concerns. As part of that process, a web portal was established to allow electronic submission for advance payment. Advance payments were also made on-site at VA offices around the country. At that time student Veterans were required to acknowledge that they understood that the advance payment must be repaid and would be recouped from future VA payments. VA issued advance payments to 121,095 individuals, totaling \$355.5 million for all education programs.

Advance payment recipients were notified in late January and early February of the reimbursement process. The notification explained that \$750 would be deducted from their monthly education payments beginning April 1, and that they could make arrangements with the DMC for a reduced withholding if \$750 monthly created a financial hardship. Individuals not currently enrolled in school received notification on how payment arrangements could be made to satisfy the debt.

Due to the many Veterans seeking a lower withholding from the April 1 check, DMC added six lines and eight operators to handle the increased workload associated with the Post-9/11 GI Bill program. Phone operation hours were also extended an hour. In addition, DMC received assistance from VBA call centers and created a reduced repayment form that could be completed and emailed to DMC for processing. VBA added the form to its Education Web site so individuals could complete the form themselves and email it to DMC. A notice was also added to the education Web site explaining that the deadline for requesting a lower withholding for the April 1 check was March 23, 2010. DMC created special email boxes for the incoming workload and printed and worked the requests as they were received. Approximately 12,000 Veterans established reduced repayment plans in time to affect their April 1 payment.

The DMC continues to get requests for partial refunds of the April 1 check and reduced withholdings from future checks. To provide the greatest flexibility to our Veterans, repayment plans are being approved retroactive to April 1, and refunds of amounts collected above their plans continue to be made. Through mid-April, requests for reduced withholdings total over 22,000. Of the \$355.5 million issued to advance pay recipients, over \$73 million has been collected through payments and offsets.

#### OUTREACH

VA also began a robust outreach campaign to make sure that Servicemembers, Veterans, and their families know about the Post-9/11 GI Bill and how to apply for the benefit. Let me share a few of our efforts in this area. On February 23 of this year, VA launched a two-month, nationwide advertising campaign to assist student Veterans and Servicemembers applying for the Post-9/11 GI Bill. The GI Bill advertising campaign includes half-page ads in top college publications, online and social media, print, radio, and outdoor advertising such as posters and flyers. In addition, public service announcements were delivered to approximately 150 college radio stations and 750 local stations in areas where there is a high density of students, as well as military installations.

Student Veterans on college campuses also saw a variety of posters in registrars' offices, dormitories, cafeterias, student union buildings, and other high traffic areas. This comprehensive advertising campaign assisted us in reaching those student Veterans, Servicemembers and educational administrators who need help in understanding the GI Bill and their role in the benefits process.

Social media and online advertising are extensively used to reach the younger generation of student Veterans. VA placed banner ads on social media sites such as Facebook, Google, MySpace, Yahoo, and other outlets. Text messaging ads are used to link student Veterans to VA. By texting "GIBILL," Veterans receive the basic message: "You Served. Get Benefits." Veterans are then directed to follow three steps: 1) Review your benefit options online; 2) Submit your application; and 3) Check with your school certifying official to confirm that your VA enrollment certification has been sent to VA. VA also developed a hip pocket guide and checklist with helpful tips to assist Veterans and Servicemembers in the application process.

We are making a concerted effort to reach out to everyone to provide the timely benefits that those who served our Nation deserve. VA sent letters and notices to university presidents, school certifying officials, state Veterans Affairs directors, Veterans Service Organizations, Congressional Members, and other education stakeholders highlighting the importance of timely submission of school enrollment information.

In addition, in November 2009, VA established a pilot program at the University of South Florida (USF) called VetSuccess on Campus. VetSuccess on Campus is a collaborative effort between the university and VA to provide a supportive on-cam-

pus environment where Veterans may gather and obtain assistance and peer support. This pilot program is supported by the Vocational Rehabilitation and Employment Service, Education Service, and the Veterans Health Administration Readjustment Counseling Service Vet Center program. Due to the major success of this program, two other campuses were added to VetSuccess on Campus; Cleveland State University in Cleveland, Ohio and San Diego State University in San Diego, California. The program may be expanded to other campuses across the country.

#### CONCLUSION

VA has made significant progress in implementing the Post-9/11 Bill, and we are working every day to ensure Veterans timely receive the educational benefits they earned through their service and sacrifice. We appreciate the support of this Committee and the Congress as we carry out this mission.

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

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#### RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. DANIEL K. AKAKA TO KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS AFFAIRS

*Question 1.* Could you please describe in more detail what a “web interface” is and how that will improve the process?

Response. A web interface is the interaction between a user and software running on a Web server. It has the ability to accept input and provide output by generating web pages transmitted via the Internet and viewed by an end-user with a web browser. This approach will help the Department of Veterans Affairs (VA) reduce some of the development costs and allow VA to deploy software changes to field users with minimal disruption.

*Question 2.* Some of the more complex issues arise when processing claims from Guard and Reserve members—especially when determining the periods that the individual was on active duty. Please describe what steps that have been taken to make this process easier, faster and more accurate?

Response. VBA obtains servicemembers’ data electronically from the Defense Manpower Data Center (DMDC) for use in determining eligibility under all education programs, including the Post-9/11 GI Bill. In addition, VA and DOD developed an electronic method to obtain information related to spouses and children to process claims under the transfer-of-entitlement provisions of the Post-9/11 GI Bill. Since all information is not stored electronically at DMDC, VA and DOD also manually exchange data.

*Question 3.* How confident are you that the long-term IT solution will be in place by the end of this year and what plans have been made if it is not?

Response. Based on the project schedule, VA has full confidence we will deliver the system functionality expected by the business community by December 2010. Release 2 ensures full claims processing capability in the Post-9/11 GI Bill Long Term Solution (LTS). Delays in any subsequent release will not negatively impact VA’s ability to process claims.

*Question 4.* It would seem that the only way that VA was able to implement “Release One” of the Long-Term Solution was to “pilot” it out to only one of the regional processing centers and to scale back the elements it contained. Where did the planning process fail?

Response. The planning process did not fail. A delay in releasing Phase III for the Interim Solution hindered VA’s ability to have adequate resources focused on only the LTS. Once fully focused on the LTS, it became apparent that we would not be able to deliver all of the originally planned Release 1 functionality. Limited Release 1 of the LTS deployed March 31, 2010, to only one of the four regional processing centers (RPOs) per the Veterans Benefits Administration’s (VBA’s) deployment plan. The application deployed to the remaining RPOs on April 12, 2010, and April 19, 2010. The release did not include all of the projected functionality. Release 1 was released with reduced functionality. The reduced functionality in Release 1 was caused by a substantial increase in the understanding of the complexity of amended awards. As our subject matter experts (SME) worked with the SPAWAR team, it became clear that the amount of software remaining to be developed exceeded what could be done to meet the March 31, 2010, milestone requirement.

*Question 5.* When will General Counsel guidance to be issued with respect to crediting for returned payments?

Response. The Office of the General Counsel issued precedent opinion VAOPGCPREC 3-2010 on May 21, 2010. That opinion addresses several issues that relate to payments to institutions of higher learning under the Post-9/11 GI Bill, including the manner in which they should respond in cases where amounts paid by VA were in excess of amounts owing for a student's tuition and fees. A copy of the opinion is attached.

#### ATTACHMENTS FOR QUESTION 5

#### Policy Advisory: Tuition and Fee Return Payments

November 23, 2009

We received notice that institutions are requesting clarification on when and how to return tuition and fee payments to VA. Tuition and fee payments should be returned to VA by the institution if 1.) the student died during the term and would have been due a refund; 2.) the student never attended; 3.) the institution received a payment for an individual that is not a student, or 4.) the institution received a duplicate payment for a student. All other overages of funds on a student's account should be refunded in accordance with the institution's established refund policies.

Institutions may return tuition and fee payments to VA by:

- a) Returning the electronically received Automated Clearinghouse (ACH) payment using ACH return code R31.

*Note: Schools may only return a full payment to VA using the R31 ACH return code. If a student died during a term and would have only been eligible for a partial refund, the school must send the appropriate amount to the RPO of jurisdiction (see paragraph c)).*

- b) Returning the paper check to the:  
U.S. Department of the Treasury  
Financial Management Service  
P.O. Box 51318  
Philadelphia, PA 19115-6316

*Note: Institutions should only return government issued paper checks received for a student to the Department of Treasury. All other checks for return of tuition and fees should be forwarded to the appropriate Agent Cashier.*

- c) Sending a check to the Agent Cashier of the Regional Processing Office of jurisdiction. The check must include student's full name and social security number.

Attn: Agent Cashier Buffalo Regional Processing Office 130 S. Elmwood Ave. Buffalo, NY 14202	Attn: Agent Cashier Atlanta Regional Processing Office 1700 Clairmont Road Decatur, GA 30033-4032
Attn: Agent Cashier St. Louis Regional Processing Office 400 S. 18th Street St. Louis, MO 63103	Attn: Agent Cashier Muskogee Regional Processing Office 125 S. Main Street Muskogee, OK 74401-7025

/s/

Keith M. Wilson  
Director, Education Service

**Department of  
Veterans Affairs**

**Memorandum**

Date: May 21, 2010

VAOPGCPREC 3-2010

From: General Counsel (021)

Subj: Request for Precedent Opinion – Chapter 33 Duplication of Tuition & Fees Payments  
(WebCIMS 451683)

To:

Director, Education Service (22)

**QUESTIONS PRESENTED**

1. Does the Department of Veterans Affairs (VA) have the legal authority to decrease the amount of tuition and fees (established charges) payable under the Post-9/11 GI Bill (chapter 33) to provide only the amount the individual must pay out of pocket if the individual receives tuition based aid from another source (whether federal or non-federal) other than title IV funds?
2. If VA does not have such authority, would an agency rule defining "actual charges" to mean the amount of tuition and fees the student must pay after the application of any waiver, reduction of tuition and fees, scholarship, or other tuition and fees based aid be sufficient to grant such authority? If yes, must VA continue to pay the "established charges" for the program with any overage refunded to the student until a final regulation is published?
3. 38 CFR 21.9505 currently defines "established charges" to mean the actual charge for tuition and fees that similarly circumstanced nonveterans enrolled in the program are required to pay. If an individual receives a waiver of tuition and/or fees, should the amount waived be deducted from the "established charges?" If so, does it make a difference if all or a portion of the tuition and fees are waived before or during the enrollment period?
4. If a VA payment is received by a school after all or a portion of the tuition and fees have been paid by another entity, should the school refund the excess to the student? If yes, can the overage on the account be applied to a third party?
5. If a school returns money to VA and VA determines the student is entitled to the payment, can VA legally pay the student directly? Title 38, section 3313(g) provides that VA make payment directly to the school. If VA cannot legally pay the student directly in these cases, must VA prescribe a regulation to do so? If so, does VA have the authority to pay the student directly in the interim?

**HELD**

1. Pursuant to statute, the Secretary is authorized to determine by regulation (to the extent not otherwise prescribed by statute) the meaning of the term "actual charges" for

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tuition and fees that a similarly circumstanced nonveteran would be required to pay. Therefore, the Secretary may provide by regulation that a school's certification of tuition and fees owed for a student reflect certain outside assistance received by the school (other than assistance that is expressly excluded from consideration by statute) that is intended to defray the cost of the student's tuition and fee expenses.

2. To the extent that VA's current regulations do not specifically address the determination of "actual charges," VA would need to amend pertinent provisions in subpart P of part 21, Chapter I, Code of Federal Regulations, to clarify that such term means the amount of tuition and fees the student (VA) is considered to owe after the application of any waiver, reduction of tuition and fees, scholarship, or other tuition-and-fees-based aid or assistance (other than assistance that is expressly excluded from consideration by law), that the Secretary determines should be considered. Such a rule change would need to be applied prospectively to payments by VA that are based on certifications received from schools following the effective date of the rule.

3. If the Secretary determines by regulation that actual charges for tuition and fees should take into account an individual's entitlement to a waiver of tuition and/or fees, the amount waived should be deducted from the "established charges" applicable to such individual. To the extent that such a waiver would directly affect the amount of tuition and fees that are payable to a school, it would make no difference whether all or a portion of the tuition and fees are waived before or during the enrollment period.

4. Until the Secretary publishes a rule for determining "actual charges" that requires taking into consideration other educational assistance, VA has no basis for requiring schools to return payments under the Post-9/11 GI Bill that were made pursuant to a certification by the school that does not take into account such other assistance. Schools should follow their own policies in this regard to determine whether to refund all or part of a payment to VA, pay the other assistance to the student for educational expenses other than tuition and fees, or reapply the assistance to the educational expenses of other students.

5. If a school returns money to VA, it should be assumed that the school has determined that the charges for tuition and fees for the student have been reconsidered in light of other educational assistance and, in accordance with the school's policies, reduced by the amount returned to VA. Money returned to VA by a school cannot be paid directly to a student. Other than payments of the housing and books stipends, VA may not make benefit payments directly to students under chapter 33.

## DISCUSSION

1. This responds to your request for our opinion regarding several questions that concern the payment of educational assistance under the Post-9/11 GI Bill (chapter 33 of title 38, United States Code). The central issue concerns VA's legal authority to

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consider other forms of educational assistance, including certain Federal benefits or non-Federal benefits, in arriving at the amount VA will pay to an educational institution (school) on behalf of an individual student to defray the cost of such individual's tuition and fees. You indicated that school officials, clients, Department of Defense staff, and congressional staff have raised issues regarding the amount schools may report as "established charges" and whether schools should return money to VA if another source has paid the tuition and fees.

2. Your request specifically asked whether the Department has the legal authority to decrease the amount of tuition and fees (established charges) payable under the Post-9/11 GI Bill (chapter 33) to provide only the amount the individual must pay out of pocket if the individual receives tuition-based aid from another source (whether federal or non-federal) other than title IV funds. As discussed below, we conclude that, except to the extent otherwise prescribed by law, the Secretary has the discretion to determine, through regulation, that such amounts be taken into account in certifications by schools that reflect individual students' actual expenses for tuition and fees for purposes of the Post-9/11 GI Bill.

3. Section 3313 of title 38, United States Code, sets forth the manner in which VA shall determine and pay amounts of educational assistance under the Post-9/11 GI Bill, including amounts to meet expenses associated with an individual's pursuit of a program of education. Section 3313(c) provides, in pertinent part, that "amounts payable under this subsection for pursuit of an approved program of education are amounts as follows: . . . (A) An amount equal to the established charges for the program of education . . . ." (Emphasis added.)

4. The term "established charges" is defined in section 3313(h)(1) (in the case of a program of education) to mean "the actual charges (as determined pursuant to regulations prescribed by the Secretary) for tuition and fees which similarly circumstanced nonveterans enrolled in the program of education would be required to pay." (Emphasis added.) In its implementing regulations, VA simply restated the statutory definition of "established charges" as "the actual charges that similarly circumstanced nonveterans enrolled in the program of education are required to pay." 38 C.F.R. § 21.9505. However, to date, the Secretary has not formalized his determination of the meaning of the term "actual charges."

5. In the preamble of VA's final rule RIN 2900-AN10 (amending part 21 of the Code of Federal Regulations), published in the Federal Register on March 31, 2009, VA responded to several comments regarding the relationship between payments under the Post-9/11 GI Bill and other forms of assistance, as follows:

We received several comments regarding the effectual relationship between tuition and fees payments under the Post-9/11 GI Bill and other forms of aid, such as State veterans' tuition programs. One of the commenters suggested that 1st payer/2nd payer rules be clarified so that



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all parties clearly understand who pays what and when. VA will pay based on the amount the student is charged, not the amount the student has remaining after State programs have contributed funds. Schools should certify the total amount of tuition and the total amount of fees that a student is charged. The amount reported to VA should not be reduced for pending or subsequent payments to be credited to the student's account from State programs, scholarships, grants, or any title IV funds (including Pell Grants). If an institution is not able to charge a veteran for tuition due to a State waiver or other State funded program, the school should not report tuition to VA. However, if the State reimburses the institution and/or veteran for tuition and fees after the individual has been billed, then the institution should report the original amount charged to the student. The amount of tuition and fees submitted to VA in these instances should not be reduced based on any additional funds received that will reduce the student's out-of-pocket expenses. One commenter also asked that we clarify whether a student can opt out of State assistance to receive educational assistance under the Post-9/11 GI Bill. There is no requirement in 38 U.S.C. chapter 33 that requires an individual to opt in or out of existing State programs in order to receive benefits under the Post-9/11 GI Bill. The statute simply states that VA may pay all or a portion of the cost of the actual tuition and fees charged the individual. Each State will need to review the laws that govern their State programs to determine if individuals may opt in or out of receiving assistance under the State funded programs. (Emphasis added.)

74 Fed. Reg. 14654, 14657 (March 31, 2009).

6. This statement in the preamble does not sufficiently address the issue of the relationship of other forms of educational assistance and GI Bill benefits, was not associated with a change in the final regulation, and remains a source of confusion. We believe that VA should prescribe regulations for the determination of "actual charges". In so doing, VA is prohibited by statute from excluding assistance under title IV programs administered by the Department of Education, and required by statute to exclude certain others (see 38 U.S.C. §§ 3322(a), 3323(a)(4)). As to those not addressed by statute, VA may deem certain forms of assistance to be duplicative of GI Bill benefits, and therefore appropriate to be netted out in determining actual charges. Other forms of assistance, e.g., those that may be transferred to other educational or living expenses of the individual student, may be deemed not duplicative of GI Bill benefits or otherwise necessary to be reduced from charges for tuition and fees in order to arrive at actual charges.

7. It is clear that certain forms of assistance that are, or have been, directly applied to the cost of an individual's course pursuit (i.e., solely to tuition and fees), including the waiver of all or a portion of applicable tuition and fees, operate to reduce the actual charges the individual would be obligated to pay in the absence of the benefits payable

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under the Post-9/11 GI Bill. Therefore, in this instance, it would be reasonable for the Secretary to conclude that an institution's certification of the actual charges for an individual's tuition and fees should reflect the receipt of any such assistance. For example, in a case involving a State program providing a full waiver of tuition at a public institution (such as that which may be provided for a National Guard participant), the institution should not certify any charge to VA for that individual's tuition.<sup>1</sup> The actual charge for that individual's tuition would, in fact, be zero.

8. As noted, VA's regulation in 38 C.F.R. § 21.9505 currently does not provide for consideration of other assistance in the determination of "actual charges." Therefore, in order to implement the Secretary's determination, that section should be amended to indicate the extent that such term excludes any assistance from an outside source<sup>2</sup> that has been (or will be) provided to, or considered by, the educational institution solely for the purpose of defraying the cost of the student's tuition and fee expenses. Such a rule change would need to be applied prospectively to payments by VA that are based on certifications received from schools following the effective date of the rule. We believe this rule change could be accomplished in the form of an interim final rule if you can identify exigent circumstances that require such action.

9. You also inquired as to VA's authority to pay certain amounts to veteran students or third parties in instances involving overpayments. The statute does not directly address this situation. However, we do not believe that Congress intended that an overpayment of applicable charges for an individual's tuition and fees may be paid to such individual or any third party. Section 3313(g) of title 38, United States Code, provides that "[a]mounts payable under subsections (c)(1)(A) . . . (e)(2), and (f)(2)(A) shall be paid directly to the educational institution concerned." (Emphasis added.) No express authority exists for disbursement of these payments to any other person or entity, including the student. Ultimately, however, until the Secretary issues a rule for determining "actual charges" that requires taking into consideration other educational assistance, VA has no basis for requiring schools to return payments under the Post-9/11 GI Bill that were made pursuant to a certification by the school that does not take such other assistance into account. Schools should follow their own policies in this regard to determine whether to refund all or part of a payment to VA, pay the other

<sup>1</sup> In such a case, no charge would be made against the individual's entitlement except for those amounts that are paid to the student in the form of a housing stipend or books stipend. Similarly, if VA were to make a payment to a school based on a certification that erroneously fails to reflect that all or a portion of an affected student's tuition and fees have been paid (or otherwise affected) by another entity or program and such payment thereby results in an overpayment of the school's applicable established charges based on the individual's rate of course pursuit, the institution would need to revise its certification and refund to VA the amount of such overpayment.

<sup>2</sup> For purposes of this opinion, assistance from an outside source does not include assistance provided under Federal student aid programs, including grants, work-study programs, and student loans (referred to as Title IV programs) administered by the U.S. Department of Education.

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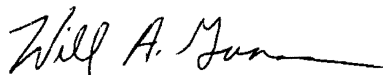
assistance to the student for educational expenses other than tuition and fees, or reapply the assistance to the educational expenses of other students.

10. If a school returns money to VA, it should be assumed that the school has determined that the charges for tuition and fees for the student have been reconsidered in light of other educational assistance and, in accordance with the school's policies, reduced by the amount returned to VA. Money returned to VA by a school cannot be paid directly to a student. Other than payments of the housing and books stipends, VA may not make benefit payments directly to students under chapter 33.

11. With regard to payments or distributions of VA benefits to third parties, 38 U.S.C. § 5301 provides that payments of benefits due or to become due under any law administered by the Secretary shall not be assignable except to the extent specifically authorized by law. No authority, explicit or implied, exists that would permit the assignment of refunds or amounts of overpayments to a third party or parties.

12. Finally, although your memorandum did not raise issues regarding the nature or timing of certifications by schools, it is our view that VA could prescribe regulations that require schools to make separate certifications as to (1) an individual's rate of pursuit (as being half-time or greater) for the purpose of determining the individual's entitlement to housing and books stipends; and (2) the applicable charges for tuition and fees for such individual based on the individual's rate of course pursuit, taking into account the school's receipt of other sources of assistance. VA could determine the point in time such certifications are to be made, so that the former could be made at the beginning of the term, quarter, or semester, and the latter could be made at the end of the term, quarter, or semester. Alternatively, for purposes of accurate accounting as to tuition and fees, VA could simply require a final accounting and certification of the actual tuition and fees for a student at the end of a term, quarter, or semester. This could result in adjustments being made in the amounts actually owed by VA.

13. Should you have any questions or concerns regarding this opinion, please contact Mr. John Brizzi, Deputy Assistant General Counsel (021A), at 202-461-7605.



Will A. Gunn

*Question 6.* What can be done to ensure that each of the four processing centers are operating under the same guidance? Are regular meetings held—either via teleconferencing or some other means to articulate clear policies and procedures?

*Response.* VA provides written policy to all four Regional Processing Offices (RPOs) and conducts uniform training on a regular basis to ensure all RPOs are receiving the same information. In addition, weekly RPO conference calls are conducted to address any training, policy, or other claims processing issues.

*Question 7.* The testimony of our witness from the National Association of Veterans' Programs Administrators suggests that the lumping of payments for multiple enrollment periods without documentation or explanation makes it difficult for the schools to reconcile payments. Please comment on this.

*Response.* Due to workload concerns and limited information technology functionality, VA implemented streamlined procedures to expedite Post-9/11 GI Bill claims processing. Currently, payments cannot be authorized until at least two individuals review and approve each payment amount through fiscal transactions and financial authorizations (FIST/FAUT). A FIST/FAUT transaction must be done separately for each type of payment (i.e., tuition, housing, books, yellow ribbon payments, and college fund "kickers"). Therefore, VA made the decision to combine similar payment transactions into one transaction (i.e., two tuition payments or two

yellow ribbon payments). These procedures will remain in place until full implementation of the long-term solution (LTS). We anticipate the number of claims requiring FIST/FAUT processing will be significantly reduced once the LTS is in place.

Checks and electronic payments issued to schools include the abbreviated name of the student, the file number, and the dates of the enrollment period covered by the payment. If payments are lumped together, the period shown will cover multiple enrollment periods. The schools also receive a weekly "Vet Rep List" of the payments issued. The Vet Rep List does not provide a breakdown of payment amounts by term when the payments are combined.

*Question 8.* Please comment on the concept of certifying "anticipated enrollments" with a second certification at the end of the drop/add period?

Response. To ensure Veterans receive their housing allowance and books and supplies stipends timely, VA is determining the feasibility of allowing schools to submit enrollment certifications without tuition and fees in the summer, and resubmit the enrollment certification when the actual tuition and fees are available.

*Question 9.* The Yellow Ribbon Program presents an almost entirely unique set of challenges. Please comment on that and what might help ease administrative issues there?

Response. Individuals eligible for the 100-percent payment level who are attending private institutions, enrolled in graduate programs, or who are not eligible for in-state tuition rates, are eligible for the Yellow Ribbon Program if their institution participates. The Yellow Ribbon program allows VA and the school to cover all or a portion of the tuition that the Post-9/11 GI Bill benefit does not cover. Post-9/11 GI Bill tuition payments are capped at the maximum in-state undergraduate tuition and fees charged by a public institution of higher learning in the state in which the Veteran's school is located.

To determine the benefit payable when a student is enrolled in a private school or graduate program, or is not eligible for in-state tuition-and-fee rates, VA must establish the highest maximum rate for each state. Schools participating in the Yellow Ribbon Program use the maximum rate to help them budget their participation. Most states do not have their actual tuition and fees established until July, or later, for their fall enrollments. Determining the maximum charges in a state is an administratively burdensome task. The maximum charges include tuition and all fees required for the program, not just admission fees. There are many variables in the manner schools assess their charges. For example, some may charge a flat fee for full-time tuition plus additional fees and others may assess charges by credit hour. Some charge by semester hour and some by quarter hour. Some charge a flat fee for full-time enrollment up to 15 credits and then charge by credit hour for enrollment above 15 credits. Most schools no longer operate solely on standard semesters or quarters. They offer terms within terms and terms between fall and spring. Most schools assess summer charges differently than the fall and spring semesters.

This process could be streamlined by establishing a uniform maximum benefit level for an academic year for those enrolled in private schools, graduate programs, or those not charged in-state rates.

*Question 10.* Veterans' program administrators believe that designated school officials should have secure web-based access to veterans' records in order to provide counseling and assistance. What challenges would this present?

Response. VA intends to allow school officials and Veterans some access to payment information in later releases of the long-term solution.

Privacy concerns currently preclude schools from obtaining personal information on Veterans attending their institutions. If institutions are granted access to individual data, it must be limited to those who actually need the protected privacy information in order to aid the student. There is also the matter of training school certifying officials on how to understand each benefit to provide adequate counseling. We have concerns regarding our liability if the school officials were to make a recommendation that was not in the student's best interest.

*Question 11.* The American Legion recommends that VA needs to provide more outreach to colleges and universities to ensure that veterans have a full range of knowledge about their benefits. Please describe what outreach VA has undertaken and what plans are for the future.

Response. VA attended over 100 training and informational conferences since the enactment of the Post-9/11 GI Bill to provide training, disseminate information, and answer questions from the participants. We also conducted webinar training sessions. We continue to participate in school's national, regional, and local conferences.

VA ran a Post-9/11 GI Bill spring marketing campaign focused on increasing awareness of the education benefits process. VA used the following methods to accomplish our goal:

- Print placement in college newspapers
- Outdoor placement of posters and visuals at 60 schools with large Veteran-student populations,
- Radio placement in six high Veteran-student markets
- On-line marketing targeted at adults in the 18–34 age range through Burst Media

VA will begin a multimedia, multi-market campaign with a single cohesive message on July 1, 2010. It will include a new logo, new outreach materials, and nationwide advertising in both conventional and cutting edge medias. Additionally, VA solicited and received feedback from stakeholders on the GI Bill Web site. Based on this input, the GI Bill Web site was redesigned for ease of navigation and focused information. The Web site also includes the new logo.

VA's education liaison representatives (ELRs) are the primary points of contact for school officials. ELRs have a wide range of responsibilities in support of education benefits programs and work closely with school officials to inform them of changes in VA policies and procedures. During the fall enrollment period, ELRs temporarily assisted with claims processing, which unfortunately limited the time they could devote to working with the school officials. However, all ELRs have resumed their normal duties.

In addition to VA's efforts, State Approving Agencies (SAAs) assist in outreach. Under statute, VA contracts with each state to approve programs of education and support outreach. The SAAs provide information to schools, students and employers.

*Question 12.* What are VA's plans regarding adding rules for the administration of the new program to its processing manual?

Response. Regional Processing Offices (RPOs) were provided procedural guidance (policy advisories and training materials) for processing Post-9/11 GI Bill claims. The information is available on the Intranet for all RPO staff. VA will incorporate this information in a processing manual. Several draft chapters have been sent to RPO personnel for review and comment.

*Question 13.* Are there any institutions who have disenrolled students because they have not received payments from VA on their behalf? If so, please provide the names and locations of the institutions that have done so, together with the number of students affected.

Response. VA is not aware of any institutions that disenrolled students because they did not receive payments from VA. During the fall, VA heard that some schools were disenrolling students. Each time we were made aware of a situation, we contacted the school to resolve the issue.

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RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. RICHARD BURR TO  
KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS  
AFFAIRS

*Question 1.* Many concerns have been raised by veterans' groups and individual veterans about the delays in providing education benefits during the fall 2009 semester. In fact, a witness at the April 21, 2010, hearing said that a veteran-student who attends Columbia with him had "just received his first check last month."

*Question 1A.* For each month during the fall 2009 semester, what was the average time to process original claims and to process supplemental claims for all education programs?

Response. The chart below displays the average days to process claims for all education programs during the fall 2009 semester.

Month	September	October	November	December
Original .....	34.9	56.3	58.8	60.0
Supplemental .....	21.4	28.3	30.6	21.6

*Question 1B.* For each month during the fall 2009 semester, what was the average time to process original claims and to process supplemental claims for the Post-9/11 GI Bill?

Response. The chart below displays the average days to process Post-9/11 claims during the fall 2009 semester.

Month	September	October	November	December
Original .....	34.6	59.2	60.5	61.9
Supplemental .....	35.2	48.5	44.5	27.7

*Question 1C.* What is the longest a veteran waited to begin receiving payments for that semester?

Response. VA's data system is not programmed in a manner that VA could easily obtain that data. Additional complex data mining would need to be undertaken in an effort to find that information.

*Question 1D.* What factors do you believe contributed to these delays and when did VA become aware of those factors?

Response. VA's existing database and payment system did not support the payment structure of the Post-9/11 GI Bill. Unlike the other education benefit programs VA administers, the payments are directly tied to tuition charges and DOD basic housing allowances. With 13 months to implement, the systems could not be modified sufficiently to support the new program; we therefore had to rely on manual data entry and some automated tools that were developed during the 13 months. These limited automated functions developed for the interim solution were delivered in phases throughout the fall semester.

VA hired and trained over 500 additional employees to compensate for the lack of automation. These individuals, as well as existing staff, had to be trained on the tools, the eligibility criteria and the data entry for multiple payment processing.

Most states did not establish their tuition and fee rates for the fall semester until the end of July, which delayed certifications from the schools. In addition, due to necessary systems modifications, VA was not able to accept electronic enrollment certifications until July 6.

Each student filing for the Post-9/11 GI Bill last fall was filing for the first time for that program. VA had to establish initial eligibility and, in many cases, determine if the claimant was eligible to elect to transfer from his or her existing VA benefit program to the Post-9/11 GI Bill.

*Question 1E.* What has been done or is being done to address each of those factors?

Response. The following actions are not limited to a single factor, but rather have broad application to many of the factors that contributed to processing delays:

- Developed and deployed short-term automated systems
- Developed and deployed standardized job aids for calculations
- Hired temporary employees at Regional Processing Offices
- Implemented mandatory overtime
- Diverted Education staff from other duties to Post-9/11 GI Bill claims processing
- Reassigned regional office term employees hired under the American Recovery and Reinvestment Act to Education claims processing
- Entered into a contract for non-Post-9/11 GI Bill claims processing assistance
- Streamlined procedures and non-essential claims processing functions

As we approach this fall, the majority of the recipients will be returning students. As such, VA will not have to determine initial eligibility. The first phase of the new long term automated system was delivered on March 31 and the second phase will be delivered June 30. These deliveries will streamline some of the processing. The third phase, due September 30, should reduce much of the manual data entry for fiscal transactions. The claims processing employees will also have significantly more experience processing these claims than last fall. We intend to continue to use overtime to address peak workload periods.

*Question 2.* The following excerpt was in the testimony from the National Association of Veterans Program Administrators: "VA remains unable to credit returned payments to veterans' accounts, pending General Counsel guidance. When tuition and fee payments are confirmed by VA to be a duplicate payment or grossly erroneous, schools are instructed to return the funds to VA. However, the returned funds are not being credited to the veteran."

*Question 2A.* How many duplicate payments were made to schools during the fall 2009 semester? What is the total dollar value of those payments?

Response. VA combined the response to this question with the response to 2B below.

*Question 2B.* Were any “grossly erroneous” payments made to schools? If so, how many and in what amounts?

Response. VA Central Office is not aware of any specific “grossly erroneous” payments made to schools. We are aware there were instances of duplicate payments, but we did not manually tally the instances and the amount involved. VA conducts quarterly quality claims processing reviews. As of the first quarter of fiscal year 2010, the Post-9/11 GI Bill payment accuracy was 95 percent.

*Question 2C.* What factors caused VA to make excessive or duplicate payments to schools?

Response. Manual processing that is reliant on multiple manual data entries to release payment.

*Question 2D.* What steps could be taken to reduce the possibility of these overpayments in the future? Will the long-term solution contain mechanisms to limit or prevent these types of overpayments?

Response. VA anticipates that the automated rules-based functionality in the long-term solution (LTS) will significantly reduce the possibility of overpayments under the Post-9/11 GI Bill. Release 3, scheduled for delivery on September 30, will eliminate most of the manual entry for fiscal transactions (payment amounts).

*Question 2E.* What are schools expected to do with tuition or fee payments they should not have received? Has clear guidance on that been distributed to schools? If so, please provide the Committee with a copy.

Response. Under current VA policy, a school should return tuition and fee payments to VA if the school receives an erroneous payment under the Post-9/11 GI Bill. Specifically, we instructed all schools to return payments to VA if a student never attended; the school received a duplicate payment for an individual; the school received a payment for an individual who did not enroll; or the student died during the term and would have been due a refund. Please see the attached VA Policy Advisory titled “Tuition and Fee Return Payments” dated November 23, 2009. [See response to Question 5 from Senator Akaka.]

The statute provides that the Post-9/11 tuition and fee payment is based on the established charges for the program of education.

The term “established charges” is defined in statute to mean actual charges for tuition and fees that similarly circumstanced non-veterans would be required to pay. Statutes governing Department of Education funding restrict VA (and any other Federal or local benefit program) from considering Title IV funding when determining benefit payments. VAOPGCPREC 3-2010 indicates that such assistance may not be taken into account in determining “actual charges.” Please see the attached copy of VAOPGCPREC 3-2010. [See response to Question 5 from Senator Akaka.]

*Question 2F.* When a school returns funds to one of VA’s regional processing offices, are there policies requiring the regional processing offices to notify any other VA offices, such as the Debt Management Center? If so, are those policies being followed?

Response. If the school returned funds because the student withdrew and the school reports the withdrawal to VA, VA credits the returned funds to the overpayment. Debt Management Center (DMC) is not involved, as no debt is reported to DMC. Some school officials assume that some of the returned funds should be credited to the advance payment debts. When crediting is appropriate, VA does credit the funds. However, if a school returned a duplicate payment, VA cannot credit those funds to an advance payment debt.

*Question 2G.* Under what circumstances is the Debt Management Center supposed to create an overpayment in the veteran’s name when the school is paid too much? In practice, when is that being done?

Response. If the school receives a duplicate payment, VA does not “charge” the student with an overpayment.

Our Regional Processing Offices (RPOs) create a debt on a student’s record when VA receives notice from the school that the student reduced his or her enrollment or withdrew from school. In these instances, the school received the proper amount based on the student’s enrollment. The statute provides that VA may not provide funds for a course that the student is not pursuing. Thus, VA will recalculate the amount the student is due and any amount over that becomes a debt of the student. For example: A student enrolls full-time and the charges are \$10,000. VA processes the enrollment certification and releases a \$10,000 payment.

Subsequently, the student drops two classes after the school’s drop/add period. VA will recalculate the amount due. In this case, assume the student was only due \$5,000. VA will create a debt on the student’s record for \$5,000. The Debt Management Center is responsible for the collection of the debt.

These procedures are being followed.

*Question 2H.* When VA receives a check from a school, how does VA determine the reason the check is being sent back and whether it is an appropriate amount?

Response. VA must review the student's record. If the school previously reported a change in enrollment, VA generally will have all necessary information to recalculate the amount the student was entitled to, calculate the debt, and credit the returned funds toward the debt. However, many times the funds are returned by the Bursar's office and VA does not know why the funds were returned. We must contact the school for additional information.

*Question 2I.* Has guidance been provided from the General Counsel on how to credit payments returned from schools? If so, please provide the Committee with a copy.

Response. Although VAOPGCPREC 3-2010 does address certain issues relating to the return of payments, it does not provide specific guidance regarding how VBA should credit these returned payments.

*Question 2J.* What lessons have been learned about how to make this recoupment process more hassle-free for veterans and their families?

Response. The recoupment process was complex this year because of the special advance payments made to over 122,000 individuals. Our systems needed modification to recoup the advance payments so that VA did not offset tuition and fee payments for the spring term sent to the school on the student's behalf. Additional system modifications had to be made so that students' entire housing benefits were not withheld to recoup the advance payments.

As VA is more timely processing claims and the impact of the initial startup is behind us, the need to release emergency advance payments has dissipated. As such, the recoupment process will be less complex.

*Question 3.* It is my understanding that, when VA started to recoup advance payments, the Education Service sent a detailed letter to veterans explaining their options for repaying VA, including the option to take no action and allow VA to start recouping \$750 per month from future housing allowance checks. The Debt Management Center later sent a letter to those veterans that included much less information and instructed veterans either to pay the debt in full or to contact the Debt Management Center to set up a payment plan. It did not include the "do nothing" option.

*Question 3A.* Why did VA provide two different letters with different information to some veterans?

Education Service: The two letters had different purposes. The initial letter was to notify recipients that we would begin collecting the advance payment on April 1 in the amount of \$750 per payment. The letter provided information on how to return advanced payment checks, as VA was made aware some individuals had not yet cashed their advance payments. Additionally, that letter informed them that they would receive a separate letter from Debt Management Center (DMC) that would notify them of their rights and responsibilities.

Our initial letter informed the recipients they did not have to take action if they had repaid the advance payment. They did not need to contact the DMC unless they wanted an alternative repayment plan.

*Question 3B.* What steps will be taken in the future to ensure that veterans are provided with accurate and useful information in a manner that is less likely to cause confusion?

Response. If VA were to consider emergency advance payments in the future, we would use any lesson learned from the past to improve the process.

*Question 4.* One of those letters about recouping advance payments included contact information for the Education Service and the other included contact information for the Debt Management Center. A veteran from North Carolina told my office that, when he called the Education Call Center, he was told to call the Debt Management Center and, when he called the Debt Management Center, they told him to call the Education Call Center.

*Question 4A.* Why were veterans provided with two different contact numbers?

Response. VA provided the Education Call Center number to assist individuals with general questions or concerns regarding advance payment recoupment. The Debt Management Center (DMC) number was provided for specific information about collections that only DMC staff were qualified to answer or to establish alternative repayment plans. Sometimes, a caller has questions that are outside the expertise of the individual assisting the caller. As such, the caller is referred to another VA representative.



*Question 4B.* Was clear guidance provided to VA employees on how to direct calls from veterans who received these letters? If so, please provide the Committee with a copy of that guidance.

Response. VA issued a policy advisory to VA employees that outlined the advance payment recoupment procedures. VA prepared and issued a detailed Question and Answer (Q&A) script for use by the Call Center employees and for those responding to e-mail inquiries. We also posted a series of Q&A's on our Web site. Please see attached Policy Advisory titled "Advance Payment Recoupment" dated February 3, 2010. [File was not attached.]

*Question 4C.* What steps have been taken or could be taken to make sure both veterans and VA employees have the correct information about who should be contacted regarding overpayments of education benefits?

Response. VA did provide employees with correct information and will continue to address any training deficiencies. For callers, VA will continue to direct callers to the Debt Management Center for specific collection questions. Instances will remain when callers will be re-directed from one source to the other based on individual circumstances. The Regional Processing Offices establish the debts and can best provide information on the current enrollment status, whereas the Debt Management Center (DMC) specializes in the collection status, repayment plans, and measures DMC will take if the debt is not recovered.

VA plans to conduct additional training for our Education Call Center staff to help them become more knowledgeable about DMC general procedures and better assist individuals with overpayment issues.

*Question 5.* It is my understanding that the Debt Management Center was overwhelmed with calls after VA sent letters about recouping advance payments, which made it difficult for veterans to get through. In fact, the Debt Management Center posted a note on its Web site acknowledging it was receiving a high level of calls and providing advice to veterans who could not get through.

*Question 5A.* What was the blocked call rate at the Debt Management Center after those letters were sent?

Response. DMC contacted Sprint to obtain a report showing the blocked-call rate for their toll-free number. The report received from Sprint did not reflect the actual call volumes handled by DMC. We therefore are not able to provide information on the blocked-call rate.

*Question 5B.* How many employees were answering phones at the Debt Management Center when these letters were first sent and how many are answering the phones now?

Response. The Debt Management Center had 26 employees assigned to 24 toll-free telephone lines at the time the letters were sent. Currently there are 25 employees assigned because one employee is on extended sick leave.

*Question 5C.* What, if anything, would VA consider to be the "lessons learned" from this experience?

Response. If emergency advance payments are needed in the future, VA would consider all the information we learned from the past in making a decision as to how best administer advance payments and collection. The short timeframe to collect funds during spring enrollment resulted in large mailings and thus high call volumes.

*Question 6.* There was a lot of frustration expressed at the inability to get through to VA at its Educational Call Center after VA shifted call center employees to processing claims back in December. Also, there has been some frustration that the call center was not providing accurate information.

*Question 6A.* What was the blocked call and dropped call rate while a compressed Monday to Wednesday schedule was in effect at the Education Call Center?

Response. The compressed Monday to Wednesday schedule was in effect from December 10, 2009 to February 18, 2010. During this period, the blocked call rate was 82.9 percent. The abandoned or dropped call rate was 20.1 percent.

*Question 6B.* In total, how many calls went unanswered during that time?

Response. There were approximately 1.9 million blocked calls and 90,000 abandoned calls during this period. These numbers obviously include large volumes of redials.

*Question 6C.* What is the current blocked call rate?

Response. The blocked-call rate for March 2010 was 15 percent. For April 2010 the blocked-call rate was 2.1 percent.

*Question 6D.* What was the average experience level of the employees handling calls during the Fall 2009 semester?

Response. During the fall semester, the average experience level for telephone representatives was 14 months.

*Question 6E.* Has any additional training been provided to these employees?

Response. The Muskogee Education Call Center conducts monthly refresher training sessions to ensure our call center agents provide complete and accurate responses to all callers. Employees are reminded of the necessity to remain courteous, compassionate, and professional at all times. In addition, the Regional Processing Office addresses immediate issues with training or instruction as needed.

*Question 7.* In their written testimony, the National Association of Veterans Program Administrators provided this feedback: "Tuition and fee payments for multiple enrollment periods are lumped into a single payment, with no clarifying information attached. It is very difficult for schools to reconcile lump sum payments and accurately post the funds to the appropriate enrollment periods."

*Question 7A.* What, if any, explanation is provided to schools along with the payments received from VA? Does it explain how the amounts were calculated?

Response. Checks and electronic payments received by schools include the abbreviated name of the individual, the file number, and the dates of the period covered by the payment (if payments are lumped together the period shown on the check will cover multiple enrollment periods). The schools also receive a weekly "Vet Rep List" of the payments issued. The Vet Rep List does not provide a breakdown of payment amounts by term. Schools do not receive notification of how VA calculated the amounts payable.

*Question 7B.* Are any efforts being made in the near term to increase the information provided to schools?

Response. Our intent is that the final phases of the long-term payment system will include the capability for school officials to have limited access to specific payment information. Currently, developers and subject matter experts are fully engaged in the development of the claims processing aspects of the system. Future enhancements will be designed upon completion of claims processing and payment components.

*Question 7C.* Will any efforts be made to provide additional details to schools when the long-term solution is in place?

Response. See response to question 7B.

*Question 8.* It is my understanding that some tuition and fee payments may have been inadvertently sent to the wrong schools because of errors made by claims processing staff in recording the identifying information for the schools. In fact, VA provided guidance to schools on what to do if they "received payment for an individual that is not a student at your school."

*Question 8A.* How many, if any, payments have been made to the wrong schools? If incorrect schools have been paid, what led to these errors? How does VA learn of the mistake if the wrong school was paid?

Response. We believe that as with any processing system that involves manual data entry there is some likelihood for errors to occur. Erroneous payments could also result if the student enrolled and subsequently changed schools after the initial school submitted an enrollment certification. Generally, we learn of such mistakes directly from schools.

*Question 8B.* If this has happened, what is being done to prevent it from reoccurring in the near term?

Response. When more automation is provided, less opportunity for human error will exist. VA conducts quality reviews of claims processing. Any areas that require improvement are identified and referred to the Regional Processing Office for correction and to address any training deficiencies.

*Question 8C.* Will the long-term solution provide any mechanisms to prevent this type of error from happening?

Response. VA expects the delivery of automated processing with the long-term solution will reduce the errors attributed to manual data entry.

*Question 9.* If a veteran is eligible for an older education program, like the Montgomery GI Bill, and decides to change to the Post-9/11 GI Bill, that decision to change programs is irrevocable. I have heard concerns from some North Carolinians that veterans are making the decision to opt into the new program without adequate information or guidance.

*Question 9A.* Are you aware of any veterans who opted into the Post-9/11 GI Bill and then realized they would have received higher benefits under one of the older programs?

Response. The Post-9/11 GI Bill overlays existing benefits and can cause confusion when individuals are trying to understand the nuances of the education benefits. Since each individual's situation is different, VA provides a side-by-side comparison of benefits under each program on the GI Bill Web site. In addition, a benefits calculator and extensive benefits information are available on the Web site. This information helps an individual determine which of the programs provide the greatest benefit in an individual situation.

VA is aware of a few Veterans who elected the Post-9/11 GI Bill and subsequently learned they would be limited to the number of months of entitlement remaining under their relinquished education program. The public law enacting the Post-9/11 GI Bill limits the entitlement of those individuals electing to transfer from the Montgomery GI Bill. Such individuals may receive only the number of months of Montgomery GI Bill entitlement they have remaining at the point they elect benefits. In some instances, individuals may realize it would be better to utilize all their Montgomery GI Bill before electing the Post-9/11 GI Bill. However, even though information was available to help them make that decision, some may not have considered that information when electing to transfer before their Montgomery GI Bill was exhausted.

Additionally, in states with low basic housing allowances, a student might not directly receive as much as he or she did under a previous program.

While the information is available on our Web site, in fact sheets, and at schools, the complexity and variances between the multiple programs may cause some students to make a decision to elect a new benefit assuming it was a better benefit without fully reviewing the available materials.

*Question 9B.* What steps does VA take to counsel veterans on the pros and cons of switching to the Post-9/11 GI Bill before they make a decision? Is there more that could be done in this regard?

Response. As stated in the response to question 9A, VA provides information on the GI Bill Web site to assist Veterans in determining the pros and cons of each education program. Veterans can also contact the Education Call Center for guidance regarding the different VA education programs.

Streamlining the existing benefits into one program with less complex rules would assist students in planning. Even though VA personnel can assist in the decision, if the student changes schools, the elected benefit might not have been the best choice. VA is willing to work with Congress to streamline the programs to better serve Veterans and their families.

*Question 10.* Under the Post-9/11 GI Bill, VA makes payments directly to a school for the amount of the veteran's tuition and fees.

*Question 10A.* If a school did not actually charge the veteran because, for example, the veteran had scholarships, had an employer paying for school, or received a waiver of fees because of his or her veteran status, do the schools ever try to return those payments to VA?

Response. We are aware that some schools have returned such payments. Please refer to the attached copy of VAOGCPREC 3-2010 which discusses this matter. [See response to Question 5 from Senator Akaka.]

*Question 10B.* If so, what happens in those circumstances and how often has that happened?

Response. When VA receives returned tuition and fee payments for reasons other than those listed in the response to question 2E, we have to determine why the money was sent and how to credit the money to the student's VA account. The money is first credited into a general account until we can determine how the money should be credited to the student's account. In those instances where the money was returned because the student's enrollment changed, VA will credit the returned money to reduce any overpayment of tuition and fees. We do not have available the number of cases involved, as the school sometimes returns one large payment. However, it is happening routinely, especially as more and more aid is available to Veterans. VA will issue guidance in the near future to schools and credit monies or return monies as appropriate.

Because VA's other education benefit programs have been paid as monthly allowances, VA was not aware of the multitude of programs that provide aid to student Veterans. Some aid is specifically for tuition and fees and other aid can be applied to any cost of education. As more and more questions came from school officials, and schools began returning money, VA requested legal guidance to address the issue. The issue is further complicated because some aid comes in after schools certify enrollment to VA and some aid is available before certification.

*Question 11.* According to VA's testimony, the first release of the long-term solution was deployed on March 31, 2010, but it did not include all of the functionality

that VA originally expected it to contain and was released as a limited pilot. At the hearing, VA testified that 16 employees are currently using that system but that it will be rolled out to other offices.

*Question 11A.* Is there a process in place for soliciting and receiving feedback from the employees using the first release? If so, what type of feedback has VA received?

Response. Yes and we are receiving mostly positive feedback from our customers.

*Question 11B.* Please provide a timeline for when the first release will be rolled out to other offices.

Response. Limited Release 1 of the LTS deployed March 31, 2010, to one of the four RPOs per VBA's deployment plan. The application deployed to the remaining RPOs on April 12, 2010, and April 19, 2010.

*Question 11C.* Are there other planned releases of the long-term solution that are expected to have less functionality than originally planned?

Response. As stated in the Honorable Roger Baker's testimony of January 21, 2010, Release 1 of the LTS was scheduled for deployment on March 31, 2010. VA expected Release 1 to include functionality for a number of items, including the ability to complete original claims and the ability to process amended awards. As our subject matter experts worked with the SPAWAR team, new software requirements were identified and the complexity of the amended awards functionality was better understood. It became clear these requirements could not be incorporated into Release 1 by the March 31, 2010, milestone date.

Therefore, a decision was made in conjunction with VBA, our customer, to deliver reduced functionality in order to make the milestone date. The reduced functionality included the ability to complete original claims and many other capabilities. Another important consideration in this decision was the critical need for VA staff to use the LTS software for production work in order to provide assurance the software was acceptable and reliable for the long term.

Release 2, currently scheduled for June 30, 2010, will serve as the foundation from which the VA will retire the Interim solution and automate the Education Benefits business process. The scope of Releases 3 and 4, currently scheduled for September 30, 2010, and December 31, 2010, respectively, will contain interfaces to education legacy systems in order to pre-populate data and automate payment. The final scope for these releases is not set.

It is important to recognize that the methodology we are using to deliver this system to our VBA partners is based on agile approach. It is based on making tradeoffs between schedule and functionality. We have fixed the schedule so that there is a release every three months. To accomplish this we adjust the delivered functionality to what can be done—not what we would like to do. This is a significant change to how VA and most of the Federal Government has managed IT development projects previously. As a result, today we can report that the system works, it is in limited production, and we are getting positive feedback from our customers.

*Question 11D.* What level of assurance can VA provide that the planned December 2010 full implementation date for the long-term solution will be met?

Response. Based on the project schedule, VA has full confidence we will deliver the system functionality expected by the business community by December 2010.

*Question 12.* At the hearing, VA discussed the fact that the monthly housing allowance payments being sent by VA in 2010 do not yet reflect a cost-of-living adjustment made to the Basic Allowance for Housing rates and that a fix to that problem likely would not occur until July 2010. A witness at the hearing expressed concern about veterans receiving "less money than originally budgeted."

*Question 12A.* Did VA notify current participants in the Post-9/11 GI Bill program that their monthly housing allowance payments would not reflect the cost-of-living adjustment until July? If so, please provide a copy of the notification.

Response. VA has not notified Post-9/11 GI Bill beneficiaries that their monthly housing allowance payments would not reflect the cost-of-living adjustment until July.

*Question 12B.* Are there any policies in place to more quickly provide the correct amount of housing allowance payments to veterans who may be experiencing financial difficulties?

Response. Because of limited automated support at implementation and because January 2010 rates were not available from DOD until December 2009, VA only had the capability of creating a single rate table for 2009. In December, VA's Office of Information and Technology and SPAWAR were fully engaged in development of the long-term solution. Additional comprehensive changes to the interim solution were not undertaken. The system capabilities to accommodate more than one rate table and perform multiple calculations are included in release 2 of the long-term solu-

tion. Release 2 is scheduled for delivery on June 30, 2010. Release 2 will provide the capability to pay 2009 and 2010 rates, as well as any future increases.

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RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. MIKE JOHANNIS TO  
KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS  
AFFAIRS

*Question 1.* Calls to the main call center in Oklahoma too often result in no information and no other recourse for Post-9/11 recipients with claim problems. Call center staff are apparently not empowered to pass callers to higher-level supervisors for resolution of unique problems. In fact, constituents have told my staff they were advised to "call their congressman" by call center staff. Until the call center can actually initiate action to resolved issues it will continue to receive repeat calls on the same problems. What is the VA doing to make the call centers more responsive to real problems?

Response. Education Call Center personnel receive ongoing training on telephone skills, customer service, and procedural updates. Agents should not advise callers to contact their Congressional representatives to resolve a claim related issue. However, an agent may explain to a caller that only Congress can make changes to legislative issues. For example, the call center received many calls from former service members who left service prior to August 1, 2009, who wanted to transfer their benefits to family members. Such callers would be informed that Congress would need to change the law in order for VA to make payment.

In the event a call center agent is not able to resolve a particular issue, procedures are in place to transfer the call to an Education Case Manager. Since October 1, 2009, over 1,500 calls have been transferred in this manner.

*Question 2.* Constituent calls to the debt collection center to reconcile incorrectly generated debt notices are usually told all the debt center does is issue notices based on requests from other offices in the VA. There does not seem to be a mechanism for working issues between claim processing and debt collection. What is the VA doing to better coordinate debt generation offices with debt collection offices to preclude persistent debt collection notices after problems have already been solved?

Response. We are not aware of callers routinely being advised that the Debt Management Center (DMC) only issues notice based on requests from other offices in VA. DMC telephone agents spend the majority of their time on the telephone assisting Veterans in reconciling differences and understanding their benefit payments and accounts. If an issue exists where DMC cannot assist a Veteran due to additional paperwork or documentation required by the Education Regional Processing Offices, the debtor is advised to call the Education Call Center for further assistance.

*Question 3.* I would also like to know if VA is considering greater use of state points of contact for dealing with Post-9/11 benefit issues. Some of the issues are school specific that can be quickly identified and worked at the state level while going unnoticed at national call center.

Response. VA has designated an education liaison representative to serve as the point of contact for each state. In addition, each state appoints a State Approving Agency (SAA) for the purpose of approving programs of education or training for Veterans (and other eligible persons) who receive education benefits from VA. The SAAs operate under contract with VA. SAAs also assist with outreach and provide information and support to school officials.

To address the high inventory of claims this past fall, VA's ELRs were temporarily diverted from their main duties of liaison with the schools to assist with claims processing. The ELRs have returned to their primary duties, and schools now have better access to their representative.

Chairman AKAKA. Thank you very much, Mr. Wilson.

Now, Mr. Warren, we would please proceed with your statement.

**STATEMENT OF STEPHEN WARREN, PRINCIPAL DEPUTY SECRETARY, INFORMATION TECHNOLOGY, VETERANS BENEFITS ADMINISTRATION, U.S. DEPARTMENT OF VETERANS AFFAIRS**

Mr. WARREN. Good morning, Mr. Chairman, Senator Tester.

Chairman AKAKA. Good morning.

Mr. WARREN. As stated by Mr. Wilson, we partnered with SPAWAR to actually build this long-term solution for the future while the VA worked with an interim solution to meet the commitments that had been made.

Four phases. We deployed that first phase on March 31, as we had committed to. Even though it was a limited deployment, the functionality that was contained in it was actually quite extensive. It was able to calculate new original awards; automate the calculation of awards, including tuition and fees, housing, books and supplies, Yellow Ribbon, Chapter 30, 1606 kickers; the automated calculation for awards for overlapping terms and intervals, including interval rules for summer terms and demographic and service data from the VA DOD repository where we share information.

We did a limited deployment to make sure that what actually deployed out became that platform for the future, as Mr. Wilson mentioned. So when that next increment comes out at the end of June, it will be able to retire that interim solution. As Mr. Wilson mentioned, it is four different systems that have to be used today in terms of fitting those two together, and the June 30 deployment will then pick that up, retire the old system, and simplify what efforts the examiners need to go through.

The feedback that we are receiving today is that this first increment offers an ease of use and increased efficiency. We are looking at reductions in time from 15 to 25 percent to process those, so that is a great start, again, in a limited deployment to make sure it is ready going forward.

We still have that second release to release—or second increment to release the end of June. The third one is scheduled for the end of September and the final one for December. So those are still on track.

There are a number of challenges in deploying this long-term solution. One of the things that is key to recognize is the methodology that we are using to deploy this system, one that is using something called an agile methodology. It involves short increments in defined periods of time. So the commitment we have made is every 3 months we will deliver more functionality.

So instead of going many, many years as IT projects in the government have done in the past—many years without really getting something—we are on a path to deliver functionality on 3-month increments. We delivered the first increment; it works. So instead of something that may have happened, we delivered capability. The next increment comes out in 3 months. The next increment comes out in 3 months. So we are building on successes to ensure that our partners in the Veterans Benefits Administration have the tools they need.

This ends my verbal remarks, and I will answer any questions.

Chairman AKAKA. Thank you very much, Mr. Warren.

Mr. Osendorf, your statement, please.

**STATEMENT OF DAN OSENDORF, DIRECTOR, DEBT MANAGEMENT CENTER, U.S. DEPARTMENT OF VETERANS AFFAIRS**

Mr. OSENDORF. Good morning, Chairman Akaka, Senator Tester and Members of the Committee. I appreciate this opportunity. My testimony will address the recruitment of advance payments.

In October 2009, the VA began issuing advance payments to veterans and servicemembers who had not received their VA benefits for the fall enrollment period. This was done to ensure that they could focus on their academic studies and not be burdened with their financial concerns. VA notified advance payment recipients in late January and February of the reimbursement process for the advanced payments. Notification explained that \$750 would be deducted from their monthly education payments beginning April 1, and they could make arrangements with the Debt Management Center for a reduced withholding if the \$750 was causing a financial hardship. Individuals not currently enrolled in school receive notification on how payment arrangements could be made to satisfy the debt.

Anticipating a large number of requests for lower withholding for the April 1 check, DMC added six telephone lines and eight operators and extended telephone service hours an additional hour to handle the increased volume.

In addition, we created a form that allowed them to request a reduced withholding and could be e-mailed to DMC. This was also furnished to the VBA education Web site so they could take telephone calls and forward the forms to us. We created special mailboxes where they could send the forms to; we could process them through. In addition, VBA added the form to its education Web site so individuals could go online, fill out the form themselves, and then e-mail it to DMC.

On April 1 we had processed approximately 12,000 requests for lower withholding. We continue to receive requests for partial withholdings of the April 1 check and reduce withholdings from future checks. To provide the greatest flexibility to our veterans, repayment plans are being set retroactive to April 1 and refunds of amounts collected above the requested payment amount are being refunded. Through mid April, requests have totaled over \$22,000. Of the \$355.5 million issued to advance payment recipients, we have collected over \$75 million through payments and offsets.

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

Chairman AKAKA. Thank you very much, Mr. Osendorf.

Mr. Clark, please proceed with your statement.

**STATEMENT OF ROBERT E. CLARK, ASSISTANT DIRECTOR FOR ACCESSION POLICY, OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS, U.S. DEPARTMENT OF DEFENSE**

Mr. CLARK. Good morning, Chairman Akaka, Senator Tester, Senator Brown. I am pleased to appear today to discuss the Department of Defense's role in the implementation of the Post-9/11 GI Bill. There is little doubt that this new educational assistance program represents the most sweeping change in post-service education benefits since World War II. As the Chairman eloquently discussed, he believes that he would not be here today were it not for that landmark bill.

The original GI Bill of Rights, created at the end of World War II, gave returning servicemembers a comprehensive package of benefits to compensate for opportunities lost while in the military

and to ease their transition back into civilian life. That GI Bill offered returning soldiers, sailors, Marines, and airmen payment for tuition, fees, books and supplies, along with a living stipend at the educational institution of the veteran's choice.

Although there have been several GI Bills since the original, the Post-9/11 GI Bill is the first to directly mirror this original milestone program, again offering returning soldiers, sailors, Marines, and airmen payment for tuition, fees, books and supplies along with a living stipend at the educational institution of the veteran's choice. However, one difference is that the original GI Bill was designed to ease the transition to civilian life from a conscripted military during a massive drawdown, during a short period of time.

Today's military is different. Since 1973, we have defended this Nation with a volunteer force, and our military force has maintained a consistent level of stability without massive drawdowns. Therefore, along with the codified purpose to assist veterans in re-adjusting to civilian life after wartime service, the Post-9/11 GI Bill also is designed to have a positive effect on recruitment for the Armed Forces.

For today's hearing, you asked me to comment on the role DOD has played in the implementation of the Post-9/11 GI Bill and how DOD and the Department of Veterans Affairs have and continue to work together to ensure success in the administration of this new program. This strong relationship between DOD and VA during the first year of the Post-9/11 GI Bill has clearly been a team effort benefiting servicemembers, veterans and their families.

Specifically, DOD has three major roles in implementation. The first role in successful implementation of the Post-9/11 GI Bill is the sharing of service data with VA. We recognize the road to becoming a veteran always entails passage through service in the military. Accurate reporting of that service is vital to the determination of eligibility for post-service education benefits. We recognize our role in that reporting.

The second and third roles DOD plays in the Post-9/11 GI Bill implementation both stem from two special provisions in the statute: the ability to offer a supplemental educational benefit, commonly referred to as a kicker; and the ability to offer career servicemembers the opportunity to share or transfer their earned but unused education benefits to immediate family members.

Following the model of the very effective Montgomery GI Bill college funds used since the 1980s, kickers allow the services to supplement the monthly education assistance for members we recruit or retain with critical skills or specialties and for incentivizing further service. The existing MGIB college funds are funded by the military services but administered and paid by VA through the use of the DOD education benefits fund.

Unfortunately, even though kickers are authorized under the Post-9/11 GI Bill, the authority to use this fund was not included in the statute. We have requested a technical amendment to allow use of that fund for kickers associated with the Post-9/11 GI Bill education benefits to rectify this situation in our 2011 legislative proposal package for the fiscal year 2011 National Defense Authorization Bill.



DOD's third major role is the implementation of the provision that allows the Secretary of Defense, for the purpose of promoting recruitment and retention, to permit members of the Armed Forces to elect to transfer all or a portion of their unused educational entitlement to a spouse and/or child. Family members and quality-of-life groups throughout the Department have requested such transferability for many years, and we believe this will have a significant impact in our retention efforts.

The transferability process is a shared responsibility with DOD accepting and approving the request to transfer and VA administering the transferred benefit just as they administer benefits for servicemembers and veterans. In implementing our responsibilities under this provision, we established a web-based paperless process for approval and submission to VA. To date, over 105,000 requests from career servicemembers have been approved, transferring unused benefits to over 240,000 family members.

DOD is committed to the success of the Post-9/11 GI Bill. From the beginning, we started outreach to both our internal and external audiences. To support recruiting, the Post-9/11 GI Bill has become an integral part of both service recruiting programs and joint advertising. To support retention, we established a special page on the Defense Link Web site for the Post-9/11 GI Bill, participated in numerous interviews and round tables resulting in articles in almost every military installation newspaper, published a final rule in the *Federal Register*, and printed information and links to both the VA Web site for the Post-9/11 GI Bill and the DOD Web site on leave and earnings statements for all military members. We have been working very closely with VA Education Services since the enactment and will continue to work side-by-side with staff.

I thank the Committee for the continued dedicated support to men and women everywhere who currently serve and to those who have served our great Nation. This concludes my testimony. I will be glad to answer any questions you may have.

[The prepared statement of Mr. Clark follows:]

PREPARED STATEMENT OF ROBERT E. CLARK, ASSISTANT DIRECTOR FOR ACCESSION POLICY, OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS, U.S. DEPARTMENT OF DEFENSE

Good afternoon, Mr. Chairman and esteemed Members of the Committee. I am pleased to appear before you today to discuss the Department of Defense's (DOD) role in the implementation of the Post-9/11 GI Bill, as enacted in Public Law 110-252, and codified in Chapter 33, title 38, United States Code. There is little doubt this new educational assistance program represents the most sweeping change in post-service education benefits since World War II.

The original "GI Bill of Rights," created at the end of World War II, gave returning Servicemembers a comprehensive package of benefits to compensate for opportunities lost while in the military, and to ease their transition back into civilian life. The noted economist, Peter Drucker, described that GI Bill by saying, "Future historians may consider it the most important event of the 20th century." Perhaps the most far-reaching provision of the GI Bill was the financial assistance it made available for veterans to attend college. The GI Bill offered returning Soldiers, Sailors, Marines, and Airmen payment for tuition, fees, books, and supplies, along with a living stipend, at the educational institution of the veteran's choice. With over 7.8 million veterans receiving education or training, this landmark program changed the face of higher education, and many have said directly led to the creation of the American middle class.

Although there have been several GI Bills since the original, the Post-9/11 GI Bill is the first to directly mirror this original milestone program, again offering the returning Soldiers, Sailors, Marines and Airmen payment for tuition, fees, books, and

supplies, along with a living stipend, at the educational institution of the veteran's choice. However, one difference is the original GI Bill was designed to ease the transition to civilian life from a conscripted military force during a massive drawdown during a short period of time. Today's military is much different—since 1973, we have defended this Nation with a volunteer force, and our military forces maintain a consistent level of stability without massive drawdowns. Therefore, along with a codified purpose to “\* \* \* assist veterans in readjusting to civilian life after war-time service \* \* \*” the Post-9/11 GI Bill also is designed to have a positive effect on recruitment for the Armed Forces.

The Montgomery GI Bill (MGIB) has been a cornerstone of our military recruiting efforts since 1985, and a major contributor to the success of the All-Volunteer Force. Money for future education has been and remains at the forefront of reasons young Americans cite for joining the military. There is no doubt that the Post-9/11 GI Bill will continue to have this impact.

For today's hearing, you asked me to comment on the role DOD has played in the implementation of the Post-9/11 GI Bill, and how DOD and the Department of Veterans Affairs (VA) have and continue to work together to ensure success in the administration of this new program. This strong relationship between DOD and VA during the first year of the Post-9/11 GI Bill has clearly been a team effort benefiting Servicemembers, veterans, and their families. Specifically, DOD has three major roles in this implementation.

The Department's first role in the successful implementation of the Post-9/11 GI Bill is the sharing of service data with VA. We recognize the road to becoming a veteran always entails passage through service in the military. Accurate reporting of that service is vital to the determination of eligibility for all post-service education benefits. We recognize our role in that reporting.

Since 2003, the Department has been providing automated daily updates to Servicemember and veteran personnel data to VA. From the day the person enlists or is commissioned into the military, DOD sends a record to VA, and we update this information as it changes. All of this is stored in VA's VA and DOD Information Repository (VADIR). This is accomplished by means of a once-daily replication of the Defense Enrollment and Eligibility Reporting System (DEERS) to VADIR. With the implementation of the Post-9/11 GI Bill, we have included the identification and transfer of those family members to whom the Servicemembers have elected to transfer their educational benefits in VADIR. This provides VA with daily updates to approved Servicemember transfers of this benefit, and allows VA to administer payments.

For those instances where there are questions about a Servicemember's or veteran's record, we have in place an effective and direct line of communication between the VA Regional Processing Offices and each of the Service Components. DOD provides VA a list of Service Points of Contact who are able to provide immediate responses either via telephone or e-mail. Through this formalized process, VA claims examiners have the ability to quickly get updates or clarifications.

The second and third roles DOD plays in Post-9/11 GI Bill implementation both stem from two special provisions in the statute—the ability to offer a supplemental educational benefit, commonly referred to as “kickers,” and the ability to offer eligible career Servicemembers the opportunity to share or transfer their earned, but unused, education assistance benefits to their immediate family members.

“Kickers” as authorized in section 3316, title 38, United States Code, allow the Services to provide additional monthly educational assistance to recruit or retain members with critical skills or specialties and for incentivizing additional service. Following the model of the very effective MGIB “College Funds” used since the 1980s, these “kickers” will assist the Services in recruiting high quality youth into critical and hard-to-fill military specialties, encourage these young men and women to serve for longer terms of service, and incentivize service in the Selected Reserve for those who separate. Unfortunately, even though “kickers” are authorized under the Post-9/11 GI Bill, the statute as written does not allow us to use them. The current MGIB “College Funds” are funded by the military Services, but administered and paid by VA through the use of the DOD Education Benefits Fund (EBF). For each “College Fund” offered, the Service makes an actuarially determined deposit into the EBF, and when the Servicemember or veteran uses the benefit, VA includes the supplemental amount in the payment to the individual and draws reimbursement from the EBF. To allow the Services to use Post-9/11 GI Bill “kickers,” we requested a technical amendment in our 2011 legislative proposal package for the FY 2011 National Defense Authorization Bill to allow the Service to make deposits into the EBF and for VA to draw reimbursement from the EBF for “kickers” associated with the Post-9/11 GI Bill education benefits.

DOD's third major role is the implementation of the provision that allows the Secretary of Defense, for the purpose of promoting recruitment and retention, to permit certain members of the Armed Forces to elect to transfer all or a portion of their unused educational entitlement to a spouse and/or child. Family members and quality of life groups throughout the Department have supported transferability of education benefits. Due to the requirement that members must commit to additional service to be eligible to transfer unused education benefits, transferability is a significant incentive for continued service. The transferability process is a shared responsibility—with DOD accepting and approving the request to transfer, and VA administering the transferred benefit just as they administer benefits for Servicemembers and Veterans.

In implementing our responsibilities under this provision, DOD established a Web-based paperless process for approval and submission to VA, the Transferability of Educational Benefits (TEB) system. Career Servicemembers, either active duty or selected reservist, log into TEB, a secure site, with their common access card or unique ID and password. TEB provides them a screen that shows all family members who are enrolled in DEERS and eligible for military benefits. The individual may then select the family member(s) and enter the number of months of benefit each receives. This request goes to the Service for approval. The Service verifies the member has completed the required additional service commitment and approves the request. Approved requests are shared with VA on a nightly basis through VADIR, as earlier described. Transferability has been well received by our career force. To date, over 105,000 requests from career servicemembers have been approved—transferring months of benefit eligibility to over 240,000 family members.

DOD is committed to the success of the Post-9/11 GI Bill. From the beginning, we started outreach to both our internal and external audiences. To support recruiting, the Post-9/11 GI Bill has become an integral part of both Service and joint advertising. To support retention, we established a special page on Defense Link for the Post-9/11 GI Bill, participated in numerous interviews and roundtables, published a final rule on DOD implementation in the *Federal Register*, and printed information and links to VA Post-9/11 GI Bill web sites on Leave and Earnings Statements for all military members. The Department has been working very closely with the VA Education Service since enactment, and will continue to work side-by-side with VA staff. The Post-9/11 GI Bill will have major impacts on DOD recruiting and retention. Recruiting and retention are the critical goals that guide how we implement this program. We recognize our duty to staff the All-Volunteer Force with high-quality, motivated, and well-trained men and women. As we move through the 21st Century, we must continue to build upon the remarkable legacy of the visionaries who crafted the original and preceding versions and improvements to the GI Bill. I thank this Committee for its continued, dedicated support to the men and women everywhere who currently serve and to those who have served our great Nation. I will be happy to answer any question you might have at this time.

Chairman AKAKA. Thank you very much, Mr. Clark.

Before we move on here, I would like to ask Mr. Wilson whether you would like to go through some of your slides before we get to other statements and questions.

Mr. WILSON. I am prepared to do that now, Mr. Chairman. We are flexible. One of the key things that we were asked to talk about was the claims examiner experience. So the slides will give you and the Committee an understanding of what our claims examiners are going through to provide the benefits to the students. If you are prepared for that now, I can do that.

Chairman AKAKA. Well, if this is appropriate for you, will you run the slides please?

Mr. WILSON. Yes, sir.

The VA has prepared four slides that provide an overview of what it takes to provide benefits to students as compared to what it takes to provide students under our other programs, most specifically the Montgomery GI Bill.

The first slide entitled "Benefits Payments" is a side-by-side comparison of the structure and needs under the Montgomery GI Bill versus the Post-9/11 GI Bill. Under the existing benefit payment

structures existing prior to the Post-9/11 GI Bill, we were looking at essentially a single monthly benefit payment specifically to the individual. One payment went out each month directly to the individual. Benefit payments were paid essentially according to a fixed-rate scale. There were some variations in that, but basically, it was a one-size-fits-all type of program, and it still is. All benefits were paid again directly to the beneficiary.

## Benefit Payments

Existing Benefit Payments	Chapter 33 Benefit Payments
<ul style="list-style-type: none"> <li>• Single, monthly benefit payment per individual</li> <li>• Benefits paid according to a fixed rate scale based upon length of service for each program</li> <li>• All benefits paid directly to the beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>• Up to five different benefit payments per beneficiary</li> <li>• No set rate – benefit payments vary based upon individual's length of service, BAH rate for the school's zip code, rate of pursuit and maximum tuition and fees rate for each state</li> <li>• Lump-sum tuition and fee payments and Yellow Ribbon payments (if applicable) paid directly to school at the beginning of each term</li> <li>• Housing allowance paid monthly to the beneficiary</li> <li>• Books and supplies stipend paid to the beneficiary at the beginning of each term</li> <li>• Kicker payments (if applicable) paid to the beneficiary at the beginning of each term</li> </ul>

Under the Post-9/11 GI Bill, there are up to five different benefit payments per beneficiary, and there is no set rate. I think that is one of the key messages on this slide, the actual payment amounts that are going out will be unique to each individual. If two individuals receive the exact same payment amounts, it will be purely coincidental because their tuition and fee charges will be different; they will be living in different ZIP codes for the housing rates, et cetera.

There is, as you are aware, lump sum payment for tuition and fees at the beginning of the semester. There is also a monthly payment that goes to the student for their housing allowance. There is also a single payment, the books and supplies stipend, that is paid at the beginning of the semester.

In addition to that, if an individual is eligible for kickers under any of the other benefit programs, then, as applicable, those kickers are paid separately to the individual.

## Claims Processing Comparison

### Chapter 30

Chapter 30 processing of an original claim with an enrollment certification (to generate payment) requires on average 15 minutes per claim.

- Approximately 16 manual actions per claim
- Data entry into 1 system
- 2-3 individuals required to complete a claim

### Chapter 33

Chapter 33 processing of an original claim with an enrollment certification (to generate payment) requires on average 82 minutes per claim.

- Approximately 31 manual actions per claim
- Data entry into 4 separate systems
- 4-5 individuals required to complete a claim

The next slide, entitled “Claims Processing Comparison,” gives in terms of time, clock time, what it takes to actually process a claim. And I would point out two numbers on this slide. The first, under Chapter 30 is the 15 minutes per claim. Chapter 30 processing of an original claim with an enrollment certification takes about 15 minutes. There are approximately 16 manual steps of data entry into one system.

Compared with the Post-9/11 GI Bill, it takes about 82 minutes on average to process the same work, an original claim again with an enrollment certification. About 31 manual actions are required for that claim: it requires data entry, separate data entry, and keystroking information into four separate systems. Those systems do not interface.

## Chapter 30 Claims Processing Tasks

Task	Automated?	Manual?
Claims Establishment		X
Review Address Information		X
Enter EFT Information		X
Enter Service Information	X	
Enter Entitlement Information		X
Determine Eligibility & Entitlement	X	
Review Program Approval Information		X
Enter Enrollment Information		X
Start Date		X
End Date		X
Start Reason		X
End Reason		X
Type of Training		X
Training Time		X
Type of Hours		X
Number of Hours		X
Charges		X
Authorize Claim		X
Generate Letter	X	
Generate Payment(s)	X	

The next two slides give more specificity. The first titled “Chapter 30 Claims Processing Tasks” is a line-by-line breakdown of the steps that an individual needs to take to administer a Chapter 30 payment and whether that process is automated to some degree or whether it is manual to some degree. As you can see, the 16 steps are listed here that are required for the Chapter 30 process. Again, this is a summary. These are the details of what occurs during those 15 minutes to process a Montgomery GI Bill claim.

### Chapter 33 Claims Processing Tasks

Task	Automated	Manual	Task	Automated	Manual
Claims Establishment		X	Charges	X	
Review Address Information		X	Full Time Hours	X	
Enter EFT Information		X	Distance Hours		X
Enter Biographical Information		X	Yellow Ribbon Program		X
Enter Service Information		X	Copy & Paste Notepad		X
Enter Entitlement Information		X	Determine Awd Adjustments	X	
Copy & Paste Notepad		X	Enter Adjustments - FET		X
Determine Eligibility & Entitlement	X		Copy & Paste Notepad		X
Enter E&E Calculations - FET		X	Verify No Adjustments Req'd	X	
Enter E&E Calculations - BET		X	Authorize Claim		X
Review Program Approval		X	Generate Letter		X
Enter Enrollment Information		X	Input Fiscal Transaction 1*		X
Start Date		X	Authorize Transaction 1*		X
End Date		X	Input Fiscal Transaction 2*		X
Type of Training		X	Authorize Transaction 2*		X
Training Time	X		Input Fiscal Transaction 3*		X
Type of Hours		X	Authorize Transaction 3*		X
Number of Hours		X	*Actions completed by fiscal technicians		

Turning to the last slide, titled “Chapter 33 Claims Processing Tasks,” you can see that there are many more steps to process a Chapter 30 claim, noting the 33 steps that I talked about. And these are the individual steps that go into the 82-minutes it takes to process a claim under Chapter 33. As you can see, some of those are automated. The majority of those are manual, requiring a lot of manual keystroking for our claims examiners.

All total right now, we have about 1,100 individuals processing claims for all our benefit programs. That is for the Post-9/11 GI Bill as well as the other education programs we administer.

I would be happy to answer any questions that you or any member may have, sir.

Chairman AKAKA. Thank you very much, Mr. Wilson. Let me begin.

Mr. Wilson, what one change do you believe would be most important to make in order to streamline and simplify the implementation of a new program?

Mr. WILSON. I have to limit that to one? The program itself is a fabulous program, and anything that I would say, I would not want to detract from the significance of this program.

From the user perspective—the students, the veterans’ perspective—what I hear a lot about is the confusion of having more than one GI Bill program. As you are aware, the programs that we had prior to the Post-9/11 GI Bill are still in existence, and individuals need to make those decisions on what the best program is for them based on their unique situations. It is not always the Post-9/11 GI Bill; it is not always the Montgomery GI Bill, but that decision process causes a lot of confusion for our students, and it makes it that much more cumbersome for us to administer.

There are a lot of other technical issues with the payment structure and timing. For example, paying the tuition and fees and setting the tuition and fee structure at the beginning of the year causes us a lot of problems because at the time that the States are setting their tuition rates, that is the same time that schools are submitting enrollment information to us and we want to pay correct benefits. So, the crunch time that occurs in the fall with the establishment of rates is very challenging.

Chairman AKAKA. Mr. Warren, could you please describe in more detail what the purpose of a Web interface is and how that will improve the process?

Mr. WARREN. Thank you, Mr. Chairman. The processes that were laid out on the charts for Mr. Wilson actually reflect the steps that the employees are going through today for the interim approach. The interim approach was a manually augmented effort. With the time we had for implementation, that was the best we could do: four different tools, multiple screens.

The long-term solution that we are working through, the first increment that has been deployed and is in use, takes all those steps and automates them. The goal is to give a single environment which the education employee can go through and things happen for them. So, the goal is to take all those steps and reduce the time.

We are seeing some benefit with the first release that is out on the table in terms of usability and access. We still have the different data feeds, which is a large part of this. I need to look in different systems to make decisions. Those get pulled in as we go forward. So as we hit Increment 2 the majority of those manual steps should be retired, so it becomes automated.

So, that is looking at it from the VBA or the VA employee's standpoint. There also is the intent of putting a self-service portal out there for the veteran to use as well, so that they can access information. So Increment 4, looking in the December timeframe or the one after, offers the ability for the veteran to log in and actually see where they are in the process, so there would be a little bit more confidence regarding when the check will come, if something is missing, and where it is in process. So hopefully, that answered your question, sir.

Chairman AKAKA. Thank you.

Mr. Osendorf, could you explain what happened on April 1 when VA recovered the wrong amount of emergency pay from 6,000 veterans? Also, what steps have been taken to ensure that this will not happen moving forward?

Mr. OSENDORF. It was a glitch in the system that if the veteran was ending his entitlement in that semester, the system would grab the entire last check and ignore the deduction that was set on the account. When the VA discovered that, they immediately identified those particular people and got checks issued to them for the difference between what should have been withheld and what was actually withheld. That glitch has been fixed.

Chairman AKAKA. Thank you.

Mr. Clark, when new recruits enter the service, what advice are they given about the need to make a \$1,200 contribution to the Montgomery GI Bill?



Mr. CLARK. Thank you, Mr. Chairman. As Mr. Wilson stated, the Montgomery GI Bill still remains in effect even though the Post-9/11 GI Bill has come online. And by law, by statute, every new member who enters the military who is eligible is automatically enrolled in the Montgomery GI Bill. They must make a positive step to disenrolling.

From the very beginning we put word out to all of the training sites to ensure that these new members realized that there are limitations on the ways that the Post-9/11 GI Bill can be used. It is limited to institutions of higher learning, where the Montgomery GI Bill can be used for on-the-job training, apprenticeship programs, vocational programs, flight training, and many other ways of training. So, we have advised them to keep in mind what their post-service options may be.

I am pleased to report that although they have dropped off a little bit, traditionally for the last 10 or so years over 95 percent of our new recruits have decided to stay enrolled in the Montgomery GI Bill. We are still seeing between 90 and 95 percent of our new recruits remaining enrolled in the Montgomery GI Bill to retain their options. We tell them even if you enroll and remain enrolled in the Montgomery GI Bill, you can always convert over to the Post-9/11 GI Bill if that would be a better post-service program for you.

Chairman AKAKA. Thank you very much.

Let me call on our Ranking Member for his statement and questions.

**STATEMENT OF HON. RICHARD BURR, RANKING MEMBER,  
U.S. SENATOR FROM NORTH CAROLINA**

Senator BURR. Thank you, Mr. Chairman. Aloha, and my apologies for my tardiness today. I would ask unanimous consent that my opening statement be a part of the record.

Chairman AKAKA. Your statement will be made a part of the record.

[The prepared statement of Senator Burr follows:]

**PREPARED STATEMENT OF HON. RICHARD BURR, RANKING MEMBER,  
U.S. SENATOR FROM NORTH CAROLINA**

Good morning, Mr. Chairman, and thank you for calling this hearing to discuss the implementation of the Post-9/11 GI Bill. I also want to thank our witnesses for being here today. Your input will help us understand what worked well and where mistakes were made in standing up this new education program. More importantly, it will help us identify how veterans and their families can be better served as we move forward.

This education program was created for those who have served in the Armed Forces since the devastating attacks on September 11, 2001. When these brave men and women choose to pursue their educational goals, their benefits need to be accurate, timely, and hassle free.

Unfortunately, the first semester of this program did not go smoothly for many of these veterans. As we'll discuss today, some veterans experienced long delays, frustrations, and financial strains while waiting to receive their education benefits. And many schools had to find ways to accommodate veterans while waiting for VA to pay the bills.

Recognizing these unacceptable delays, VA took a number of steps to get benefits to veterans more quickly. For instance, VA issued over 120,000 emergency advance payments and redirected more than 150 employees from VA's Education Call Center to processing claims. Although those and other measures did speed up the payments, they also created other problems.

Some veterans initially had a hard time cashing VA's handwritten emergency checks and many emergency payments were sent to individuals who were not eligible to receive them. Also, there was a significant amount of frustration caused by the fact that calls to VA went unanswered.

Other veterans ran into difficulties in paying VA back for the emergency advance payments. Some received two separate letters from VA, containing different information about the repayment process. And those who tried to call VA to discuss their options may have reached only a busy signal. On top of that, thousands of veterans initially had more money withheld from their April housing checks than VA had agreed to hold back.

In addition, some veterans have faced problems resulting from incorrect payments sent to their schools. As an example, a veteran from my home state of North Carolina had his monthly housing allowance cutoff by VA in order to recoup a duplicate tuition payment made to his school—even though the college had already sent the money back to VA. Unfortunately, as we'll hear today, that was not an isolated incident.

In light of these and other issues surrounding the implementation of the Post-9/11 GI Bill, I hope to have a candid discussion today about what went wrong, what steps have already been taken to deal with those problems, and, more importantly, what else can be done to improve the delivery of these benefits to veterans in North Carolina and across the country.

In that regard, I am encouraged by signs that the current semester is proceeding more smoothly and I appreciate the hard work of VA employees in making that happen. But, even with those improvements, I think it is important to fully understand what stumbles occurred in standing up this program. That way VA, Congress, and other stakeholders have the opportunity to learn from these experiences and try to ensure that veterans will not endure similar problems in the future.

On a final note, Mr. Chairman, I want to mention how pleased I am to be working with you on a draft bill to make technical changes to the Post-9/11 GI Bill. I believe that draft will be a useful starting point in discussing how we may be able to improve this program for our Nation's veterans and their families.

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

Senator BURR. Thank you. I would point out to the Chair that the last paragraph of my opening statement praises his willingness to work with me as we try to draft a technical corrections bill, and I thank you, Mr. Chairman, for that.

After the February hearing on the progress—or excuse me; it was actually on the budget request—I sent a number of post-hearing questions to the VA. Since then, I have received answers to a small handful of those questions.

Now, that was February, March, April, 60 days. So I am going to take the opportunity today to try to get some answers to some questions. OK? And if you would like to continue not to provide answers to them, then I am going to make a request to the Chairman that he peruse my questions to see if this should not be a request that we make from the Committee because I think that these are important questions, hence, important answers for us to do the proper oversight of any agency or any program.

So, how many individuals received advance payments and were later determined not to be eligible to receive those payments? And I will open it up to whomever.

Mr. WILSON. I will do the best I can to take a shot at that. First of all, let me apologize for the responses not being provided to you. That is not the way we like to do business, and I will follow up when I get back to the office.

[Responses were not received within the Committee's timeframe for publication.]

We have preliminary data, but the core issue that we are looking at right now is validating the data. The Inspector General, VA In-

spector General Office, is looking at the Post-9/11 GI Bill payments, including the advance payments, and once they have validated the information, then we will be able to have something solid that we can talk about with a level of confidence.

Senator BURR. How much in total was disbursed to individuals who were not entitled to advance payments?

Mr. WILSON. I would not know the answer to that. We need that information from the Inspector General before we can determine how many individuals and then by extension how much money that would have been.

[Responses were not received within the Committee's timeframe for publication.]

Senator BURR. So would it be safe to say that you also would not know how much has been recouped?

Mr. OSENDORF. I have got total recoupment: \$75 million on all advance payments that were issued, but I do not have any information as to whether they were eligible or ineligible in my system.

Senator BURR. So what other advance payments would we have recovered if they were not entitled? Why would we have recovered other dollars? We overpaid?

Mr. WILSON. For every individual that received an advance payment, when their claim was processed the total amount that was due, based on their claim situation, was paid. So they were paid \$3,000 in addition to the amount that they were entitled to, based on their enrollment status. So our process for recouping the payments is to recoup that \$3,000 that they were paid beyond what they were entitled to under the program.

Senator BURR. But at \$75 million worth of recouped money, we still do not know whether we have recovered everybody's \$3,000 advance.

Is that an accurate statement?

Mr. OSENDORF. We have not collected everybody's \$3,000 advance.

Senator BURR. So if, in fact, we intended to overpay by \$3,000, the total value of overpayments of \$3,000 made would be what?

Mr. OSENDORF. That's \$355.5 million in total advance payments made.

Senator BURR. Can you break that down for me for individuals? My math is not real good.

Mr. OSENDORF. I believe it is 121,095.

Senator BURR. OK. So we do not know of that population who was ineligible to receive a payment?

Mr. WILSON. That is correct.

Senator BURR. Does VA intend to provide advance payments in the future?

Mr. WILSON. The short answer to that is no. We did not like going down the advance payment road to begin with, but we felt it was something that we had to do to make sure our students were receiving the money they needed to stay in school.

Since we worked our way through the fall enrollment in August, our ability to process claims has greatly increased. We believe we have the resources in place to continue to provide timely payments. At the beginning of the fall semester, we were processing, and had the capability of processing, about 1,800 claims a day. Opening into

the spring semester, it was about 7,000 a day which, obviously, our timeliness is that much better. We expect to be able to maintain that level of performance.

Senator BURR. If somebody does not repay that advance payment that is owed back, what recourse do you have?

Mr. OSENDORF. They will go through the regular VA collection process. They will get a series of letters. They will be referred to a credit reporting agency. They will be referred to the Treasury Offset Program for—

Senator BURR. Will their tuition payment for next year go out?

Mr. OSENDORF. It should be offset against the overpayment.

Senator BURR. Should be or will be?

Mr. OSENDORF. It will be. The system is automatically designed to do that.

Senator BURR. During the Fiscal Year 2011, how many full-time individuals will be assigned to the Education Call Center?

Mr. WILSON. I will have to get those numbers for the record, Senator. I am not aware of the exact numbers. What I can tell you is we do not expect a decline. We have no plan to decline the number or trickle down the number of people that are in the call center. It is approximately 200, but I will get the exact number.

Senator BURR. Does the 2011 budget request include funding for sufficient education claims processing staff so that the Education Call Center employees will not be redirected to claims processing?

Mr. WILSON. I do not have any direct information on the 2011 budget. I would be happy to provide those numbers for the record.

[Responses were not received within the Committee's timeframe for publication.]

Senator BURR. I thank you.

Mr. Chairman, my time has expired, but I would ask the Chair to consider talking with me about a formal Committee request of the questions. I submitted 300 questions to the Veterans Administration. I got 111 responses after well over 60 days. As you can tell from some of these, there are budgetary issues. They are issues that will affect future payments of eligible individuals. There may be individuals that lack an understanding that they were overpaid.

Until we get answers to questions, we do not know the next questions to ask. Therefore, we are going to have individuals that are in precarious situations. And if, in fact, we are going to go through a technical corrections bill, we ought to figure out what is broken, and that is why we need the answers to the questions. I look forward to working with the Chair and thank the Chair.

Chairman AKAKA. Thank you.

Senator TESTER.

Senator TESTER. Yes, thank you, Mr. Chairman. I appreciate it, and I appreciate the panels being here.

The GI Bill that we passed is a major accomplishment. I think you folks know that, and you have pointed it out in your testimony. Making sure that we have the education assets available to our veterans returning from the war zone so they can integrate back into civilian life and be a success is as equally important in my mind as the health care benefits that they are offered and living up to that obligation.

But I have my concerns. I have talked to students and school personnel about the program, the new GI Bill. Their top complaint is communication. They do not believe that the VA is doing a good enough job listening. Part of the problem in Montana is there is no VA employee on the ground to deal with this. I have requested one several times, in fact. We have been turned down. We have been told that they need to go to VA personnel in St. Louis because that is who can handle that problem. To be blunt, it ain't working.

For example, Montana State University has seen one certifying officer in the last year. I think it is fair to say that many of the tribal colleges where you have high, high, high enrollment in the Armed Services and a large number of veterans, have not had a visit from the VA, period, since this bill has been started.

So we have some problems there. I think the bottom line is this, we need to get some VA personnel on the ground listening to Montanans about the concerns they have with implementation of this program.

Do you have any comment in regard to that?

Mr. WILSON. I would agree conceptually with what the school certifying officials have been raising concerns about.

Senator TESTER. OK.

Mr. WILSON. As you are aware, we were in a situation in the fall that we did not like being in. We had an all-hands-on-deck effort. We had our education liaison representatives—the school's key VA contact—working claims, processing claims. We had a lot of our call center folks processing claims as well. We did not like doing that, but it is a tough decision we made to get the checks out the door.

Senator TESTER. How about moving forward?

Mr. WILSON. Yes.

Senator TESTER. The past is done. We need to move forward.

Mr. WILSON. Yes, and we have—

Senator TESTER. Can I get any sort of commitment we are going to get some folks on the ground, additional folks? And I am not just going to say Montana. I am going to say rural areas because I think they are all in the same boat.

Mr. WILSON. I will be happy to take that message back and have discussions with the operational folks. I cannot provide you an answer on the here and now.

Senator TESTER. I appreciate that, and we will probably be approaching it from our end again, too. I think it is critically important. We have got a high percentage of vets that live in rural America. There are geographic issues that fall into a State like Montana and other rural areas that need to be addressed, and if we do not address them, people cannot take full advantage of the benefits that they have earned from being in the service.

Mr. Warren, you had talked about the systems interface. Right now, it is manual. Over the long term, it is going to be automated. When is the automation going to occur?

Mr. WARREN. The automation. So the first phase has rolled out, and there is some automation in it for a limited number.

Senator TESTER. Not much by the charts.

Mr. WARREN. That actual chart shows just the interim. It does not show what functionality or capability came with Release 1 because—

Senator TESTER. All right. So when is the first interim going to happen?

Mr. WARREN. The first full set of capability is in that June 30 timeframe. So I would—

Senator TESTER. This year?

Mr. WARREN. This year, so—

Senator TESTER. And how many of those will have checkmarks in the automated column then?

Mr. WARREN. I would say it is probably close to 80 percent.

Senator TESTER. Eighty percent. So, 80 percent of those on that list that we are looking at right there, that says “Chapter 33 Claims Processing Tasks,” will be automated.

So how much do you anticipate that will cut down on the time, the 82 minutes it takes to process the claims?

Mr. WARREN. I would like to confirm the 80 percent for the record.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. JON TESTER TO STEPHEN W. WARREN, PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR INFORMATION AND TECHNOLOGY, U.S. DEPARTMENT OF VETERANS AFFAIRS

For the record the Mr. Warren offers the following updates regarding systems interface. These percentages represent a steady increase and vast improvement in the system:

- Release 1 deployed 5%
- Release 2, to perform at 20% on or before June 30, 2010
- Release 3, will operate at almost 50% on or before September 30, 2010
- Release 4, to perform at 80% on or before December 30, 2010

Thank you for the opportunity for confirmation and I am happy to provide additional information or content upon request.

Senator TESTER. That is fine.

Mr. WARREN. I will go back and do that.

The improvement we are seeing right now for a clean claim, we are looking at 15 and 20 minutes based upon whether it is a certificate of eligibility or processing. So it is a reduction of about 15 to 20 percent. Now, that is a clock time for a simple one.

Senator TESTER. OK.

Mr. WARREN. For the average one, to be honest, we actually need to see the steps that the VCE goes through as they process it. But the expectation is, we are at 15 to 20, we are moving to 50 or more. But again, until it is actually on the ground and the user—

Senator TESTER. So you know how it works.

When is it going to be 100 percent automated or will it ever be 100 percent automated?

Mr. WARREN. The majority of capability from the VA employee standpoint should be automated by December.

Senator TESTER. This year?

Mr. WARREN. This year. So again—

Senator TESTER. And will that cut the time for processing down to 15 minutes or less, like the old program? I mean, you must have goals. I mean, automated processing should save you something.

Mr. WARREN. Yes, the goal is to reduce it down to a reasonable amount of time. I think it is difficult to compare something which is a single thing to multiple decisions that need to be made. But

with bringing automation on board, yes, it should bring it down to something comparable.

Senator TESTER. OK. That is fine.

Mr. WILSON. If I could add to that, please.

Senator TESTER. Sure, absolutely.

Mr. WILSON. In terms of making sure that we are clear on the expectations for the June release and the ultimate full automation, what June will do, as Mr. Warren indicated in his testimony, will get us off our current environment.

Senator TESTER. Yes.

Mr. WILSON. But in June, there will still be a lot of manual work from our claims examiners.

Senator TESTER. Sure. But less than you have now.

Mr. WILSON. Pardon me?

Senator TESTER. But less than you have now.

Mr. WILSON. There will be probably about 10 to 15 percent less.

Senator TESTER. OK.

Mr. WILSON. But the manual process as we have it right now will largely be intact in June. So we will still be doing this by brute force largely in June. Now, the next steps that will occur will be moving into automation. It will be pre-population of data in Release 3. It will be integration of the existing data feeds. And what that will ultimately do—our goal is to process claims without human intervention.

Senator TESTER. Perfect.

Mr. WILSON. And if that happens, then that gets us away from the whole issue of timeliness because a human being will not need to touch it and slow it down. Ultimately, that is our goal.

Senator TESTER. I am with you. I am just curious what the time-frame is to reach that goal, what the expectations are, because ultimately at the end, it will cut down administrative costs. We can flow more of these dollars to the veterans on the ground. That is the bottom line, plus they will get better service.

Mr. WILSON. We will go into next fall largely a manual process, and we have made the commitment to keep the people on board. The process is in place right now, so that we can at least maintain the level of performance we had in the spring.

Senator TESTER. Thank you.

I have run way over. I have more questions. I hope to do a second round, Mr. Chairman.

Chairman AKAKA. We will have a second round.

Thank you, Senator Tester.

Senator Brown, you have questions?

**STATEMENT OF HON. SCOTT BROWN,  
U.S. SENATOR FROM MASSACHUSETTS**

Senator BROWN OF MASSACHUSETTS. Thank you, Mr. Chairman. I appreciate the opportunity to be here and on this Committee.

I am new here, but, obviously, in the military, I understand the issues pretty succinctly back home from dealing with a lot of VA and education issues in Massachusetts for Guard and Reservists. I know this does not apply, per se, obviously to that situation.

But one of the things that I have been wondering is do you have the tools and resources to do your job and do it more effectively and more efficiently?

Mr. WILSON. We believe we have the tools and the resources in place now to continue to provide services commensurate with what we did in the spring, which obviously was much better than the fall. In terms of the next step for that, in terms of effectiveness, we are funded for the full development of the IT that we are in the process of rolling out right now. And I would ask Mr. Warren to correct me if you believe this is incorrect, but I believe we have the funding to improve that effectiveness and productivity.

Senator BROWN OF MASSACHUSETTS. And one of the things that has been brought to my attention, which I have always kind of been concerned with, is that the VHA rates were announced in mid-December for the upcoming year and they were implemented by the January 15 paycheck. And the veterans attending college on the Post-9/11 GI Bill should have received the same increase at the same time. For example, somebody going to UMass Boston would have received an extra \$261 plus in January. It is obviously April 21 now, and that veteran has not seen that increase and nor has anyone else.

Now, I understand the VA announced this past Monday to fix the plan, fix the problem. But that veteran still will not see the additional money until July. So I am wondering, number 1, how did this happen? Number 2, are those accurate dates? And, number 3, how are you going to ensure it does not happen again?

Mr. WILSON. I will talk about it from probably a higher level and ask Mr. Warren to get into any IT details.

The interim solution that we had talked about, the method in which we are paying claims right now in the timeframe we were given, we had the capability of creating a single rate table. And the tool that we are using right now only has the capability for the 2009 rates. There is no relationship and no ability to create a relationship to more than one rate.

What will occur with our Release 2 which we have been talking about that is scheduled for June 30, is that functionality. It provides that relationship to more than one rate table, and that is what would give us the ability of paying the multiple rates, 2009 and 2010 rates.

Mr. WARREN. And the July timeframe, to your point, bringing the tool on place allows us to simplify what the VA employee has to go through. Now, to go back and do the recalculation, we need to convert all of the data sets for all of the folks that received a benefit. So the July timeframe is to give us the opportunity—once the new system is online that holds multiple rates in it, we would take all the previous payments and all the previous files and convert them into the new system, so then we can calculate.

Senator BROWN OF MASSACHUSETTS. Right. So do you think it is going to be resolved by July or is this something we are going to systemically have a problem with every year?

Mr. WARREN. The capability will come online in this tool such that it has the ability to change rates as we go forward. So the tool that we are deploying is something for the future that allows us the ability to work with multiple rates. It is able to actually auto-



mate this whole process based on rules. What we had before was an augmented manual process. With the time that was available to put it in place, we built the tools we could.

Senator BROWN OF MASSACHUSETTS. I understand. So how do you address the back pay issue? Is there going to be an issue of people receiving monies that were due? How are you going to bring them current?

Mr. WILSON. There will be no issue of individuals receiving the payment. They will be made whole when we have that capability to process those claims. Right now, we would be processing those claims manually after June 30. We are looking at methods in which we can try to automate that so that we do not have a negative impact on the timeliness of our other processing work or a negative impact on our schedule for rolling out all of the IT tools we need.

Senator BROWN OF MASSACHUSETTS. And what about dealing with modifications to offer apprenticeship programs, technical training, flight training, prep courses for college admission? Is there any plan to do that, and, if so, when and how?

Mr. WILSON. There is no plans from the perspective of we are administering the program as it is laid out in the statute right now. Mr. Warren can probably speak to that better than I, but my understanding of the IT system is that it is developed in an architecture that gives us a wide degree of flexibility. So, as things do change, we have the ability to quickly account for those changes and pay benefits, continue to pay benefits timely without a negative impact on service.

Senator BROWN OF MASSACHUSETTS. One final question, Mr. Chairman, and then I will be done. I appreciate your indulgence.

As a Guardsman presently serving, and also many of my brothers and sisters who serve, when they are activated under Title 32, they are not eligible for the Post-9/11 GI Bill, as you know. If, in fact, through our efforts we make any changes to that, are you able to absorb those additional 32,000 or whatever amount, that may potentially be eligible?

Are you able to handle that type of influx?

Mr. WILSON. Subject to the IT functionality, yes.

Senator BROWN OF MASSACHUSETTS. Great.

Mr. WILSON. We currently are able, as I believe you are aware, to pay benefits to those individuals under the Montgomery GI Bill on our other programs.

Senator BROWN OF MASSACHUSETTS. Correct.

Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Brown.

Senator Burris, for your questions, please proceed.

#### **STATEMENT OF HON. ROLAND W. BURRIS, U.S. SENATOR FROM ILLINOIS**

Senator BURRIS. Thank you, Mr. Chairman, and good morning, gentlemen. I just have a few quick questions. I hope we can deal with that so that I can then ask some more.

Now, are payments, any payments made directly to the schools? How are the payments made?

Mr. WILSON. The payments are made through our current fiscal transaction process, and they go directly through EFT, electronic

funds transfer, assuming the school has an EFT account, into their bank account that they indicated to us.

Senator BURRIS. To the school or to the student?

Mr. WILSON. To the school. The tuition and fee payments go directly to the school. The housing payments and book payments go directly to the student.

Senator BURRIS. Housing and book payment. How do you do verification? If I tell you my rent is \$500 a month and really rent is \$300 a month, how do you do the verification of that?

Mr. WILSON. We do not verify the actual payment amounts. The statute allows us to pay a flat rate that is equal to the DOD basic allowance for housing rate for an E-5 with dependents.

Senator BURRIS. I thought you said it was based on individuals, so each individual might have a different situation. So now you are saying that it is a flat rate for their rent that they pay.

Mr. WILSON. No. What I am referring to, Senator, is the entire cadre of payments that go out to an individual will be unique to them, taking into account the housing allowance that they receive directly.

Senator BURRIS. So how do you measure the housing allowance?

Mr. WILSON. That payment goes directly to them. The school is paid the tuition and fee amount on the veteran's behalf based on the actual charges from the institution.

Senator BURRIS. Mr. Wilson, if I lived in Chicago and I was going to Loyola or DePaul and I am a veteran, my rent would be higher than if I lived in Carbondale, IL, and went to Southern Illinois University. So please give me a quick overview of how you verify the information I put on my application? How do you determine that that stipend will be comparable to my living standards?

Mr. WILSON. We pay the stipend based on the zip code of the school. We know that school, and we have a relationship with the school certifying official that verifies attendance for us.

Senator BURRIS. OK. But you cannot verify what the veteran has put on his application that he is paying in rent.

Mr. WILSON. No, we are not required to do that under the statute.

Senator BURRIS. OK. So how do you determine the flat amount?

Mr. WILSON. We determine the flat amount based on the zip code of the school that the individual is attending and its relationship to DOD's basic allowance for housing rates.

Senator BURRIS. OK. That was more complicated than I anticipated. I thought I could get through that quickly.

You said that there are 1,100 processors working on claims. Where are they located; here in Washington or throughout the country?

Mr. WILSON. They are at four locations across the country, Buffalo, NY; Atlanta, GA; St. Louis, MO, and Muskogee, OK. We also have individuals from some of our other regional offices assisting currently.

Senator BURRIS. I was talking to General Shinseki and he told me how you got inundated with all of these applications, which just overloaded the system. So, there are four processing locations where all this is happening.

If I was going to Southern Illinois University in Carbondale, where would I file my application if I was a veteran?

Mr. WILSON. I believe for Illinois it would be St. Louis, but I would have to get that information for the record.

Senator BURRIS. And now we are a suburb of St. Louis, right?

Mr. WILSON. Yes.

Senator BURRIS. OK. Just a little joke. Smile, Mr. Wilson.

Are there any type of verifications that you folks do for students? I know with a lot of these Pell grants and other grants to go to universities and colleges, there is a lot of fraud going on.

Who is doing some of the verification? Is it all left up to the Inspector General or how are we doing any verification? I guarantee you that there is going to be a percentage of individuals who maybe are not even a veteran, but they claim to be a veteran, that try to game the system.

Are we prepared for that?

Mr. WILSON. We are. In terms of the veteran's status, we receive real-time data directly from DOD, and we validate the person's veteran status based on that. That is the first thing we do. Number 2, we do not pay any benefits until a school certifying official located at that specific schools reports to us that that student is enrolled. They give us the training time. They give us the exact tuition and fee amounts. So the school independently reports those numbers.

Now, in terms of oversight for that mechanism, there are two ways of doing that. VA has individuals that go out to schools and we actually verify the information. We look at their records. We verify the information they report to us. In addition to that, the State Approving Agencies that have been under contract to VA since 1947 at the State level do that same type of work. They are out at schools looking at their records as well.

Senator BURRIS. Very good.

Now, Mr. Wilson, as you know, a major problem this year stemmed from tying living expenses to certification of enrollment and tuition payments. How can we ensure that a similar situation will not occur next year?

Mr. WILSON. The core method that we have in place to ensure that that does not happen again is our processing capability that we currently have. We went into the spring being able to process 7,000 claims a day, which is far in excess of what we went into the fall with: being able to process 1,800 claims a day.

So that capacity to keep up with the workload coming in at those peak periods is there. That is at the core of the process we have in place. In addition, as we receive additional functionality, as more IT functionality is delivered, that builds on that capability.

Senator BURRIS. Mr. Chairman, may I have the liberty to ask one more question because I will have to leave to preside. I just want to have one more question.

Is it possible?

Chairman AKAKA. Fine.

Senator BURRIS. Thank you, Mr. Chairman.

Mr. Wilson, my office has received reports that the overworked VRE and the counselors are pushing veterans to the GI Bill despite

the fact that many of the service-disabled veterans might need the supportive services that VRE provides.

Mr. Wilson, are you aware of the problems? And if so, what is being done about it?

Mr. WILSON. All of the voc rehab counselors across the country have been trained in great detail on VA's education programs, which includes the Post-9/11 GI Bill. As an individual indicates that he or she wants to pursue training in the voc rehab program, or Chapter 31 program, the counselors sit down with those individuals and they work one-on-one to determine what is the best program. They look at things both from a financial basis as well as a non-financial basis, taking into account their disabilities, such things as their length of delimiting date for their GI Bill benefits, things like that. So it is decided on a case-by-case basis. I am not aware of any mechanisms that exist to try to funnel people into any specific program.

Senator BURRIS. Thank you, Mr. Chairman. I appreciate the opportunity.

Thank you very much, Mr. Wilson.

Chairman AKAKA. Thank you very much, Senator Burris.

Now, Senator Isakson, please proceed with your questions.

**STATEMENT OF HON. JOHNNY ISAKSON,  
U.S. SENATOR FROM GEORGIA**

Senator ISAKSON. Thank you, Mr. Chairman.

Mr. Wilson, isn't it true that on the question that Senator Burris asked regarding housing that the Veterans Administration establishes a housing allowance rate per zip code around the country, and then the soldier is reimbursed or the veteran is reimbursed based on that assignment? If the housing they are renting is actually more, they pay the difference; if it is less, the money is theirs. Is that not correct?

Mr. WILSON. Yes, that is correct.

Senator ISAKSON. Which is the same as most per diem allowances in terms of the government system.

Explain the Yellow Ribbon program to me.

Mr. WILSON. The Yellow Ribbon program is a unique portion of the Post-9/11 GI Bill. At its core, the GI Bill allows us to pay the maximum in-state undergraduate costs at any public institution in each State. So at its core, anybody pursuing an undergraduate degree at a public institution is covered fully. We pay for that.

Now, if an individual is in a situation where they have expenses that exceed that, that is where the Yellow Ribbon kicks in. Situations that may exceed that would be: an individual pursuing training at a private school, for example; or they are pursuing graduate training where the charges are higher than undergraduate charges; or they are being charged out-of-state tuition.

In those types of situations, the Yellow Ribbon agreement allows the VA to enter into agreements with specific schools uniquely to each school. And under those agreements, the school can agree to waive up to the half of the difference between their charges and what the State maximum is, and VA will match the amount that the State offsets. So if a school wanted to participate fully in the

Yellow Ribbon program, any student's charges would be fully covered at that private institution as well.

Senator ISAKSON. Explain where there would be an application of an out-of-state tuition.

Mr. WILSON. Each State has different policies, procedures, local regulations on—

Senator ISAKSON. The time of residence then, they may not have been there long enough to qualify. OK.

Mr. WILSON. That is exactly the type of thing, yes.

Senator ISAKSON. And in your Yellow Ribbon agreement, let's just take a situation where a university has a \$10,000 differential for out-of-state tuition. It allows them to waive up to \$5,000 and the VA to match it.

Is that what I understand?

Mr. WILSON. Yes, that is correct.

Senator ISAKSON. So if a veteran did not reside in Georgia long enough to qualify for in-state tuition at the University of Georgia, and if that out-of-state tuition was \$10,000, you would reimburse up to half of that out-of-state tuition?

Mr. WILSON. That is correct.

Senator ISAKSON. But you do that through a negotiated contract with the university.

Mr. WILSON. Yes.

Senator WILSON. And I would assume most universities are cooperative in negotiating that; is that correct?

Mr. WILSON. We have about 1,300 Yellow Ribbon agreements across the country at about 1,100 schools.

Senator ISAKSON. OK. With regard to States where there is a tuition benefit that a veteran may earn, Georgia has the HOPE Scholarship program; I know California has free tuition programs, do you offset benefits based on that State benefit?

Mr. WILSON. It will depend on the mechanics of how that program is administered in the State. Broadly speaking, yes. What we pay under the Post-9/11 GI Bill is actual charges. Now, whether or not those charges would exist in a State, that would impact what we would pay, how much we would pay under the Post-9/11 GI Bill. So those type of programs, if there is no charges, then we make no payments.

Senator ISAKSON. So, unlike the assignment of a value for housing per zip code, in the case of tuition, you would actually verify whether or not there is a benefit the veteran is receiving, and then only reimburse the non-benefit amount?

Mr. WILSON. That is correct. The school certifies to us the amount of the charges.

Senator ISAKSON. Thank you very much to all of you.

Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Isakson.

Senator Begich, your questions, please.

# **STATEMENT OF HON. MARK BEGICH, U.S. SENATOR FROM ALASKA**

Senator BEGICH. Thank you very much, Mr. Chairman.

I have a few, but first I apologize for being late, so let me ask. I always give my colleague next to me a lot of harassment. He

probably took my binder, asked all my questions. He did. See? But let me ask first a general question.

Do you or are you in the process of surveying the students who have accessed the Post-9/11 Bill in getting some sort of response on issues that they say are problems or positive things? Can anyone answer that?

Mr. WILSON. We are constantly working with our stakeholders, most specifically our students. We receive information on their concerns several ways. First of all, they can contact us directly and do that. We also have our existing relationships with the school certifying officials at the schools, with the State Approving Agencies in the States, as well as services organizations.

For example, the Student Veterans of America is an organization that has groups on over 150 campuses across the country. We have regular interchanges with them, and we receive information.

Senator BEGICH. But do you do like a large business would do? When I go get service on my car, I get a customer service survey to ask me how did it work, what went on, what were the problems you had. Do you have a system like that? And the reason I ask you that is it gets you direct information from the consumer rather than through stakeholders and through other means.

Is that something that you would be interested in doing or do you do in any form?

Mr. WILSON. If I could answer that from a little bit broader perspective first and then answer that specifically.

Senator BEGICH. OK.

Mr. WILSON. We have a very aggressive outreach mechanism in place. It goes back to the time when an individual was in the service. We do four direct mailings to an individual during their active duty, one 6 months into service, 2 years into service, 6 months prior to separation and at separation. So we give them redundancy in the information. That is a push of information.

We also work very hard—

Senator BEGICH. If I can interrupt for a second, that is to get them connected to know what those benefits are.

Mr. WILSON. That is correct. We have also worked very aggressively over the spring on a specific outreach campaign to make sure we are hitting those issues hard again. We provided information through print media, radio stations, posters, et cetera, directly to campuses, to make sure individuals have information on what they can help us with in terms of administering the program effectively.

Now, in terms of specifically a customer satisfaction survey, we are in the process of doing that. We are close to having the questions finalized, and we will be rolling that out.

Senator BEGICH. Excellent, great. In that vein, do you—to step once more on what you are talking about with the stakeholders, with universities—and I am going to walk through just a couple concerns from our University of Alaska because they have some issues—do you have a process when a university has issues? What do you do? Walk me through that just so I understand it.

The university says look, we are not getting this kind of response from the VA. Several of these items that they have listed to me, they may get notification. For example, the consumer gets notified

that there is an overpayment and so then they have to—but the university may have already sent the overpayment back to the VA.

So how do you—walk me through that first step of what you do with a university or a college.

Mr. WILSON. There are actually several mechanisms in which this could be addressed. At its core, the first contact for a school that has a question like this is their education liaison representative for that State. As was indicated, not necessarily in that State, but we do have education liaison representatives, at least one assigned to each State. So that is the first place where that communication would occur.

Additionally, depending on the status, if there is currently an overpayment, et cetera, our processing office staffs work with Mr. Osendorf's staff to work out the relationship between any debt that may exist and any payment that is due or not due from the schools.

If I could add one other thing. As mentioned already, we work with the school certifying officials as well. They have a professional organization, the National Association of Veteran Program Administrators that we have a strong relationship with, and we work with them specifically on those type of issues as well.

Senator BEGICH. Last question because my time is just about up.

If there are overpayments to students, and also the emergency payment that was done, the \$3,000, if there are hardships created by repayment or recalculation, how is the VA working through that?

Mr. OSENDORF. The individual will normally contact the Debt Management Center to discuss the debt. We will work with him. We normally try to recoup a payment within a 1-year timeframe.

Senator BEGICH. OK.

Mr. OSENDORF. We can go up to three years. If it is going to go over a year, we ask them to fill out a financial status report and indicate what the issues are.

Senator BEGICH. But you will work with them on the overpayment so it is not an immediate recoup.

Mr. OSENDORF. Most definitely.

Senator BEGICH. Ideally the student should not have spent it, but they probably did not realize that they had that payment. So your job then is, again, collect in 1 year, or if after 1 year, up to 3 years, but that requires kind of their financial capacity.

Is that what you are trying to judge there?

Mr. OSENDORF. Correct, correct.

Senator BEGICH. OK. I will end on this, how would you judge those kind of complaints or concerns that people have in regards to that issue? In other words, because of the \$3,000 payment, is that kind of bumped up or is it pretty much not an issue?

Mr. OSENDORF. You have seen a spike because of the volume of advanced payments, but I think once we get through the spring semester into the fall, it is going to smooth out.

Senator BEGICH. OK. Let me end there. Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Begich. We will begin our second round now.

Mr. Wilson, the slides up on the screen show more than 30 steps that would be eliminated by the automated system in Release 1. But Release 1 is only available in one of the processing centers.

When will it be released to the other three?

Mr. WILSON. The rollout for Release 1 was modified to be a limited release because in the timeframe, to stay on schedule, we simply did not have the capacity of putting in all the functionality that we could. The group of claims that we can process under Release 1 are only original claims. So those individuals that we are already paying benefits to, we will not be able to move them into this new system until Release 2 when the data conversion occurs for that.

The initial release—there is a total of 16 people across the country that are using the system. There is a group that was first rolled out in Muskogee, and we are also rolling it out to our other offices, again, on a limited basis, on a defined basis, so that each of our four offices do get experience working the new tool. But again, at each of the offices it will only be original Chapter 33 claims that they would be working. But it is going to be rolled out by all four stations.

Chairman AKAKA. To build on what Senator Burris was saying, and to clarify, the VA is making three payments on behalf of each student, one for a living allowance monthly to the veteran, another for books annually, and a third to the school for tuition.

How many schools are receiving these payments?

Mr. WILSON. How many schools? It is at least 247,000 schools because that is the number of Chapter 33 students that we are paying. Now, we do know that there are about 40,000 students who are attending more than one school. So in addition to that 247,000 schools that we know we are paying, you can add another 40,000 for the second school that some of those students are attending.

Chairman AKAKA. Mr. Clark, does the Department have a view on the effectiveness of transferability as a retention tool; that is, have any evaluations been undertaken or is any of that planned?

Mr. CLARK. Mr. Chairman, the newness of the program has not allowed an evaluation yet, although we do plan on continually evaluating it. However, anecdotally, we do know that this provision allowing our career servicemembers to share their benefits with those who they love is very popular. The numbers that I had in my opening statement, over 105,000 career servicemembers have been approved, and they have shared that with over 240,000 of their immediate family members, many of them already in school. I hear almost daily from someone talking about how wonderful this is and how much it helped them make a decision to continue on.

So, we will be continually monitoring this and we will do formal evaluations after we have time to what we call “police up” the battlefield, get over the initial rush and start seeing how the program affects the retention of our career members.

Chairman AKAKA. Well, thank you. I may have further questions, but let me pass it on to Senator Tester for his questions.

Senator TESTER. Thank you, Mr. Chairman. I very much appreciate it.

The overpayment issue is something that has been questioned by many people on this Committee. I am going to give you an example of what is happening in Montana. I know you guys have expressed



different things happening. Maybe a different thing happens in the region you live in. But let me give you an example.

The VA strategy, as it applies to a university like Montana State University if there is an overpayment for tuition and fees, is to tell the university to keep it, put it in the veteran's account, and the VA will put the veteran into overpayment status. There are some problems with being in overpayment status. Then VA will tell the veteran that he is in overpayment status via letter. I think this is unacceptable because it puts the veteran in an overpayment status that I do not think is right.

Can you tell me why this is done, if it is done with regularity, and if there are any plans to change the way this is done?

Mr. WILSON. I have limited information, but I will provide what I do have.

Senator TESTER. OK.

Mr. WILSON. The mechanism we have set up took into account the best mechanism we knew at the time, making assumptions early on, on how these types of issues would be addressed. We recognize that it is not a perfect situation, and it is complex with money flowing for more than one part. We are happy to look at a different way of doing it, but we were really looking at what—we made assumptions based on what we knew, but if we need to change those assumptions, we can do that.

Senator TESTER. We all agree that this new GI Bill is a good thing, and we all agree that it is going to have its glitches as it moves forward. It has its glitches. I mean, you cannot fix stuff until you know what is wrong.

My question is more moving forward, is putting veterans in overpayment status something that the VA is going to continue to do or are we going to fix that?

Mr. WILSON. We would prefer not to have veterans in overpayment status.

Senator TESTER. So we are going to fix it.

Mr. WILSON. We will do everything that we can to put them in a status other than an overpayment status.

Senator TESTER. We will continue to have that dialog if it continues to occur, and I want to thank you for that.

Last question, and this deals with colleges and universities that are not notified because of a change in beneficiary status. The question is, why would you simply notify the school administrator when you change the veteran's eligibility rating?

Now, let me give you an example. I have got a case in my office where a student received a letter from the VA saying they were 100 percent eligible. He turned it into the school. The school is expecting a check for 100 percent, but they only got a 40 percent check. And so the student suddenly has a big debt to the school. The school is surprised. No one really knows what transpired to have this take place.

How can we improve that process?

Mr. WILSON. Part of our new IT strategy, Mr. Warren alluded to this earlier, is a web self-service portal, the ability for an individual to go onto a Web site without having to communicate over phone or letter to us and pull information down. That is the mechanism that we can use to provide that type of information. Once an

individual is in our system, we would like the individuals to be able to pull revised eligibility information down whenever they need it.

Senator TESTER. As I said in my opening round of questions, communication is the biggest problem we have got right now from our perspective in Montana. The communication thing cannot be fixed from St. Louis, MO. If you would do your best to get that fixed, I would sure appreciate it. Thank you.

Mr. WILSON. Thank you.

Chairman AKAKA. Thank you very much, Senator Tester.

Senator BEGICH.

Senator BEGICH. Just some quick follow-ups. I want to just follow up on what Senator Tester just asked in regards to overpayments. I want to make sure we are clear, Mr. Wilson, that your comment was happy to look at a different approach. You want to fix the overpayment, yes, no?

Mr. WILSON. Yes. It is never a good situation for veterans to be in an overpayment status.

Senator BEGICH. That is first.

Second, do you believe—like Senator Tester, we had similar situations within our own university system of overpayments and it puts people—any time you get a letter, I do not care who it is from, but if it is from the government and it says you owe us money, it is not a good feeling, no matter what. And so I think that is the point Senator Tester is trying to get to, is we have got to figure out a different system here.

I am familiar with a lot of loan activities. I was the chair of the Alaska Student Loan Corporation for 7 years. We dealt with these issues on a regular basis. It is about the use of technology and how the stakeholders or in this case, the educational institutions, respond and participate.

Institutions love to hold that money because it is cash-flow for them, even though it is the student's money. We had to deal with this all the time. We have had the big universities come in. They explained to us why we could not change the student loan program: because it was basic cash-flow to them, and when they can control that money it is in their best interest rather than to keep it in, "the student's account."

My view was the consumer should not be the one penalized at the back end. And I want to echo what Senator Tester said, it is critical that we move forward to try to figure out a system here.

Do you think there is a time table you could state for the record of when you could report back to the Committee on how that process would work, or when you feel that there is a new system or an improved system on overpayments, that you could report to us?

Mr. WILSON. Anything I would put out here would be speculation on my part, so I do not feel comfortable providing any dates at this point. I would echo and agree completely with what you said. The key of what we want to do is get veterans in school and get them to graduate. If they do not graduate, nobody is the winner on this.

Senator BEGICH. Right.

Mr. WILSON. Anything that distracts them from being able to study and graduate is not a good thing. As a recipient of government letters about overpayments, I know full well what that does,

and we are going to do everything that we can to keep that from happening.

Senator BEGICH. Can you for the record at some point here submit to us what you think a time table will be? Because what I have learned also, as a person who has been a mayor, who has managed resources, if you do not have a time table—I do not want to say nothing gets done, but it sure does take a long time.

So could you submit something to us that says here is what you think this issue could be focused on to be resolved or at least significantly resolved?

Mr. WILSON. I would be happy to do that.

[Responses were not received within the Committee's timeframe for publication.]

Senator BEGICH. OK. And the last question, do you have any data points or measurements for overpayments? In other words, if I asked you right now how many overpayments have you had and what percentage of your total volume and how much cash volume that is, is that data you have somewhere within your realm of information? Maybe not right this second, but is it something that you might have?

Mr. WILSON. My gut feeling is yes. I will take that back, and I will have to do a work-up on it and provide a response for the record.

[Responses were not received within the Committee's timeframe for publication.]

Senator BEGICH. OK. And if you do not it is an obvious answer to the question, and that is, it is a metric that is a great way to measure success; if, obviously, you have less, both in volume of dollars and also quantity of customers, because they are two different measurements.

So I would be interested in those numbers, and then if you do not have a metric that you are going to be measuring by in the future, I would encourage you to I am just thinking back to my days when I was chair of the Student Loan Corporation for 7 years. These are some of the metrics we used to just make sure we were achieving success with our customer. Because at the end of the day, the university was important, but the customer is the student.

The university or the college or the voc ed program was the conduit to the student, and our priority was always the student. There is always a confusion among the institutions where they think they are the customers, and they are not. So those institutions that might be represented in the audience here, I want to make that very clear, that customers are the people who actually have to pay the loan. It is standard with a lot of corporations around the country that deal with student loans, that there is a confusion of who is ultimately the customer. But I have a great sense that you clearly understand that.

I will leave off at that, Mr. Chairman. Thank you.

Chairman AKAKA. Thank you very much, Senator Begich.

Mr. Wilson, I want to thank you and your staff, especially the claims processors in the four regional centers, for the hard work. On the whole, I believe VA has done a rather remarkable job in a very short period of time of getting a program up and running.

So please send our gratitude to them. Also, Mr. Clark, we want to thank DOD for your part in this.

There have been some problems, some of which have been critical, but at the end of the day nearly 250,000 individuals have received benefits under the new program. At this point, I would like to tell you, the panel, that I have the expectation that you will continue to strive to meet your time limits and accuracy goals. And we will try to do our best, also, here.

So thank you again very much, and I want to thank this panel. We may have some questions for you for the record. Thank you.

I will call up our second panel this morning, which includes representatives from some, but certainly not all, of the many shareholders. So we will have our panelists come forward.

[Pause.]

Chairman AKAKA. First, let me introduce Faith DesLauriers who will present testimony on behalf of the National Association of Veterans' Program Administrators, an organization of school officials who have the most face-to-face contact with veteran students.

Second, William Stephens, the president of the National Association of State Approving Agencies. These agencies are closely involved with both the schools and VA as they fulfill their responsibilities under the law.

Mr. Robert Madden from the American Legion is joining us as well today. The American Legion held a symposium several weeks ago, which included a day-long session on the new GI Bill. Mr. Madden will give us an overview of that.

And finally, we are pleased to welcome Marco Reininger, an Army veteran who served in Afghanistan and is now attending Columbia University with the benefits he earned under the Post-9/11 GI Bill. Mr. Reininger will share his personal observations and experiences, plus those of his fellow veterans.

I want to thank you for your service and welcome you to the Committee.

Ms. DesLauriers, please begin with your statement.

**STATEMENT OF FAITH DESLAURIERS, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF VETERANS' PROGRAM ADMINISTRATORS**

Ms. DESLAURIERS. Good morning, Chairman Akaka, Ranking Member Burr, and Members of the Committee. NAVPA appreciates the opportunity to share the experiences of our membership as it relates to the issues we have encountered as veteran program administrators on colleges and university campuses nationwide, as well as the shared concerns of the population we serve.

I think it important to note that the membership I represent here today are the people who have the most contact with individuals eligible to train under this new GI Bill. Veteran program administrators, often referred to as certifying officials, are the face of the GI Bill and are working untold hours to assist in the administration of this program and to maintain compliance with the rules governing all veterans education programs.

It is not business as usual. The program complexities, counseling, fiscal and reconciliation responsibilities associated with this GI Bill have increased the processing time for each claim approxi-

mately 300 percent. Skills now required to accomplish these tasks overlap institutional areas which are separate and distinct administrative functions. In order that educational institutions may comply with the statutory and regulatory requirements governing this GI Bill, written policies and procedures need to be documented by the VA, shared efficiently and consistently throughout their administrative structure and disseminated quickly to the institutions for the implementation.

We are advised that the VA remains unable to credit returned payments to veterans' accounts pending general counsel's guidance. When duplicate or erroneous tuition and fee payments are returned to VA, the funds are not being credited to the students' accounts. Consequently, a debt or overpayment is created and payments withheld from the living and book stipends to recoup that debt, a debt which does not exist. Additional guidance for students who need to dispute the debt is not clear.

Inconsistent guidance and practices exist regarding how and when Chapter 30 recipients should apply for their irrevocable conversion to Chapter 33. Schools continue to defer tuition and fees for students who are or appear to be eligible for the Post-9/11, pending payment from the VA. However, these students came to college campuses with the understanding that they would receive a monthly living allowance to supplement or in some cases cover their living expenses.

The current system of certification has and will continue to delay monthly living stipend payments. Books and housing stipends should not be tied to the certification of tuition and fees. NAVPA maintains that there is a mechanism in place and VBA should allow schools to report anticipated enrollment data sufficient to determine the student's rate of pursuit in order that book and housing stipends are processed prior to the start of the term and paid throughout the certified period of enrollment without unnecessary interruption.

We further recommend that the actual tuition and fees charged to the student be reported at the end of the school's published drop/add period. This change in processing could sharply reduce the number of overpayments. In addition, this would potentially reduce the number of actions required by the VA claims examiners and school officials, on average, approximately 50 percent.

Education institutions will continue to work with the men and women who serve our country and appreciate and respect VBA's position, but there should not be an expectation that schools will carry account balances indefinitely or that they will continue to defer payments without verification of entitlement. In keeping, some claims such as Yellow Ribbon cannot be processed until the school can verify that the student is eligible at the 100 percent tier, making a certificate of eligibility key to timely and accurate processing.

Schools have created a wide range of new policies, internal processes and mechanisms to identify veterans early in the admissions process, track and reconcile Chapter 33 claims in an effort to limit potential overpayments, ensure payments are correct, and that student financial records with the school, as well with the student, are not negatively impacted while VA processing occurs.

While we understand it is a shared responsibility, the crucial role of school officials in the education benefits process could better be reflected in the wording used in VA publications and Web sites to ensure that the students recognize the need to identify themselves as a veteran, a service person or a dependent, and to seek out their school certifying official as soon as possible.

Educational institutions have an increased awareness and sensitivity to the needs of our veterans and are making continued efforts to fund and develop programs and systems not only to welcome our heroes home but to assist in their transition from military to civilian and college life. It has been suggested by veterans organizations that college and universities are or should serve as social service agencies trained in identifying mental health issues for veteran students, as well as be able to provide other support services and programming on campuses.

The limited resources available on most campuses are strictly designed to promote the well-being of all students with a goal of increasing student academic success. Students in need of more intensive social support services must look to the community for these services, and it is our responsibility as academic professionals to assist those students to more easily access those local, State, Federal and private agencies who can best meet their needs.

NAVPA further recommends that the Department of Veterans Affairs continue the development of the education Web portal. We are very pleased to hear that the VA is working on this project, sir. Schools are overwhelmed with the volume of calls, misinformation from the call center, and the limited ability to assist our students in determining the status of their claims or even eligibility. We believe that the implementation of this Web portal will not only enhance the service to veterans, but it will bring efficiencies to the Department of Veterans Affairs. This concept is needed now more than ever.

In closing, NAVPA requests that the rules, policies and procedures governing the administration of the Post-9/11 GI Bill be made consistent with the final regulations and consistently communicated nationwide. Only then can every veteran be assured of receiving the same benefit consideration no matter what school, State or RPO is responsible for processing that claim.

Again, thank you for this opportunity to share our experiences as professional GI Bill administrators, to make recommendations for improvements, and for your support of meaningful legislation, which would provide equity in all aspects of the delivery and simplicity of the administration of the GI Bill. I would be pleased to answer any questions you may have.

[The prepared statement of Ms. DesLauriers follows:]

PREPARED STATEMENT OF FAITH DESLAURIERS, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION OF VETERANS PROGRAM ADMINISTRATORS

Chairman Akaka, Ranking Member Burr and Members of the Committee, NAVPA appreciates the opportunity to share the experiences of our membership as it relates to the issues we have encountered as Veterans' Program Administrators on college and university campuses, as well as the shared concerns of the population we serve.

I think it important to note that the membership I represent here today are the people who have the most contact with individuals eligible to train under this new GI Bill. Veterans' Program Administrators, often referred to as Certifying Officials are the face of the GI Bills and are working untold hours to assist in the adminis-

tration of this program and to maintain compliance with the rules governing all veterans' education programs. It is not business as usual. The program complexities, counseling, fiscal and reconciliation responsibilities associated with this program have increased the processing time for each claim approximately 300%.

#### RULES, GUIDELINES, AND COMMUNICATION

Written policies and procedures need to be documented by VA, shared efficiently and consistently throughout their administrative structure, and disseminated quickly to institutions for implementation. As of early April, the VA's processing manual M22-4 does not include rules for the administration of the Post-9/11 GI Bill.

Some states and some RPOs issue policy advisories that are never duplicated in other regions. This creates different procedures among various parts of the country leading to veterans receiving different benefits based on where they attend and what instruction—if any—has been received by their school.

Some policy advisories and information forwarded to schools contradicts what we read in 38CFR. Non-duplication of Federal benefits and overseas study are two examples that come immediately to mind. Guidance for veterans who need to dispute a debt is not clear. Instructions received from various VA sources indicate students should write to either the Debt Management Center or the RPO, or both. There does not seem to be a clearly articulated process even for this most critical situation.

#### VA PROCESSING AND PROCEDURES

As of this writing we are advised that the VA remains unable to credit returned payments to veterans' accounts, pending General Counsel guidance. When tuition and fee payments (which are paid to the school on the students' behalf) are confirmed by VA to be a duplicate payment or grossly erroneous; schools are instructed to return the funds to VA. Schools are complying and confirming when the checks are cashed. However, the returned funds are not being credited to the veteran on whose behalf they were paid and returned. Consequently, a debt or overpayment is created on the veteran and future payments withheld from their living and book stipends to recoup the debt which does not exist; one which has already been satisfied by the school.

Tuition and fee payments for multiple enrollment periods are lumped into a single payment, with no clarifying information attached. Schools must calculate the expected award, often based on estimates because we are not privileged to the eligibility tier on which the payment is based, and the student is otherwise eligible. It is very difficult for schools to reconcile lump sum payments and accurately post the funds to the appropriate enrollment periods.

The web based certification tool (VA-ONCE) should allow the school to switch a student from Chapter 33 to Chapter 33 Yellow (i.e. Yellow Ribbon) without duplicating certifications. School should be able to put zero in Yellow Ribbon block rather than moving the student record back to a regular Ch 33 program once the annual maximum contribution has been matched.

Inconsistent guidance and practices exist regarding how and when a Chapter 30 recipient should apply for their irrevocable conversion to Chapter 33 to maximize their entitlement. The procedures for determining the effective date of the conversion are not consistent. This process can put veterans in the position of losing up to 12 months of benefit if not done exactly right—clarification of an equitable solution is critical.

The majority of educational institutions are deferring tuition and fees (in the amount due from the VA) for students who are, or appear to be eligible for the Post-9/11 GI Bill. However, these students came to college campuses with the understanding, a promise if you will that they would receive a monthly living allowance to supplement or in some cases cover living expenses. The current system of certification (one term at a time) will and has delayed monthly living stipend payments.

The living stipend/housing allowance under the Post-9/11 GI Bill should not be tied to the certification of tuition and fees. The Post-9/11 GI Bill requires that schools certify one term/semester at a time in order that actual tuition and fees be reported, rather than estimated. NAVPA maintains that the VA should create a mechanism that would allow schools to report "anticipated enrollment" data, sufficient to determine the students' rate of pursuit (training time) in order that the book and housing stipends are processed prior to the start of the term and paid throughout the certified period of enrollment, without interruption.

We further recommend that the actual tuition and fees charged to the student be reported at the end of the schools published drop/add. This change in processing could sharply reduce the number of changes in reported charges due to drop/add activity which now creates very large numbers of overpayments to students. In addi-

tion, this would potentially reduce the number of actions required of VA claims examiners and school officials, on average, fifty percent (50%).

Payment of tuition and fees must be made to the school in a timely manner. The VA defines timely as 30 days from the occurrence. Education institutions will continue to work with the men and women who serve our country and appreciate the VBA's position; but, there should not be an expectation that schools will carry account balances indefinitely, or that they will continue to defer payments without verification of entitlement (Certificate of Eligibility). In keeping, some claims such as Yellow Ribbon cannot be processed until the school can verify that the student is eligible at the 100% tier, making the Certificate of Eligibility key to timely and accurate processing.

#### EDUCATIONAL VETERANS' OFFICE PROCESSES AND ROLES

In order to reconcile CH 33 payments to schools, institutional officials have had to create internal processes that duplicate much of the VA's function. We must make a preliminary determination of eligibility, estimate tuition, fees and Yellow Ribbon awards, track payments on each student's account and reconcile the payments to insure the amounts paid on their behalf are accurate. If the student payment does not appear to be the full amount the school must coordinate that correction with the VA. Overpayments, to include duplicate payments must be returned to the VA by some means that is not consistent from one Region to another. Some schools have had to continue the practice of loaning institutional funds to students in situations described herein until VA can audit their account and correctly calculate the student debt, if any.

Assisting students with collecting the information they need to dispute a debt with VA takes an inordinate amount of time and concentration by the school administrator and combines expertise in enrollment certification/reporting, VA claims processing, and good accounting principles. Schools have created a wide range of new internal processes and mechanisms to track Chapter 33 claims in an effort to ensure payments are correct and that student financial records with the school are not negatively impacted while VA processing occurs.

Schools have created new policies to ensure students are not negatively impacted by any delays in receipt of tuition and fee payments by VA—not as great an issue now as this was in fall 2009, but still in effect. As the only face-to-face contact point in the process, schools have devoted a great deal of time and energy to working directly with students who are trying to evaluate their options when eligible for multiple GI Bill programs. While there is a great deal of general information available on the GI Bill Web site, this is such an individual situation that the process must take into consideration many state programs, reserve component benefits, etc, that students require one-on-one assistance on each of their unique circumstances. This has been done by schools with little training beyond possible attendance at a single conference or full comprehension of the DVA 38 CFR Part 21 Post-9/11 GI Bill; Final Rules.

The crucial role of school officials in the education benefits process could be better reflected in the wording used in VA publications and Web sites to ensure students recognize the need to seek out their School Certifying Official as soon as possible. Schools are also working to create processes by which student veterans are identified and communicated with as early in the admissions/matriculation process as possible to ensure they know the steps still remaining to be accomplished in order to receive their education benefits.

Veterans' Program Administrators/School Certifying Officials are now more involved in working with parents of students with the advent of transferred entitlement. This adds another new dimension to their work. The skills now required to accomplish their tasks overlap institutional areas including registrar, financial aid, admissions, academic advising, and student accounting and disability services. These are separate and distinct administrative functions in most schools. Veterans' Program Administrators must now more than ever, receive institutional training in all these areas or have staff members assigned in each area to accomplish the required analysis for each GI Bill student.

It has also been suggested by veterans' organizations that colleges and universities are or should serve as social service agencies; trained in identifying mental health issues for student veterans as well as be able to provide other support services and programming on campuses. These skills are well beyond the scope of responsibilities of the average Veterans' Program Administrator as the position is currently viewed on most campuses.

Providing intensive social support services are beyond the scope of the purpose, funding and function of our institutions and its staff. The limited resources avail-



able on most campuses are strictly designed to promote the well being of students with the goal of increasing students' academic success. Students in need of more intensive services must look to the community for support services and it is our responsibility as academic professional to assist students to more easily access those local, state, Federal and private agencies who can best meet their needs. It is the responsibility of the Department of Veterans' Affairs to make these resources known to all institutions approved for veteran training.

NAVPA recommends that the Department of Veterans Affairs develop an Education Web Portal for easy and accurate access to VA Records pertaining to Veterans' Education Benefits. Veteran students do not have an electronic means of accessing meaningful and useful information from the Department of Veterans' Affairs on their education benefits, usage and remaining entitlement from their VA records. Educational institutions are overwhelmed with the volume of calls, misinformation from the VA Call Center and limited ability to assist students in determining the status of their claims or even eligibility. Above all, eligible individuals/students should have access to their VA records. All information relative to their VA education benefits, eligibility, applications, enrollment certifications and payments should be made available to them through this portal. Information should include at minimum information sent to the veteran via the U.S. mail at the beginning and throughout each academic year as contained in the Award letter and now the Certificate of Eligibility under the Post-9/11 GI Bill.

Designated school officials should have secure access to the portal for veteran students so they may provide counseling and assistance. VA-ONCE and WAVE have partially covered these issues; however, all information is still not available. Veterans should be able to view all pending issues to include receipt of documentation and current status, reasons for any delays in processing should also be addressed on this WEB portal.

We believe the implementation of a secure web portal will enhance service to veterans, bring efficiencies to the DVA with a corresponding reduction in telephone service personnel. The efficiencies in personnel utilizations realized would benefit processing time. This concept is needed now more than ever with the extreme delays in processing claims and the complexities of the Post-9/11 GI Bill.

In closing, NAVPA requests that the rules, policies and procedures governing the administration of the Post-9/11 GI Bill be made consistent, nationwide. Due to the complexities of this program schools are currently working with limited to non-existent information. Often what little they have was received through informal channels outside their state and RPO areas of responsibility. It is imperative that VA create policies consistent with the published final rules, document them thoroughly, and distribute them consistently at all levels from VA Central Office through RPOs and ELRs down to the institutions that must implement them. Only then can every veteran be assured of receiving the same benefit consideration no matter what school, state, or RPO is responsible for the processing of their claim.

Again, thank you for the opportunity to share our experiences as professional GI Bill administrators, to make recommendations for improvements in the administration of the GI Bills and for your support of meaningful legislation that would provide equity in all aspects of the delivery and simplicity of administration of the Post-9/11 GI Bill. I would be pleased to answer any questions you may have.

Chairman AKAKA. Thank you very much, Ms. DesLauriers.

And now we will ask Mr. Stephens to proceed with your statement.

#### **STATEMENT OF WILLIAM STEPHENS, PRESIDENT, NATIONAL ASSOCIATION OF STATE APPROVING AGENCIES**

Mr. STEPHENS. Mr. Chairman, Members and staff of the Committee, on behalf of the National Association of State Approving Agencies, we appreciate this opportunity to appear before you.

There is no question that the Post-9/11 GI Bill is a tremendous step forward, and it is a good benefit for those brave men and women who have served our country or are currently serving our country. There is also no question that a lot of the implementation became very challenging for all three of the partners involved in that. The school certifying officials, they are the front line. They

are the ones that the veterans, dependents, and Reservists talk with.

As State Approving Agencies, we are the face of the GI Bill at the State level. What we do is interface between the Federal Government, the VA, and the certifying officials, and we do this in many different ways.

In response to some of the questions asked earlier of the first panel, we do annual visits to check and see how things are going with that. We do a tremendous amount with outreach. That can vary all the way from mailings that individual States do to returning veterans, to mass productions of DVDs on the new GI Bill, to liaison with other organizations to providing training for certifying officials. The third partner, the VA, definitely has a very challenging situation with the increased workload that has occurred.

Looking back, the fall of 2009 was challenging for all three partners. Speaking for State Approving Agencies, the first challenge we faced was the establishment of the highest tuition and fees in each State. Now, what may have seemed like a relatively straightforward exercise turned out to be something very complicated. We ran into a timeliness issue. With many State fiscal years beginning July 1, it is not possible to establish that highest fee. We also ran into different issues as far as providing the necessary assistance to our certifying officials and our veterans. In short, our workload increased.

Moving forward, looking at things that can be done to improve the system: first, utilize State Approving Agencies as far as expanding their outreach efforts, their training efforts for certifying officials. When we do the supervisory visits, we can provide additional guidance. We can also look for additional things then.

Second, since we visit the institutions, we are a good feedback tool. We can provide you information with that.

Three other changes we would like to bring forward which would improve the administration of the GI Bill. First, and this has already been mentioned, is to find a way to break the tuition and fee payments to the schools and the housing and the book allowance to the veterans. With States having fiscal years that begin July 1, it is unlikely, although it does happen, that the highest tuition and fees will be established by July 1. Many times, it is later than that. In 2009, there were States that did not have their highest tuition and fees established until August. That creates an immediate backlog. So, by doing whatever can be done to improve that situation would be a good thing.

Expand the role of the State Approving Agencies to include entering the approved programs directly into the VA computer system for the approvals, which can then be reviewed by the Education Liaison Representative. This will avoid duplication of effort.

Third, provide State Approving Agencies with the opportunity to have read-only access to the VA computer systems. We get a substantial number of calls from veterans and from school officials. It is not uncommon to have the school official call with the veteran sitting there. And perhaps when the VA has been very overworked, well, that could knock it to a toll-free number if we had that access. We already have the necessary security training since we are contracted with the VA.

Mr. Chairman, Members of the Committee, and staff, we appreciate this opportunity. Two other items just to suggest as an overview of things, which have already both been mentioned. First, the GI Bill needs to be combined and simplified. Right now, they are very complicated, Chapter 33 especially. So there needs to be an effort in that area.

The second thing is, there needs to be expansion so that eligible veterans going to the non-college degree institutions, enrolled in apprenticeship, on-the-job training programs and other similar things need to be included in with the increased benefits.

That concludes my statement. Thanks again very much. Any questions you have I would be glad to answer.

[The prepared statement of Mr. Stephens follows:]

PREPARED STATEMENT OF WILLIAM D. STEPHENS, PRESIDENT, NATIONAL  
ASSOCIATION OF STATE APPROVING AGENCIES

INTRODUCTION

Chairman Akaka and Members of the Committee, I am pleased to appear before you today on behalf of the National Association of State Approving Agencies (NASAA) to provide input on the implementation of the Post-9/11 GI Bill and to discuss various ideas/suggestions for moving forward to improve the delivery of earned benefits for those brave men and women who have served or are currently serving our country.

State Approving Agencies have been an integral part of the administration of the various GI Bills since shortly after the inception of the original GI Bill in June 1944. It has been our distinct pleasure and honor to have the opportunity to contribute to the success of these programs. In short, State Approving Agencies are "the face of the GI Bill at the state level."

BACKGROUND

There is no question that the events of September 11, 2001, changed the United States forever. For almost nine years, the role of the military has expanded as a direct result of our war on terrorism. As you are aware, there are many different GI Bills that provide benefits for veterans/reservists/dependents. Beginning August 1, 2009, the newest GI Bill (the Post-9/11 GI Bill also known as Chapter 33) started paying increased benefits. This "war time" GI Bill has greatly increased both the access to higher education and the number of individuals using their earned benefits. The 2009 fall semester brought many challenges for all those involved in providing the necessary assistance of the administration of the various GI Bills. When we look at the administration of the various GI Bills, there are three components/partners. The "front line" for administration of the GI Bills are the Certifying Officials located at the institutions/establishments. They are the ones that the veterans/eligible individuals look to for answers to their questions. Because of the complexity and other new requirements necessary for effective implementation, special training and support was needed and continues to be necessary. The second partner is the State Approving Agencies. As stated above, we are "the face of the GI Bill at the state level." In addition to approving the various institutions/establishments as well as the programs at those facilities, we also have extensive interaction with the Certifying Officials. That includes annual visits to active institutions/establishments, various outreach activities designed to increase GI Bill utilization, various training workshops for Certifying Officials, as well as liaison with many organizations to improve the delivery of benefits. The third partner is the Department of Veterans Affairs. Their role includes not only establishing eligibility and paying the benefits for eligible veterans/individuals but also working with both the State Approving Agencies and the Certifying Officials. All three partners are necessary for the effective delivery of benefits.

LOOKING BACK

The 2009 Fall Semester was very challenging for all three partners. Due to both the complexity of the Post-9/11 GI Bill and the increased volume of claims, Certifying Officials, State Approving Agency staff, and Department of Veterans Affairs staff were overwhelmed with questions, inquiries, and situations they had never ex-

perienced before. At the institution level, staff other than Certifying Officials became actively involved in the process. This is especially true for Bursars and other fiscal staff because the tuition and fees are paid directly to the institution under Chapter 33. State Approving Agencies were tasked with determining the highest tuition and fees at a public institution for an undergraduate in-state student. While this may have seemed straightforward, there were many complications with establishing those figures. In addition, there is a timeliness issue.

Many state's fiscal year begins on July 1st of each year. Because the highest tuition (and sometimes fees) are not set until after the state budget is finalized, it was not possible for the Certifying Officials for many public (and some private institutions who participate in the Yellow Ribbon Program) to submit their enrollment certifications. This caused a delay in their processing and payment of benefits. Department of Veterans Affairs had the challenging and complex task of processing the enrollment certifications. This processing included reviewing the enrollment certifications submitted by institution officials, verifying that the programs had been approved by the State Approving Agency, establishing eligibility, and then paying the veteran/individual. Department of Veterans Affairs hired a substantial number of additional staff to accomplish this task. In addition, we are pleased that Department of Veterans Affairs is working on updating their electronic process. This will improve their efficiency. Updating the Department of Veterans Affairs electronic systems is long overdue. We highly encourage the use of technology wherever possible.

Institution officials responded to this new challenge with increased effort and determination. They reviewed their internal procedures to determine what needed to be changed, worked with veterans/individuals to assist them wherever possible, ensured that the fiscal staff at their institution was aware that the payment of tuition and fees was delayed, and assisted both the State Approving Agency and the Department of Veterans Affairs with identifying problems/issues to be addressed. State Approving Agencies provided both training and individual assistance for the institution officials, conducted various outreach activities to inform eligible veterans/individuals of this new GI Bill, and worked with Department of Veterans Affairs staff to identify problems/issues and recommend solutions. Department of Veterans Affairs staff at the state level (Education Liaison Representatives and Compliance Survey Specialists) worked closely with State Approving Agency staff and, where possible, Certifying Officials to provide the best possible service. At the Regional Processing Offices, staff worked diligently to process the increased volume of complex claims. At the national level, Central Office staff worked to ensure proper guidance was provided to ensure everyone understood exactly what was needed. Due to the "interaction" of the new GI Bill with already existing regulations and policies, this was a challenge to accomplish. In addition to the above, we want to acknowledge the Department of Veterans Affairs decision and implementation of the one-time emergency advance payment of benefits that enabled veterans to remain in school until they received their housing allowance and book stipend. In short, a need was seen and Department of Veterans Affairs reacted to serve veterans/eligible individuals.

Even with all of the challenges, we feel the implementation went fairly well. Obviously many lessons were learned; and by all three partners working together, service can be improved.

#### MOVING FORWARD

Looking ahead to changes that can be made to improve the delivery of service, we feel the following should be considered:

Additional training and support for Certifying Officials. As the "front line," Certifying Officials need to have all of the tools necessary to serve their veterans/eligible individuals. Training should be in various formats including: training workshops sponsored by Department of Veterans Affairs, training provided by the various Certifying Official organizations, training provided by State Approving Agencies staff (this can be especially effective because many Certifying Officials cannot travel out of state for training), as well as on-line training.

Concerning State Approving Agencies, there are two areas that would improve the overall effectiveness of the GI Bill. First, increased emphasis on outreach and training of Certifying Officials. State Approving Agencies are in the unique position to be able to provide direct training tailored to the needs of their Certifying Officials. Second, since State Approving Agency staff visit the institutions on a regular basis, they could provide additional assistance with ensuring compliance. Currently State Approving Agency staff does a limited review of veteran records to ensure institutions are following their approved policies and procedures. This could be expanded to a more detailed review and increased number of records to review. In addition,

State Approving Agency staff could also review the fiscal records to determine if the correct tuition and fees are being charged and are properly credited for the appropriate veteran/individual. Both of the above would require increased funding for State Approving Agencies. State Approving Agency funding has remained the same for five (5) years while the workload has increased drastically. Just as the amount of time Certifying Officials and Department of Veterans Affairs staff must spend on the new GI Bill, State Approving Agency time has increased. As a general statement, if it takes 10 minutes to "respond" to questions/issues for the other chapters of the GI Bill (Chapter 30, 1606, 1607, etc.), it takes at least four times as long to respond to Chapter 33 questions/issues.

There are three changes that would definitely improve the administration of veteran's educational benefits.

1. Expand the role of the State Approving Agencies (with increased funding) to include entering approved programs directly into the Web Enhanced Approval Management System (WEAMS). Currently all approval actions are forwarded in paper form to an Education Liaison Representative who must then enter the approved program list. This is very time consuming. A system could be established that permits the State Approving Agency to directly enter the approved programs, and they can then be reviewed by the Education Liaison Representative. This will avoid duplication of effort.

2. Separate the payment of tuition and fees from the payment of the housing allowance by allowing Certifying Officials to certify prior to the establishment of the highest tuition and fees for that state. Currently Certifying Officials must wait until the maximum state tuition and fees are established for Post-9/11 GI Bill recipients. For those states with a fiscal year that begins July 1, there is a major complication. For some states, it was not possible for enrollments to be sent to DVA until well into August. Prior to this year, Certifying Officials could submit enrollment information up to 120 days prior to the start of the semester/term. Many of the larger institutions did this and thus the workload for Department of Veterans Affairs was more evenly distributed throughout the year. NASAA recommends that DVA seriously consider permitting Certifying Officials to certify veteran's enrollment prior to the state establishing their highest tuition and fees. This would allow processing of the housing allowance and book allowance in a timely manner. Following the establishing of the highest tuition and fees for the state, the institution would submit the necessary information to DVA for the payment of the tuition and fees.

3. Permit State Approving Agencies "read only" access to Department of Veterans Affairs computer systems so we could more effectively respond to veterans/individuals inquiries. All State Approving Agency staff have completed the necessary security training as required in our annual contract with the Department of Veterans Affairs. This will also provide staff detailed information on which records to review which will assist in reducing fraud, waste, and abuse.

The above three items are provided simply as suggestions to improve service to veterans/eligible individuals. We realize that there would be technology and other challenges to implementing these; however, once implemented the system would be more effective in serving veterans/reservists/dependents.

Concerning the Department of Veterans Affairs, we suggest they continue to work toward establishing effective policies/guidance for the implementation of Chapter 33. They have provided various guidance that has improved the effectiveness. There are still some areas that need guidance. These include but are not limited to: establishment of a list identifying the fees that are considered acceptable to be covered under Chapter 33, clarifying guidance concerning establishing what is greater than ½ time for accelerated and summer programs, clarification of the payment of benefits for non-college degree clock hour programs at degree granting institutions, and other areas as identified by State Approving Agencies and Certifying Officials. We also feel strongly that the continuation of using focus groups that include representatives from the various organizations that are comprised of Certifying Officials and State Approving Agency representatives provides a great base to ensure the perspective from the "field" is represented. We would also suggest including Department of Veterans Affairs staff from both the Regional Processing Offices and staff assigned in the various states. Their unique perspective is very valuable.

#### CLOSING

Mr. Chairman and Members of the Subcommittee, we thank you for the opportunity to address you today. Two other items we would suggest serious consideration be given. First, combining and simplifying the various GI Bills would not only increase veterans/eligible individuals understanding of their benefits but also would assist Department of Veterans Affairs processing of claims. Second, the Post-9/11 GI

Bill needs to be expanded to include increased benefits for eligible veterans/individuals who enroll in programs at nondegree institutions and apprenticeship/on-the-job training establishments. They have served and earned benefits the same as those veterans who attend degree granting institutions.

We are always willing to provide our unique perspective and would be pleased to respond to any questions that you have.

Chairman AKAKA. Thank you very much, Mr. Stephens.  
Mr. Madden, please proceed with your statement.

**STATEMENT OF ROBERT MADDEN, ASSISTANT DIRECTOR,  
NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION**

Mr. MADDEN. I would like to thank Chairman Akaka and Ranking Member Burr and the Members of the Committee for giving the American Legion the opportunity to report on the implementation of the Post-9/11 GI Bill.

The American Legion has been the lead supporter of the Post-9/11 GI Bill but has also been a concerned advocate of the implementation. The 111th Congress has held hearings on the long-term and short-term implementation strategies for administration of the Post-9/11 GI Bill by the Department of Veterans Affairs. These hearings updated Congress on VA's development of the information technology components for the new law and the progress that has been made toward its implementation.

The American Legion testified before Congress earlier last year about its concerns regarding VA's implementation strategies and made a recommendation that VA be ready to fulfill its administrative duties right the first time on August 1, 2009.

Since the passage and implementation of the Post-9/11 GI Bill, VA has had a rough and rocky start. Thinking that they were fully prepared to implement the biggest changes in GI Bill history, VA sought to put their best foot forward in August 2009. What they soon found out was that the system was flawed and there was no easy way to process the certificate of eligibility or an actual claim. With a small amount of staff along with the actual time a claim took to be processed, this caused VA to present itself an ever-growing backlog of education claims. Unfortunately, many of these veterans were waiting weeks and months just to get their certificate of eligibility, let alone their claim to be processed.

These men and women gave up their jobs in order to better their employment chances by going to school. This means that veterans who recently left the military were without a job and without their education benefit from the VA. The American Legion received hundreds of calls and e-mails a month to discuss their financial difficulties, even the possibility of becoming evicted or homeless. The American Legion responded to a number of these veterans with our temporary financial assistance, one of our many programs to assist veterans and their families.

America's veterans are relying upon this benefit to get their education to create a stable environment for themselves and their families. In turn, VA responded to this issue and made an executive decision to provide individuals who were in school an emergency payment of \$3,000. The American Legion applauded and still agrees that this was a smart decision to make but now has seen the backlash from this decision.

Now there are reports of veterans and their family members losing all of their future payments instead of the proposed \$750 reduction the VA promised from the payment plan. The VA has taken steps to rectify the situation, but some of the damage has already been done.

The American Legion takes pride in assisting them but needs VA's cooperation to get issues resolved. The American Legion believes that there needs to be more oversight on decisions that are made to ensure proper implementation so that the veteran or his or her family member is not the one who suffers.

With all the great benefits the Post-9/11 GI Bill offers, it has unfortunately left out a few educational choices. The American Legion is a strong supporter of allowing the Post-9/11 GI Bill to be used for non-degree-granting institutions. This employment path is a more traditional choice, but vocational apprenticeships, on-the-job training and flight training are not payable by the current bill or the Post-9/11 bill.

This disparity has caused much concern for the American Legion. We have found that not every veteran has the time or is considering attending a 4-year college. They might have a family member and need to become gainfully employed as soon as possible, which is something that non-degree-granting institutions offer.

Most of these education paths consist of a shorter training time and can lead to immediate employment. The American Legion believes that veterans should never be limited in the manner they use their educational benefits.

In addition, the American Legion supports the addition of the housing allowance for distance learning, the inclusion of Title 32 active Guard/Reserves to be included, and the arbitrary date for a transfer of educational benefits to be eliminated. These fundamental changes would provide equity in the Post-9/11 GI Bill.

Even with some missteps and challenges, the American Legion is a constant supporter of VA and is working with them to ensure that veterans and their families get the necessary assistance during this education transition. What we have found was a large number of student veterans in academia did not have sufficient information about the Post-9/11 GI Bill benefits. The American Legion believes that VA needs to provide more outreach to colleges and universities around the country to ensure that student veterans have a full range of knowledge concerning their education benefits.

The VA has taken all the necessary steps in order to provide a fluid transition for veterans and their families. We have seen numerous bumps along the way, but the VA has had to make some tough choices such as the emergency payment to correct those problems.

The American Legion will continue to monitor the continued transition for the Post-9/11 GI Bill and appreciates the opportunity to report on our findings. The American Legion appreciates the opportunity to present this statement for the record. Again, thank you, Chairman Akaka, Ranking Member Burr and Members of the Committee for allowing the American Legion to present its views on this very important issue.

[The prepared statement of Mr. Madden follows:]

PREPARED STATEMENT OF ROBERT MADDEN, ASSISTANT DIRECTOR, NATIONAL  
ECONOMIC COMMISSION, THE AMERICAN LEGION

Chairman Akaka, Ranking Member Burr and Members of the Committee: Thank you for this opportunity to present The American Legion's views on the implementation of the Post-9/11 Veterans Educational Assistance Act of 2008 today. The American Legion commends the Committee for holding a hearing to discuss this very important and timely issue.

American men and women are serving in two wars, while also serving this great nation in various capacities across the globe. For veterans who have served since September 11, 2001; they are entitled to education benefits. Not just any education benefits, but the most comprehensive benefits since the Servicemen's Readjustment Act of 1944. The original WWII benefit is said to have produced 50 years of economic prosperity for America. With over 2 million servicemembers having served since 2001, the Post-9/11 GI Bill can do the same thing for this country and give this new "Greatest Generation" an education.

The American Legion has been a lead supporter of the Post-9/11 GI Bill, but has also been a concerned advocate of the implementation. The 111th Congress has held hearings on the long-term and short-term implementation strategies for administration of the Post-9/11 GI Bill by the Department of Veterans Affairs (VA). These hearings updated Congress on VA's development of the information technology components for the new law and the progress that has been made toward its implementation. The American Legion testified before Congress earlier last year about its concerns regarding VA's implementation strategies and made a recommendation that VA be ready to fulfill its administrative duties 'right the first time' on August 1, 2009.

Since the passage and the implementation of the Post-9/11 GI Bill, VA has had a rough and rocky start. Thinking that they were fully prepared to implement the biggest changes in GI Bill history, VA set out to put their best foot forward in August 2009. What they soon found out was that the system was flawed and that there was no easy way to process a Certificate of Eligibility or an actual claim. A processor for the old Montgomery GI Bill needed only around 30 minutes to process a claim, but for the components of the Post-9/11 GI Bill, that amount ballooned to close to 2 hours per claim. Without the right amount of staff, along with the actual time a claim took to be processed, this caused VA to present itself with an ever growing backlog of education claims.

Unfortunately, many of these veterans were waiting weeks and months just to get their Certificate of Eligibility, let alone their claim to be processed. These men and women gave up their jobs in order to better their employment chances by going to school. It should be noted, to be able to get the most out of the benefit, a veteran or family member needs take a course load of over half-time. This means that veterans, who recently left the military, were without a job and without their education benefit from VA. The American Legion received hundreds of calls and emails a month to discuss their financial difficulties; even the possibility of becoming homeless. The American Legion responded to a number of these veterans with Temporary Financial Assistance, one of our many programs to assist veterans and their families. America's veterans are relying upon this benefit to get their education to create a stable environment for them and their families.

In turn, VA responded to this issue and made an executive decision to provide individuals, who were in school, an emergency payment of up to \$3,000. The American Legion applauded and still agrees that this was a smart decision to make, but now is seeing the backlash from this decision. Now, there are reports of veterans and their family members losing all of their future payments instead of the proposed \$750.00 reduction VA promised from the payment plan. VA has taken steps to rectify this situation, but some of the damage has already been done. Many veterans and their families called The American Legion because they cannot get through to VA and need information. We take pride in assisting them, but need VA's cooperation to get issues resolved. The American Legion believes there needs to be more oversight on decisions that are made to ensure proper implementation, so that the veteran or his/her family member is not the one who suffers.

Another recurring issue is over payment. There have been reports of schools being overpaid, which is why many of schools are waiting for the add/drop period before sending in the veteran's enrollment certification. In spite of this move by the schools, the veteran is still being overpaid; consequently, the schools send back the money, but it is not being reported back to the VA in a timely manner. Ultimately, the veteran is then denied their housing allowance and books stipend, until their payment is recouped by VA. This causes an undue burden for the veteran and his/her family and causes, again, another financial hardship. Every time a mistake hap-



pens, it does not affect VA, but does manage to cause problems for the veteran. Closer oversight on these issues would be the fix to many of these problems.

One of the main challenges VA faces is communication. One Regional Office (RO) says the veteran can do something one way and then another RO says the veteran cannot. Second, a veteran or family member will call the 1-800 numbers for education assistance and will ask a question. That same veteran will call back, get a different operator and ask the same question. What the veteran receives, on occasion, is multiple answers. The veteran needs to receive the same answer, so he/she can properly navigate the education process.

The American Legion also would like to bring to the Committee's attention a flaw that exists in the Post-9/11 GI Bill. With all the great benefits the Post-9/11 GI Bill offers, it has unfortunately left out a few educational choices. The American Legion is a strong supporter of allowing the Post-9/11 GI Bill to be used for non-degree granting institutions. This employment path is a more traditional choice, but vocational, apprenticeship, on-the-job training and flight training are not payable by the current bill (Post-9/11). This disparity has caused much concern for The American Legion. We have found that not every veteran has the time or is considering attending college. They might have a family and need to become gainfully employed as soon as possible, which is something that vocational, on-the-job training, apprenticeship and flight training offer. Instead, a veteran may choose a more traditional path and attend a non-degree institution, but cannot use their Post-9/11 GI Bill benefits to complete these courses. Most of these education paths consist of a shorter training time and can lead to immediate employment. The American Legion believes that veterans should never be limited in the manner they use their educational benefits.

Currently, there are two bills, H.R. 3813 and S. 3171, which are companion measures. These bills propose changes to the Post-9/11 GI Bill to allow veterans to use their educational benefits at non-degree granting institutions. The American Legion supports both of these bills. Veterans should be free to choose their school and get the education they believe is best for them and their family.

Even with some challenges and missteps, The American Legion is a constant supporter of VA and is working with them to ensure that veterans and their families get the necessary assistance during this education transition. The American Legion recently held the "Veterans on Campus" education symposium, which tried to identify best practices on how to assist veterans in their transition from the military to college life. What we found was a large number of student-veterans and academia did not have sufficient information about the Post-9/11 GI Bill benefits. The American Legion believes that VA needs to provide more outreach to colleges and universities around the country to ensure these student-veterans have a full range of knowledge concerning their education benefits.

The VA has taken all the necessary steps in order to provide a fluid transition for veterans and their families. We have seen numerous bumps along the way, but VA has had to make some tough choices, such as the emergency payment, to correct those problems. The American Legion will continue to monitor the continued transition for the Post-9/11 GI Bill and appreciates the opportunity to report on our findings.

The American Legion appreciates the opportunity to present this statement for the record. Again, thank you Chairman Akaka, Ranking Member Burr, and Members of the Committee for allowing The American Legion to present its views on this very important issue.

Chairman AKAKA. Thank you very much, Mr. Madden.

Mr. Reininger, please proceed with your statement.

#### **STATEMENT OF MARCO REININGER, IAVA MEMBER, STUDENT VETERAN, COLUMBIA UNIVERSITY**

Mr. REININGER. Chairman Akaka, Senator Begich, staff of the Ranking Member Burr and the Members of the Committee, as a member of Iraq and Afghanistan Veterans of America, the Nation's first and largest group dedicated to the troops and veterans of the wars in Iraq and Afghanistan, and on behalf of the quarter of a million student veterans who have taken advantage of the new GI Bill this year, it is an honor to be able to address you today.

I want to especially thank Senator Webb and Chairman Akaka, and the other Members of this Committee whose hard work and

commitment to veterans secured the largest increase in veterans' education benefits since World War II. Your investment in us will help make us the next greatest generation.

The new GI Bill has unlocked many doors for me that I never dreamed were possible while I was serving in Afghanistan conducting investigations into IED attacks. It has always been my dream to attend an Ivy League university that would challenge my full academic potential. Today, I am living that dream as a student at Columbia University studying political science with aspirations of working with you as a congressional staffer.

As the vice president of the Columbia University U.S. Military Veterans group (MilVets) and an active member of IAVA, I have firsthand knowledge of the successes and failures of the new GI Bill implementation. I am pleased to report that the VA's implementation has improved since last fall, but there is still much to be done.

I applied for my new GI Bill benefits on May 1. When my first living allowance check was significantly late, I was incredibly worried. I did not live on campus and had to count on the generosity of my landlord to forgive my late rent payments. That was not the case for all student veterans. A fellow Army veteran was unenrolled from courses shortly before his final exams because of overdue account balances.

I am thankful the VA finally started issuing emergency checks in October. When I stood in line at the local New York City VA office for my advance payment, many of my fellow veterans from all over the region were extremely hesitant to accept the emergency payment. They were concerned that it would come back to haunt them in the future.

I finally started receiving my GI Bill benefits in November 2010. Sadly, many of my friends and fellow students had to struggle to make ends meet because their GI Bill checks never arrived. A fellow Columbia veteran friend of mine just received his first check last month, and that is from enrollment in fall.

Interestingly enough, the most common complaint I hear from fellow student veterans is that they did not know when their GI Bill checks would arrive. Not knowing when your check will arrive and not being able to get an answer from the VA can wreak havoc on your life. You have to plan for the worst. A fellow veteran of mine ate canned beans and sardines three meals a day for an entire semester trying to scrape up gas money for his wife and two children back home. How could he possibly thrive at school when he was consumed with the responsibility of providing for his family? The new GI Bill was meant to relieve him of that burden.

So far, this semester has been significantly better. My fellow student veterans have been receiving their GI Bill benefits with fewer delays. However, there remains great uncertainty among vets about their individual accounts and amounts of future payments. Many of our new incoming student veterans are still confused about the complicated benefit calculations, which is a product of misinformation during their separation process. And some of my veteran friends from Upstate New York have told me about GI Bill payments that do not reflect the actual BHA rate for 2010. They

have budgeted based on one number, but now they are receiving something else.

Greater transparency could go a long way, and here is an idea. The VA could start by posting a widget on their homepage that reads, "Now working on GI Bill claims from" and then fill in the date. This widget will give student veterans some idea of where they are in the GI Bill queue. This kind of information we can count on and plan around.

I also strongly believe that VA needs to do a better job helping veterans monitor their own GI Bill benefits. If I can never predict when the VA makes a payment to my school, it is difficult to account for what individual checks are covering my tuition and fees. We need a mechanism that would allow me to track my GI Bill claim from the moment I file to the day when it actually pays.

Probably one of the biggest surprises throughout the whole process of using my GI Bill benefits was how confused some of the school financial aid officials were. I expected the VA to informally train these school certifying officials. The VA must properly incentivize schools to prioritize processing of GI Bill paperwork. If the school cannot turn in the paperwork accurately on time, a student veteran will suffer the consequences. Thankfully, we were able to turn to IAVA's GI Bill resource, [newgibill.org](http://newgibill.org), where we found answers to our questions. IAVA has the most up-to-date Web site with the most accurate benefits calculators and a robust frequently asked questions page, and also, 24/7 counseling via e-mail and Twitter. All these things could be implemented on the VA's side.

I recently received a letter from the VA Debt Management Center warning me that they were planning to take back the emergency payment they loaned me in the fall. They advised me that they would be deducting \$750 per month from my living allowance unless I made other arrangements. Thankfully, I was reminded by IAVA that I needed to turn in my paperwork by the April deadline. It was not the VA that told me. Other student veterans did not have it so smoothly. Some tried to set up payment plans but still had the full \$750 deducted from their living allowance check even though the VA actually still owed them money.

There are still major shortfalls such as including Title 32 active duty and streamlining the Yellow Ribbon program by, for example, removing the separation of tuition and fees. The Post-9/11 GI Bill is changing lives, and it will change our country for the better. The question is, how do we make it as easy as possible for our veteran students to focus on their studies and not on collection notices.

Mr. Chairman, this concludes my testimony. I would be delighted to answer any questions you or the Committee may have.

[The prepared statement of Mr. Reininger follows:]

PREPARED STATEMENT OF MARCO REININGER, IAVA MEMBER, STUDENT VETERAN AT COLUMBIA UNIVERSITY

Mr. Chairman, Ranking Member, and Members of the Committee, as a member of Iraq and Afghanistan Veterans of America, the Nation's first and largest group dedicated to the Troops and Veterans of the wars in Iraq and Afghanistan and on behalf of the quarter of a million student veterans who have taken advantage of the new GI Bill this year it is an honor to be able to address you today. I want to especially thank Senator Webb, Chairman Akaka and the other Members of this Committee whose hard work and commitment to veterans secured the largest increase

in veterans' education benefits since WWII. Your investment in us will help make us the next greatest generation.

The new GI Bill has unlocked many doors for me that I never dreamed were possible, while I was serving in Afghanistan, conducting investigations into IED attacks. It has always been my dream to attend an Ivy League university that would challenge my full academic potential. Today, I am living that dream as a student at Columbia University, studying political science, with aspirations of working with you as a Congressional staffer. I want to help Senators like you craft new and innovative programs that are crucial for my fellow veterans.

As the Vice-President of the Columbia University Military Veterans group and an active member of Iraq and Afghanistan Veterans of America, I have firsthand knowledge of the successes and failures of the new GI Bill implementation. I am pleased to report that the VA's implementation has improved since last fall, but there is still much to be done.

I will address the following four issues:

1. Late GI Bill checks mean no rent checks and sleepless nights;
2. School certifying officials are overworked and undertrained;
3. Emergency check recoupment is inaccurate and not transparent; and
4. Living allowances have not been adjusted for the COLA increase.

*Late GI Bill checks mean no rent checks and sleepless nights.*

I applied for my new GI Bill benefits on May 1st, shortly after being accepted to Columbia University. I knew that living in New York City and attending a private school meant that I could not afford any delays in my benefits. When my first living allowance check was significantly late, I was incredibly worried. I did not live in university housing and had to count on the generosity of my landlord to forgive my late rent payments. Columbia University was also very accommodating and did not penalize student veterans for late VA checks. That wasn't the case for all student veterans. A fellow Army veteran was un-enrolled from courses shortly before his final exams because of overdue account balances.

I am thankful the VA finally started issuing emergency checks in October. Without this stop-gap measure, I would have quickly gotten into severe financial distress. When I stood in line, at the local New York City VA office, for my \$3,000 advance payment, many of my fellow veterans from all over the region were extremely hesitant to accept the emergency payment. They were concerned that it would come back to haunt them in the future. This engrained distrust of the VA is not unusual among my peers.

I had no choice but to accept the emergency payment. I took the hand written check and a letter from the VA to my bank, so they wouldn't place a hold on the check when I deposited it.

In addition to the VA checks, members of our student veterans' community supported one another by lending each other cash in order to get by, avoid bad credit scores and collection agencies.

I finally started receiving my GI Bill benefits in November 2010. Last fall, I was one of the lucky ones who received their GI Bill in a somewhat timely manner. Sadly, many of my friends and fellow students had to struggle to make ends meet because their GI Bill checks never arrived. A fellow Columbia veteran pal of mine just received his first check last month.

Interestingly enough the most common complaint I hear from fellow student veterans is that they didn't know when their GI Bill checks would arrive. Student veterans can scrimp and save in a pinch, photocopying assigned readings instead of buying the textbooks or being content to eat Ramen noodles for another week instead of going out to dinner with our classmates. We can make due, but only if we know that our GI Bill check is going to arrive on a particular day. Not knowing when it will arrive and not being able to get an answer from the VA can wreak havoc on your life. You have to plan for the worst. I know some veterans who took some drastic measures. A fellow veteran ate canned beans and sardines three meals a day for an entire semester, trying to scrape up gas money for his wife and children back home. How could he possibly thrive at school when he was consumed with the responsibility of providing for his family? The new GI Bill was meant to relieve him of that burden.

So far, this semester has been significantly better. My fellow student veterans have been receiving their GI Bill benefits with fewer delays. However, there remains great uncertainty among vets about their individual accounts and amounts of future payments. Many of our new incoming student veterans are still confused about the complicated benefit calculations, which is a product of misinformation during their separation process. And some of my veteran friends, from upstate New

York, have told me about GI Bill payments that do not reflect the actual BAH rate for 2010. They have budgeted based on one number, but received something else.

Uncertainty is demoralizing, distracting from studies, and financially perilous. Greater transparency can go a long way. Here's an idea: The VA could start by posting a widget on their homepage that reads: "Now working on GI Bill claims from (fill in the date)." This widget will give student vets some idea of where they are in the GI Bill queue. This is information we can count on and plan around.

I also strongly believe the VA needs to do a better job helping veterans monitor their own GI Bill benefits. If I can never predict when the VA makes a payment to my school, it is difficult to account for what individual checks are covering in my tuition and fees. We need a mechanism that would allow me to track my GI Bill claim from the moment I file, to the day when it actually pays. I can track a book from an Amazon.com warehouse to my apartment, why can't I get the same transparency from the VA?

*School certifying officials are overworked and undertrained.*

Probably one of the biggest surprises, throughout the whole process of using my GI Bill benefits, was how confused some school financial aid officials were. I expected the VA to have formally trained these School Certifying Officials. I assumed that the school officials would have answers, but they were frantically trying to figure out how the new GI Bill worked, just as we were.

Thankfully we were able to turn to IAVA's GI Bill resource ([www.newgibill.org](http://www.newgibill.org)), where we found answers to our questions. IAVA has the most up-to-date Web site, with the most accurate benefits calculators, a robust Frequently Asked Questions page, and 24-7 counseling via email and Twitter.

Working with school certifying officials it often feels like processing GI Bill paperwork is an additional burden for them, on top of an already heavy workload. I was shocked to find out that my school was only being reimbursed by the VA at the rate of \$7/veteran. That is considerably less than minimum wage. We must properly incentivize schools to prioritize processing of GI Bill paperwork. If the school can't turn in the paperwork accurately or on time, a student veteran will suffer the consequences.

*Emergency check recoupment is inaccurate and not transparent.*

I recently received a letter from the VA Debt Management Center warning me that they were planning to take back the \$3,000 emergency payment they loaned me in the fall. They advised me that they would be deducting \$750/month from my living allowance check unless I made other arraignments. Thankfully, I was reminded by IAVA that I needed to turn in my paperwork by the April deadline, otherwise the VA would have deducted the \$750 automatically from my living allowance. It wasn't the VA that told me, it was IAVA. I emailed the VA Debt Management Center, and they set up a payment plan of \$150/month, which is within my means.

Other student veterans didn't have it so smoothly. Some tried to set up payment plans but still had the full \$750 deducted from their living allowance check. When you are living on a tight budget, \$750/month can mean the difference between focusing on studies and looking for a second job. Other veterans had their debt applied to their accounts, even though the VA owed them money.

In preparation for this testimony I read on the VA's and IAVA's Web site that the VA would be taking care of this problem and that the "checks would be in the mail." Frankly, anytime anyone who makes a mistake tells me not to worry because "the check is in the mail" I worry even more. I hope this issue is fully resolved soon. Our veterans need your help.

*Living allowances have not been adjusted for the COLA increase.*

Last, and I hope not to sound too petty, I believe the VA owes me some money. The military Basic Allowance for Housing (BAH) rates went up on January 1st, but I never saw an increase in my living allowance checks. I know the rates for Columbia's ZIP code increased slightly. So what happened?

I ask because I know if I owed the VA money (which I do), they would certainly be in quite a hurry to collect (which they are). But when the VA owes me money, I can't seem to get any answers. Furthermore, in some of my veteran friends' areas the difference is quite significant, particularly when one receives less money than originally budgeted.

The Post-9/11 GI Bill is changing lives and it will definitely change our country for the better. The questions are: how much trouble will this change be? How difficult must it get before student veterans give up on their education? How do we make it as easy as possible for our veteran students to focus on their studies and not on collection notices?

Chairman AKAKA. Thank you very much, Mr. Reininger.

This question is to each of you. In your testimony you have made some statements about your experience thus far with the Post-9/11 GI Bill. We all are looking for ways to improve it. So my question to each of you is, if you could make a single change to streamline and improve the new program, what would it be?

Mr. Madden?

Mr. MADDEN. Thank you, Mr. Chairman. I appreciate the opportunity to answer the question.

I think someone mentioned earlier here today but—during the education symposium that we held at the end of February and the beginning of March, one of the main components that came out of that was clear communications. Some of the reports, some of which is anecdotal, we are getting reports from individuals saying, well, I called Muskogee and I get somebody, and I get an answer; and then I call back again and I get a different answer. There does not seem to be the same answer that the veteran needs to get his claim processed or get his payment as soon as possible. That is one of the main components that came out, was that the individual needs to hear clear and concise answers from everybody and get the same answer from everybody.

Chairman AKAKA. Thank you.

Mr. Stephens?

Mr. STEPHENS. If I had to pick one thing, what I would say is to include the non-college degree institutions, the apprenticeships and on-the-job trainings, the flight and correspondence schools, and the other programs that were left off.

As I have visited various schools and institutions, and we visit all different types, I have had to tell veterans who are not in an institution of higher learning, not in a degree-granting institution, that they do not have increased benefits. And I have had them look at me and ask why. I served in Iraq. I served in Afghanistan. I did the same as the other men and women there. Why do I not have those? To be quite honest with you, my answer is because it is not currently in the law, but I recommend you contact your Member of Congress and try to get it put in there.

So if I had to make one change, that is the change I would suggest.

Chairman AKAKA. Thank you very much, Mr. Stephens.

Mr. REININGER. Mr. Chairman, if your question pertains to streamlining—

Chairman AKAKA. Mr. Reininger?

Mr. REININGER [continuing]. The process, one of my suggestions would be to remove the separation of tuition and fees. Because the bill as it is reads that public education at a public university has to be covered for the veteran. I do not understand why the VA cannot just go ahead and pay a public university for the veteran's tuition.

Then as it pertains to the Yellow Ribbon program, if there were a national baseline established for the Yellow Ribbon program, it would streamline the whole process because there would be no more States certifying their tuition and fees for the current fiscal year. There would be more separation of the two. It is just one payment to the school if it is a public school and one payment to the

school if it is a private school. I believe that would maybe even be a cost-neutral solution because it will save many man-hours at the VA.

Chairman AKAKA. Thank you very much.  
Do you have a comment to make?

Ms. DESLAURIERS. I am glad that my colleagues spoke before me because they filled in all the gaps for me. But I think the most important thing at this time, an immediate issue that needs to be resolved is the certification of tuition and fees being separated from the report of enrollment status in order that our veteran students can receive their living stipend without interruption.

Chairman AKAKA. Well, thank you for that. Let me pose another question to all of you. I think each of you has touched on the importance of more outreach, more outreach and exchange of information. My question to all of you is, what form do you believe this outreach should take?

Mr. Madden?

Mr. MADDEN. Thank you very much, Mr. Chairman. I know that Faith DesLauriers can speak more to this, but we understand that certifying officials are the go-to people and the individuals who the student veterans rely on on a daily basis, not only for their claim but for information regarding the school and how to navigate the process. I think if the VA can coordinate and provide more training beyond what is already being provided to the certifying officials, that they will get the information and it only benefits both parties.

Chairman AKAKA. Mr. Stephens?

Mr. STEPHENS. If I could echo that sentiment also and add a couple of other things. The training of certifying officials is very important. They are the front line. Yet we also need to emphasize what I call the electronic means of communications. Today's young veterans are on Facebook, Twitter, and all those things I will never understand—me personally. We need to continue to do that, put information out there, publish different written publications, do welcome home letters, do whatever we can to get the word out there.

Chairman AKAKA. Mr. Reininger?

Mr. REININGER. Mr. Chairman, I would like to continue that thought also. In terms of modern media, Facebook and tools available on the Internet: if the VA would transition to implementing those cutting edge technologies, it would create so much more of an interactive process.

I heard earlier that by December there would be an opportunity for the veteran to log in and actually check their account and see what is going on. That kind of information, that kind of accessibility and transparency, really puts the veteran at ease. Everybody knows what is going on, and hours are being saved by doing so. So I believe modern technology is probably the best idea.

For example, when the new GI Bill was rolled out initially, IAVA had a Web site with a very simple calculator that told the veteran exactly how much benefits they were entitled to and they were supposed to receive. I do not understand why the VA was not able to do that. If a nonprofit organization with much less funding can do that within a week, I do not understand why the second largest government agency is not able to do that just as well. Thank you, sir.

Chairman AKAKA. Thank you very much.

Ms. DesLauriers?

Ms. DESLAURIERS. Yes, sir. Again, my colleagues are making it very easy for me today. I think that the development of a Web portal is imperative to this program because the VA is overwhelmed with the number of phone calls/inquiries it gets. We certainly appreciate and admire all the work that is being done and the volume of work this program has put on the VBA. I believe that the Web portal capturing all relevant information so that both schools and students can identify whether a student is eligible and what they are eligible for, can certainly reduce the anxiety that goes with applying, receiving, and administering these programs. So I think the Web portal is very, very important.

Chairman AKAKA. Well, I want to thank you. This has been a good hearing; and I want to thank all of our witnesses, the first panel as well.

It is clear that the issues involved are quite complex, and working toward making this program more streamlined, efficient, and equitable will not be an easy thing to do. But we can put our minds together and continue to strive at this. I was interested in a comment, that every 3 months, that programs are tried and new ones are put in place if it is needed. And that is one way of moving those along as quickly as we can.

I would note, too, that VA's witnesses have remained here for this second panel, so they have heard you directly with your concerns, and we look forward also to an exchange among you. And we are grateful that all this happened.

As I noted at the opening of the hearing, I will be introducing—I want to repeat that—introducing legislation before the Memorial Day break to begin the process of moving forward in a very deliberate way. I look forward to working with all of you in this effort.

The record of this hearing will remain open for 1 week for the submission of written statements, questions, and responses to questions in writing.

Again, I thank you. This has been a good hearing. This hearing is adjourned.

[Whereupon, at 11:36 a.m., the Committee was adjourned.]



# A P P E N D I X

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PREPARED STATEMENT OF CAPTAIN GERARD M. FARRELL, USN (RET.), EXECUTIVE  
DIRECTOR, COMMISSIONED OFFICERS ASSOCIATION, U.S. PUBLIC HEALTH SERVICE

## INTRODUCTION

My name is Gerard Farrell. I am a retired Navy Captain and the Executive Director of the Commissioned Officers Association of the U.S. Public Health Service (COA). I represent the views of this Association's 7,000 members, all of whom are active-duty or retired officers of the Commissioned Corps of the U.S. Public Health Service (USPHS).

I am limiting my comments to one element of the Post-9/11 GI Bill. It is the provision that permits eligible servicemembers to transfer their unused GI Bill educational benefits to their dependent family members. I respectfully ask this Committee to extend this popular entitlement and powerful recruiting and retention tool to the USPHS Commissioned Corps and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA). The USPHS Commissioned Corps has an active-duty force of 6,500. The NOAA Corps has an active-duty force of only 300.

## SUMMARY

As a matter of law and precedent, USPHS and NOAA Corps officers have been included in all GI Bill programs for the past 60 years. USPHS and NOAA officers are veterans under both Title 10 and Title 42 of the U.S. Code. Section 213(d) of Title 42 states clearly that USPHS officers are entitled to "all" programs administered by the Veterans Administration.

USPHS and NOAA officers are entitled to Post-9/11 GI Bill benefits, with one exception: transferability. At present, they cannot transfer their own, unused educational benefits to dependent family members. This is because the statute gives transferability authority to the Secretaries of Defense, Army, Navy, Air Force, and Homeland Security. But it does not mention the Secretary of the Department of Health and Human Services, which is the home of the USPHS Commissioned Corps, or the Secretary of Commerce, which is the parent agency of the NOAA Corps. A powerful recruitment and retention tool is thus inaccessible to the Nation's two smallest uniformed services.

The transferability option was designed as a tool to retain mid-career servicemembers with critical skills. There is no area of Federal service more desperately in need of such important retention tools as the Public Health Service. The critical condition of the Nation's public health workforce is well-documented.

Because both uniformed services are so small, the cost to the U.S. Treasury of extending transferability to USPHS and NOAA officers would be minimal relative to the overall cost of the Post-9/11 GI Bill. I want to emphasize this point because I am told that cost has, in fact, recently been raised as an obstacle. No other reason for excluding USPHS and NOAA has ever been advanced over the 19 months we have urged Members of Congress and the Administration to find a way to extend transferability to these two services.

Transferability is a potentially powerful aid not only to USPHS recruiting, but also, indirectly, to the Department of Defense. That is because DOD relies increasingly on mental health specialists from the USPHS to treat traumatized and brain-injured servicemembers returning from Iraq and Afghanistan.

## BACKGROUND

In the original Post-9/11 GI Bill, approved by Congress and signed by the President in June 2008, USPHS and NOAA were left out entirely. The reason is not

clear. Our assumption always has been that it was an unintentional oversight, given the fact that both services had been included in the Montgomery GI Bill.

The Association first brought this matter to the attention of this Committee on July 11, 2008, with letters to all Committee members and their key staff people. Senator Webb's staff kindly facilitated a meeting with the Committee's professional staff on July 24. In addition, I had the great pleasure of meeting personally with the Chairman on September 23. I left that meeting much encouraged.

The Veterans Administration partially corrected the original oversight when it developed implementing regulations last year. Its final rule was published on March 31, 2009. The agency cited 42 U.S.C. 213, with regard to USPHS, and 33 U.S.C. 3002 and 3072, with regard to NOAA. The agency said its own General Counsel interpreted these statutory provisions as expanding the definition of 'Armed Forces' in 38 U.S.C.101(10) to also include USPHS and NOAA for purposes of benefits administered by VA. The agency concluded that service as a commissioned officer of USPHS or NOAA meets the 'active duty in the Armed Forces' service requirement in section 3311 of Title 38, U.S. C. It said, "We agree that commissioned officers of PHS and NOAA are eligible for benefits under the Post-9/11 GI Bill."

Well, not entirely. The agency went on to explain that "while VA is responsible for administering payment of transferred benefits, the Department of Defense is responsible for determining eligibility for transfer of the entitlement to dependents. Specifically, the statute provides that the Secretary of Defense may authorize the Secretary of the Army, Secretary of the Navy, Secretary of the Air Force, and the Secretary of Homeland Security \* \* \* to determine if individuals serving in the Armed Forces in their respective departments are eligible to transfer their entitlement to dependents." In short, the agency decided it had no authority to determine eligibility for transferring educational benefits under the Post-9/11 GI Bill. It would defer to the Defense Department.

In a courtesy call shortly before the final rule was published, the agency's educational affairs director explained to COA why the agency did not see a way to include USPHS and NOAA officers in transferability.

Since the VA ruling last year, this Association has appealed to Congress and to the Administration. We continue to seek support for corrective action that would fix the rest of the problem by extending transferability to USPHS and NOAA.

In September, I was pleased to see the introduction in the House of H.R. 3657, which would accomplish that. It is under review by the House Veterans' Affairs Committee's Subcommittee on Economic Opportunity. There is no Senate companion.

This Association has written to the President and to the Secretary of Health and Human Services. I have met personally with the Assistant Secretary for Health and the Surgeon General on several occasions. In all oral and written communications, the Association has emphasized the importance of asking Congress for transferability authority. To date, no such departmental request has been made, and we do not know why.

#### WHY TRANSFERABILITY IS NEEDED

The Department of Health and Human Services currently faces serious challenges in recruiting and retaining qualified health professionals, particularly physicians and dentists. This is especially true of the Indian Health Service. In just one region of one sparsely populated state, for example, there are more than 200 vacancies. In hard-to-fill positions, vacancies are likely to remain for two years.

For the first time in many years, the number of physicians in the USPHS Commissioned Corps has dropped below 1,000. There is also an acute shortage of dentists.

It is unclear to this Association whether existing incentive programs do not work or have not been seriously pursued. In any event, we understand that HHS recently awarded a contract to a major consulting firm, directing it to develop a recruiting program to fill 500 vacancies for physicians, dentists, and nurses.

The HHS Department's own need for scarce health care professionals reflects, in part, an increasing need on the part of the Defense Department. DOD relies to a significant degree on the USPHS to provide mental health care to traumatized and brain-injured soldiers and marines who are returning from Iraq and Afghanistan. In 2008, for example, HHS agreed to detail 200 USPHS mental health experts to the Defense Department in order to deliver improved clinical care to these service-members.

The Military Coalition, a consortium of 34 military and veterans' organizations, wrote to this Committee in September and emphasized this fact. The letter (attached) requested a technical change that would authorize HHS and Commerce to

use transferability as a career incentive for USPHS and NOAA Corps officers. The letter pointed out that “HHS is experiencing critical medical and other specialty expertise shortages in the USPHS at a time when the Service is providing unique capabilities to the Nation.”

The Military Coalition’s letter referred not only to the need for better treatment of wounded warriors, but also to new USPHS responsibilities in the areas of emergency preparedness and disaster response. This includes stepped-up training of first-responders to protect the public’s health in case of a natural disaster or terrorist attack.

#### WHY TRANSFERABILITY IS SO POPULAR

Transferability is the GI Bill benefit that matters most to active-duty USPHS officers, all of whom are credentialed health professionals—doctors, dentists, nurses, engineers, mental health specialists, and others. When they receive their commissions, they already hold college degrees. In many (if not most) cases, they also hold advanced or terminal degrees in their fields. While some USPHS officers choose to use their GI Bill benefits to pursue doctorates in nursing, psychology, environmental health, or other health-related disciplines, the vast majority would prefer to transfer their own unused benefits to their children. That is why transferability represents potentially powerful recruiting tool. It is also why transferability is the top legislative priority of COA and its members.

From the perspective of HHS, there would appear to be no downside to asking for transferability authority from Congress. The HHS Secretary could use this tool as selectively as she might wish; she could use it a lot or not at all. As a recruiting and retention aid, transferability might work where other incentives apparently have failed. One thing is certain, however: seeking transferability would demonstrate to active-duty USPHS officers that their HHS leaders support them. From the Association’s perspective, a greater boost to morale is difficult to imagine.

#### CONCLUSION

According to Federal law and agency regulations, USPHS and NOAA officers are—at least theoretically—entitled to all benefits administered by the Veterans Administration. As a practical matter, however, they are excluded from the Post-9/11 Bill benefit that means the most to them. This is the option of transferring their own unused educational benefits to dependent family members. This inequity can be remedied by this Committee.

No plausible and substantive reason for not remedying it has been expressed by anyone.

On behalf of dedicated USPHS and NOAA officers stationed here and around the world, I respectfully ask the chairman and Members of the Committee on Veterans Affairs to extend GI Bill transferability to these two Federal uniformed services.

Thank you for your attention and consideration.

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#### PREPARED STATEMENT OF TIM EMBREE, LEGISLATIVE ASSOCIATE, IRAQ AND AFGHANISTAN VETERANS OF AMERICA

Mr. Chairman, Ranking Member, and Members of the Committee, on behalf of Iraq and Afghanistan Veterans of America’s one hundred and eighty thousand members and supporters, thank you for allowing us to submit written testimony to this Committee.

The Post-9/11 GI Bill is the greatest investment in veterans and their families since World War II. This historic benefit has the opportunity to send hundreds of thousands of new veterans to college, and change the economic future of an entire generation of Americans. The Post-9/11 GI Bill promises to be the cornerstone for building the “Next Greatest Generation.”

Since its landmark passage, IAVA has been assisting student veterans navigate this generous, yet complicated, new benefit. More than 250,000 people have visited our premier GI Bill resource, [www.newgibill.org](http://www.newgibill.org). Through [NewGIBill.org](http://NewGIBill.org), we offer the most accurate benefits calculators, Frequently Asked Questions, and one-on-one support through email and Twitter. Every day, we are helping more and more student veterans find answers to their GI Bill questions. Just last week, a service-member’s spouse wrote, “Just wanted to thank you. You have no idea how many Web sites I’ve visited—including VA, DOD, which didn’t have the answers you provided or haven’t been updated since \* \* \* August 2009!”

IAVA interacts daily with veterans and their families struggling to navigate the new GI Bill. As a result, we’ve gained unique insight into where implementation

has succeeded and where it has failed. While many of our members now have had the opportunity to attend school thanks to the new GI Bill, this success has been tempered by the largest backlog of GI Bill claims since the VA started tracking their performance. We have seen how well veterans are served when the VA is collaborative and communicates with key stakeholders and veterans. But we have also witnessed the catastrophe of non-communication and bureaucratic isolationism. By reviewing the VA's rocky implementation of the new GI Bill, we have identified some key lessons learned for the upcoming school year:

1) An ounce of good information will prevent a pound of phone calls: The VA must be diligent about communicating the latest information on the new GI Bill to new veterans and their families. This will help set realistic expectations and prevent VA phone queues from dragging on indefinitely.

2) The VA is not an island: The VA must look beyond itself to correct lingering problems with the new benefit. It can start with key stakeholders, such as the VSO community.

3) Don't rob MGIB to pay NGIB: Veterans using the GI Bill deserve timely benefits and we should not put the old GI Bill on the back burner because the media is covering the new GI Bill.

4) Benefits must be paid on time: The VA cannot decide to not pay earned benefits, such as the 2010 living allowance rates because they don't know how to issue the checks correctly.

5) Slow is smooth, smooth is fast: Hastily processing GI Bill claims to "clear the deck" leads to numerous errors, confusion and appeals.

6) Only as fast as the VA's slowest computer: The future of this new GI Bill depends heavily on successful implementation of the VA's long term IT solution.

Despite the VA's initial missteps, they still have made some incredible progress over the past year implementing this new program. However, there are still several key actions that the VA must take to streamline implementation of the new Post-9/11 GI Bill.

IAVA recommends that the VA:

- Involve VSO and other key stakeholders in the development of future GI Bill rules, marketing campaigns, Web site redesigns and IT development.
- Post a waiting time widget on the VA's GI Bill homepage stating, "Now working on GI Bill claims from (fill in the date)."
- Retroactively pay student veterans who are owed additional living allowance payments due to the new BAH rates and hold harmless any student veterans who would have received a lower living allowance check.
- Reauthorize the Veterans Advisory Council on Education (VACoE).
- Reestablish the practice of disclosing the date of the oldest pending GI Bill claim in the Monday Morning Workload report.
- Conduct an audit of common GI Bill processing mistakes in order to prepare for the summer training sessions and public report the results.
- Collaborate with key stakeholders in the development of the student veteran portal.
- Achieve a proper balance of resources dedicated to processing both new and old GI Bill and publicly report the number of old GI Bill users as it currently does with the new GI Bill.

The new GI Bill has helped over 250,000 students attend colleges and universities. And it offers a generous benefit: the average Post-9/11 GI Bill user has already received \$11,159 this year alone. To put that in perspective, the average payout under the new GI Bill is 20% higher than the most a student veteran could receive under the old GI Bill. Student veterans are finally getting enough money to attend college.

1) *An ounce of good information will prevent a pound of phone messages.*

*"I never got through, the volume of calls was at an "unprecedented" level and nobody was available to help. I tried, every three minutes for 6 hours straight. Four days in a row."—IAVA Vet*

Last Fall, student veterans were getting desperate. Their rents were due, schools were threatening to not let them register for classes and the VA wasn't answering the most important question, when will their GI Bill checks arrive? "They told me just to keep waiting," an IAVA vet wrote. The biggest problem facing the VA last term was not the fact that the GI Bill checks were late, though that was an enormous problem, it was the fact that the VA couldn't tell veterans when the checks would arrive.

This uncertainty sparked a panic among student veterans. If the VA was a bank in the 1920's, we would have seen student veterans flocking in droves to the VA regional centers trying desperately to get at least some of their benefits. Instead they tried reaching out to the VA the only way that was available by calling the GI Bill Hotline (888) GIBILL1. Over a million student veterans called the GI Bill hotline in December alone and nearly 90% of those calls were met with busy signals. Of those lucky enough to get through, 30% dropped the call because the hold time was just too long.<sup>1</sup> I bet not even Barry Manilow at his peak ever got that type of phone traffic for a concert.

With the phones ringing off the hook they cut their losses and closed the call center for two days a week redirecting those staff toward processing claims. While IAVA supported this novel approach, we fault the VA for failing to give student veterans a reasonable expectation of when they would receive their benefits. The phone lines told veterans that they would need to wait up to 12 weeks at the same time the VA was testifying that the average processing time was 47 days.<sup>2</sup> The VA kept telling veterans hang on. "They told me just to keep waiting."

*"VA has my paperwork but, can tell me absolutely no timeline in which I will receive my funds. No money for rent, lights, you name it."*—Susan (IAVA Vet)

While it goes without saying that if the VA had delivered the checks in a timely manner there would not have been a panic, we believe this over simplification of the problem misses the most important lesson learned from last Fall. There will always be a new error in the system or reason for a late check but striving to give veterans the most accurate and up to date information will help them have realistic expectations of what is to come and most importantly allow veterans to make plans accordingly. Knowing your GI bill check will be late 5 days is infinitely easier to deal with than not knowing when the check will come at all.

Thankfully, the VA has begun to act on this learning point and launched an aggressive second semester information campaign that started with a firm promise of when a veteran's GI Bill check would arrive. We would argue that this firm promise to pay all GI Bill claims received by January 19th on February 1st not only sent a powerful message to all student veterans and VA employees but the certainty of the date was more important than the actual date of delivery. It restored confidence in a shaken program and we have not seen the wide scale panics we dealt with last term.

The VA has some developed some powerful information delivery tools over the past year including a completely revamped GI Bill Web site, a GI Bill Facebook fan page with over 16,000 fans, and even a Twitter account with almost 850 followers. The VA even launched a nationwide campaign to advertise their GI Bill resources to student veterans across the country. IAVA has applauded the VA for taking each of these critical steps toward becoming the GI Bill information hub which they must become.

Regrettably, after a bright start to this term, the VA is slipping back into old habits. Veterans calling the GI Bill hotline are being told they need to wait 4–6 weeks and the VA has not announced their average processing time since December. IAVA recommends posting a GI Bill waiting time widget on the VA's GI Bill homepage saying, "Now working on GI Bill claims from (fill in the date)" and reinstituting an old VA practice of disclosing the dates of the oldest pending GI Bill claims which were reported weekly in the Monday Morning Workload reports up until last September. Telling veterans how many checks you have processed and not how long they will have to wait is not helpful at all. Like a hungry customer waiting to order a deli sandwich, it always better to know how far down you are in the line then how many sandwiches the Deli has made for other customers.

## 2) The VA is not an island.

When student veterans needed help with their GI Bill the VA's phone lines were nearly impossible to get through. Veterans felt like there was nowhere to turn to get the answers they needed. Instead of training a cadre of GI Bill experts among veterans groups and schools to help disseminate quality GI Bill information the VA's answer was to have all GI Bill questions go through their fatally flawed phone system.

<sup>1</sup> <http://www.armytimes.com/news/2010/01/military—va—droppedcalls—012210w/>

<sup>2</sup> House Committee on Veterans' Affairs; Subcommittee on Economic Opportunity; Education Roundtable; VA Director of Education Services Keith Wilson's slide presentation, December 3, 2009.

Why is it that the new GI Bill's tuition benefit is more complicated to understand than the plot line of an episode of LOST? Because the VA refused to consult any students, schools or veterans organizations in the development of their policy and the result was a completely unexpected system that few truly understand. The VA's dependence on its own internal insulated wisdom in making critical decisions about the GI Bill has led to some bizarre and unfortunate results.

We need to start working together if we want to build the "Next Greatest Generation." The GI Bill and the promises it brings are bigger than any one of us and sadly it seems like personalities, pride and sometime laziness stand in the way of true collaboration. It is commonly accepted that the world is inexplicitly interconnected and that all of our actions affect everyone else. We can and must do better to work together for the sake of all student veterans.

In the beginning, the VA's efforts to collaborate could have served as a model for other agencies. IAVA was inspired when the VA took to the road last January and held gigantic town halls in Los Angeles, DC and Chicago to collect feedback on their proposed regulations. Additionally VA rulemakers carefully weighed public comments and drafted well informed GI Bill rules. VA held focus groups with VSOs and student veterans which helped convince the VA, among other things, to strike the first line of a letter intended for all 2 million GI Bill eligible veterans that read, "Public Law 110-252 created a new educational assistance program called the Post-9/11 Veterans Educational Assistance Act of 2008." The Veterans Advisory Council on Education (VACoE) held its final meeting discussing the necessity of public outreach and the impact of excluding certain groups of veterans such vocational student from the new GI Bill.

The door to collaboration slammed shut in February when the VA released their preliminary tuition chart. The VA's proposed tuition scheme was incredibly flawed because it was confusing and inequitable. Students, schools, VSOs and legislators were all surprised at the proposed tuition numbers which had student veterans from some states receiving as little as \$2,000/year and other states receiving over \$40,000/year. Even more surprising is that the VA never consulted anyone outside of the VA about such a radical departure from the original language of the law. Once the VA released their proposal publicly they were unwilling to heed our concerns because they feared a public backlash. What could have been resolved in an hour long discussion with key stake holders is now an entrenched policy.

*"I was confused \* \* \* and I was wondering why there is a huge difference in tuition coverage for schools that cost relatively the same amount."*—Joshua (IAVA Vet)

When the delayed payment crisis peaked last Fall the lines of communications were still closed. There didn't even appear to be a "red phone" where the VA could just call the VSOs and discuss offline the problems they were facing. So what happened next? Friction, acrimony, name calling and a lot of bad blood. While the intense media pressure forced the VA's hand to act and issue emergency checks, the VA was even less willing to collaborate then before. And while we acknowledge that unlike the tuition example, friction over the delayed checks was inevitable the level of frustration and complete lack of professional and productive dialog Could have been avoided.

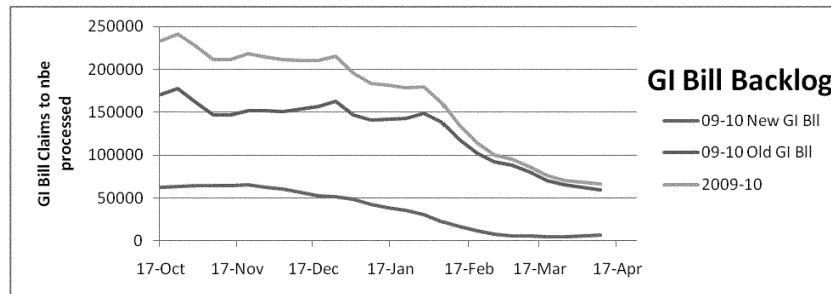
More recently the VA has been dealing with the recoupment of these same emergency checks. Once again we were frustrated to learn the VA was not consulting with VSOs on a major policy decision, how much should the VA withhold from the veterans' monthly living allowances. We were forced to seek information about this issue from personal VA sources and the initial reports were disturbing. Thankfully VA leadership heeded our private complaints before we were forced to take the complaints publicly. Although this issue resolved itself we believe that this continued lack of collaboration is simply unsustainable.

We want to be partners with the VA to ensure the successful implementation of this great new program. In order to ensure collaboration, IAVA strongly recommends that the VA consistently involve key stakeholders (including VSOs) in "development" of future GI Bill rules, marketing campaigns, Web site redesigns and IT development. We also believe the VA would greatly benefit from the advice of outside industry experts and we recommend reauthorizing the Veterans Advisory Council on Education (VACoE) which historically provided that expertise.

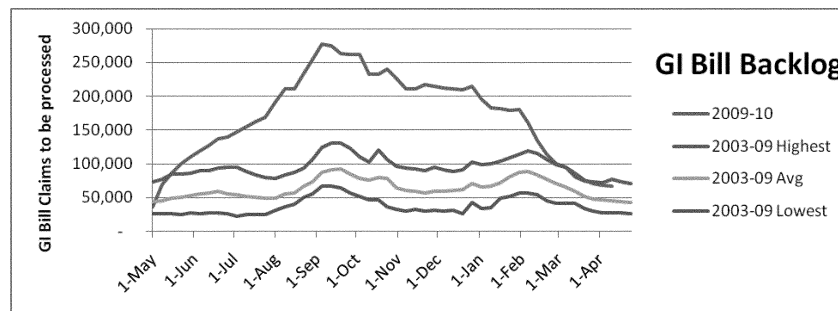
### 3) *Don't rob MGIB to pay NGIB.*

The VA has made remarkable progress this term processing new GI Bill claims. The backlog which capped out at over 65,000 pending new GI Bill claims last November is now only 6,000. IAVA applauds the VA's hard work toward accomplishing

this incredible feat. However, we are concerned that the VA may be focusing a disproportionate amount of energy on the new GI Bill while the old GI Bill claims are lagging behind. As the chart below illustrates nearly 91% of the current backlog is made up of old GI Bill claims with nearly 60,000 claims outstanding.



Furthermore, while the GI Bill backlog is significantly better than last term the backlog is still the highest it has ever been at this point in the school year since the VA started publishing weekly reports back in 2003. The chart below outlines the 2009–2010 backlog and compares it with the high and low watermarks of GI Bill backlogs from 2003–2009. In a nutshell, we still have a serious backlog.



As the VA is planning resources for next year we encourage the VA to continue working toward alleviating the GI Bill backlog, while paying particular attention toward achieving a proper balance of resources dedicated toward processing both new and old GI Bill claims.

#### 4) Benefits must be paid on time.

*“The VA lady told me that they had not updated the system to the 2010 BAH rates yet and that we were still getting the 2009 rate. Is this correct?”*  
—Scarlett (IAVA Vet)

On January 1st the military increased their living allowance rates 2.5% nationally and consequently student veterans using the new GI Bill should have also received an increase in their living allowance checks. However, the VA simply ignored these mandatory rate changes and never made any formal announcements either way. The only mention of the issue by the VA was a tweet on the VA’s Twitter account on December 18th.

DeptVetAffairs: For GI Bill students: BAH rates will remain the same to begin the spring semester. Any changes won’t happen until later in the spring.

This announcement never made it on the VA’s GI Bill Web site, their FAQ page or even the GI Bill Facebook page. IAVA believes that major GI Bill announcements such as tuition rate changes which have happened seven times since August 1st and policies concerning living allowance rates warrant front page news on the VA’s GI Bill Web site.

While 2.6% average increase might not seem like something to get worked up about, please keep in mind that some veterans are owed over a \$1,000 this Spring alone. For example a student veteran attending University of Massachusetts, Lowell, would have received an increase of \$261/month.

The VA has informally defended their actions by saying they didn't want to lower GI Bill rates for those students attending schools where the BAH rate decreased. However, IAVA's analysis of the 2010 BAH rates shows that over 4,000 schools would receive an increase in living allowance rates. The VA has also conceded that they didn't have the computing capacity to modify their payment system in time for the new term. While, IAVA is sympathetic to these concerns it does not absolve the VA from making a formal promise to these student veterans to pay the difference once the system is up and running. This is exactly what the VA did when they implemented the Chapter 1607 REAP program.

IAVA recommends that the VA formally announce that they will retroactively pay student veterans who are owed additional living allowance payments due to the new BAH rates. The VA should also announce that they plan to hold harmless any student veterans who would have received a lower living allowance check because the VA did not have their system in place in time.

5) *Slow is smooth, smooth is fast.*

*"The VA says they paid my tuition twice, but the school says they only received one payment. Until this is all straightened out the VA is with holding my monthly allowance. This is what I live on. It has been three weeks now and still not resolved and the VA said it could take months. I cannot afford to not get my allowance for months. And I don't understand why I am being held responsible since this is all between the school and the VA."*—Corey (IAVA Vet)

When the VA makes a mistake processing a GI Bill claim, student veterans like Corey are plunged into a bureaucratic nightmare. Student veterans are forced to fight with the VA and their schools simultaneously. While often these problems could be solved by a simple phone call or two the VA phone lines are usually busy.

Here at IAVA we have fielded thousands of questions from student veterans about their GI Bill benefits including Corey's above. We have received so many of these types of issues that we were forced to create separate categories called "VA processing mistakes" and "WITC4" (What Is This Check For) to track the resolution process. While local VA regional staffs have been gracious enough to start handling these cases for us, we are concerned that in the VA's rush to get the checks out the door many processing mistakes are being made.

IAVA encourages the VA to incorporate into their corporate culture a key lesson that every deploying servicemember to Iraq and Afghanistan is taught, "slow is smooth, smooth is fast." This credo is taught to servicemembers as they are learning everything from overcoming an obstacle to breaching a building. Servicemembers are reminded that getting it right the first time is more important than rushing through and making mistakes.

IAVA acknowledges that many of the problems will be alleviated when the VA institutes its automated processing system, however that system will not be up and running until at the earliest December and student veterans like Corey can't wait that long to get these issues straightened out. IAVA recommends that the VA should conduct an audit, or at least a comprehensive sampling, of common GI Bill processing mistakes in order to prepare for the summer training sessions of their GI Bill claims processors. The VA should also publicly report the known error rates so that veterans like Corey don't feel like they are alone when they have to say to the VA and their school that something is wrong.

6) *Only as fast as the VA's slowest computer:*

*"Can the VA be persuaded to make GI Bill account information available to the Vet for review? Something that lists all the transactions actions that have occurred. Providing this information would alleviate anxiety about claims status, reduce the volume of calls and provide more transparency. I find it very difficult to comprehend my GI Bill account and have NO idea if it being handled correctly. If there is an error, I have no way to know until the VA sends me a bill or my school contacts me."*—Chief Petty Officer Gerns

The VA's long term IT solution to processing the new GI Bill has a lot of promise, including an answer to Chief Gerns' request above. The long term IT solution is supposed to automate the processing of new GI Bill claims lowering processing times dramatically while providing a portal for students to monitor their GI Bill claim similar to how UPS will let someone track a package. IAVA cannot stress enough how critical the successful implementation of a fully functioning and customer friendly IT system will be toward building the next greatest generation.



To ensure that the long term solution lives up to its full potential we implore the VA to start collaborating with key stakeholders, especially in the development of the student veteran portal. Working together we will be able to develop a model VA benefits delivery portal that veterans will see as an invaluable resource in their quest for higher education.

7) *The new GI Bill must be upgraded and simplified.*

Although the following section is a little outside the scope of this hearing we believe that any discussion about moving forward with the new GI Bill must directly deal with the gaps in coverage and confusing provisions that leave many veterans with a bitter taste in their mouths and other struggling to afford higher education.

The Military Coalition (TMC) and IAVA recommend the following key upgrades to the new GI Bill:

A. Valuable Job Training: Grant Post-9/11 GI Bill benefits to veterans who enroll in vocational programs, apprenticeships and On the Job training (OJT) because a veteran studying to become an EMT or a mechanic is denied the generous new GI Bill.

B. Full Credit For Full Time Service: Authorize the new GI Bill for Title 32 Active Guard Reservists (AGRs) because a National Guardsman working full-time in an armory will be denied the new GI Bill while his Reservist counterpart working is eligible for the full GI Bill.

C. Fairness For Disabled Veterans: Provide living allowances for full-time distance learners based on the zip code in which the veteran lives because a disabled veteran taking online classes is currently denied the means to support himself.

D. Untangle The Yellow Ribbon Program: The tuition benefit is so confusing that it would give a tax lawyer a headache to decipher. We must simplify the benefit by fully covering the cost of tuition at any public school, while setting a baseline for the Yellow Ribbon program for all private and graduate schools.

These proposed upgrades will reduce VA processing times, by pruning unnecessary bureaucratic steps, and also grant many veterans the access to this generous benefit that they have sacrificed so much to earn. We also propose the following upgrades to help upgrade and simplify the new GI Bill:

- Extend Yellow Ribbon to National Guard
- Grant Active Duty a book stipend
- Authorize transfer of GI Bill to adult children
- Expand the number of certificate tests covered
- Allow medically discharged & retirees to transfer GI Bill
- Implement fair change over process from the old to the new GI bill
- Count Boot Camp toward GI Bill eligibility
- Ensure enlistment bonuses are paid
- Allow PHS & NOAA officers to transfer GI Bill
- Align character of discharge requirements with WWII GI Bill



## IMPROVEMENTS TO THE POST-9/11 GI BILL

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TUESDAY, JULY 21, 2010

U.S. SENATE,  
COMMITTEE ON VETERANS' AFFAIRS,  
*Washington, DC.*

The Committee met, pursuant to notice, at 9:31 a.m., in room 418, Russell Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Committee, presiding.

Present: Senators Akaka, Rockefeller, Murray, Tester, Begich, Burris, Burr, Isakson, and Brown of Massachusetts.

### OPENING STATEMENT OF HON. DANIEL K. AKAKA, CHAIRMAN, U.S. SENATOR FROM HAWAII

Chairman AKAKA. This hearing on the Senate Committee on Veterans' Affairs will come to order.

Aloha and good morning to all of you here, especially our panel and the Members of the Committee. Welcome each of you to this hearing on the proposed Post-9/11 Veterans' Educational Assistance Improvements Act of 2010.

As one of the only three current senators who received benefits under the original GI Bill after World War II, I know firsthand the value of this program. That is why I was so pleased to join Senator Webb in cosponsoring the bill that created this important new education benefit which became effective August 1 of last year. We know that there is a great value to this new benefit for the veterans who are currently taking advantage of it. We have come to understand, however, that there are significant and complex issues relating to this new benefit package.

Since the original legislation did not have the usual vetting by the Committee, it has come to light that there are a number of provisions in need of modification. Keeping in mind that the goal is to have a streamlined program for beneficiaries and administrators, a number of improvements are also in order so that benefits are delivered in a timely, accurate, and equitable way.

When I introduced my legislation, I intended for it to serve as a starting point for discussion about needed changes. That outcome has been realized. Veteran servicemembers, institutions of higher learning, and many others have come forward with suggestions and ideas for improvements. It is important that we all work together to address issues involved in a considered and a deliberate way.

What we will hear this morning will help us continue toward that goal. I stress, however, that this legislation will not mark a stopping point for work on the New GI Bill. Through the discourse generated by the introduction of this bill, additional concerns have

been raised. These include addressing fraud and abuse and ensuring that only programs offering legitimate education and training are approved for benefits.

Another important issue is eligibility for benefits for members of the Guard and Reserve. These are important issues, but it is vital that we move now to put the proposed streamlining and operational improvements in place as soon as possible.

As chairman, I will continue to work on the remaining concerns. So I look forward to hearing from the witnesses and my colleagues. So let me call now on our ranking member, Senator Burr, for his opening statements.

Senator Burr?

**STATEMENT OF HON. RICHARD BURR, RANKING MEMBER,  
U.S. SENATOR FROM NORTH CAROLINA**

Senator BURR. Aloha, Mr. Chairman.

Chairman AKAKA. Aloha.

Senator BURR. And thank you for this hearing. Thank you to all of our witnesses. I welcome you today, and I apologize to you upfront that I'm going to have to periodically go out. I have got an energy markup that is in another building, and unfortunately, sort of overlays with this, and the majority leader is so insistent on bringing energy to the floor, I do not want to be left out of the debate.

I want to thank you, Mr. Chairman. I appreciate the opportunity to join with you to discuss this important topic, and most importantly, how we can improve the post-9/11 GI Bill so it will work better for our military personnel, veterans, and their families.

Mr. Chairman, before I discuss that, I want to comment on an ongoing problem with getting information from the Department of Veterans Affairs. On Monday, I noticed with interest that the VA issued a press release touting VA's commitment to transparency. Because it's updated, it's open government plan, and I would tell the representatives from the VA here today, while I think it's great that the VA had made a commitment to transparency, I'm much more interested in whether the agency is actually keeping these commitments. After all, keeping a commitment is the most important part. I hope this press release is an indication that the VA will be more responsive to inquiries from this Committee, the Senate Veterans' Affairs Committee.

As primary example, VA's lack of transparency to date, and I would point to the VA's continued failure to answer my questions about the VA's fiscal year 2011 budget. After the Committee's budget hearing in February, I sent over 300 questions to the VA, asking for more information about portions of that important budget. It took three-and-a-half months for VA to provide answers to the bulk of those questions. But even then, many of the responses did not contain the information I had requested or required further clarification. So nearly a month ago, I sent more than 30 follow-up questions to the VA. To date, I have not received an answer to over two dozen of my original questions about the VA's budget, and I have not received answers to any of my follow-up questions. On top of that, the VA has not responded to a number of other requests for information, data, and briefings from my office.

Mr. Chairman, for this Committee to perform its oversight and legislative functions, we need the full cooperation of the administration. Receiving accurate, timely, candid responses from VA is essential to our effort to improve the lives of veterans, their families, and their survivors. I have asked each VA nominee if they would live up to the standard, and all have agreed. But, clearly, that's not happening.

Mr. Chairman, the situation simply can not be allowed to continue. I appreciate the efforts you have already made to help with the problem, and hope that we can continue to work together to find the solution.

Let me just add on a personal note to my colleagues, having gone through the last 4 months of exchanges, it's become very clear to me why veterans get frustrated with the Veterans' Administration. We have got to see the human face behind what we do in everything that we do, and it's obvious that decisions are made as it relates to this Committee, to our functions, and people within the Veterans' Administration do not feel that we're an important part of the process. That will change.

As for today's topic, Mr. Chairman, there's no doubt that the Post-9/11 GI Bill provides valuable benefits for many veterans and their families. But as we will discuss today, this new program also has a number of shortcomings, including complexities, inequities of benefits, and technical flaws.

In fact, I have heard from veterans in North Carolina who are concerned that some Guard members are not eligible for these benefits. That veterans may not receive fair benefits if they attend school online, and that students taking vocational training might not receive any benefits at all.

Another North Carolinian was frustrated that he would have received more benefits if he had switched to the Post-9/11 GI Bill after using up his benefits under an older education program—a pitfall VA did not help him avoid.

All of this shows that there's a lot of work to be done so that this program will provide fair, user-friendly benefits, and more importantly, will allow veterans and their families to make the educational choices that best meet their needs. In our effort to make improvements, we should carefully consider whether any proposed changes will advance those specific goals.

On a final note, Mr. Chairman, I want to say a few words about the path forward. At a hearing in April, you mentioned how important it was that we all work together to fix the problems with the Post-9/11 GI Bill. I agree, and in fact, committed at that hearing to working with you on legislation to do just that. So it was disappointing that you then proceeded alone at introducing the bill.

As we move forward, I hope we can truly work together to improve the educational benefits for our Nation's veterans and for their families. I thank the Chair.

Chairman AKAKA. Senator Tester, for your opening statement?

**STATEMENT OF HON. JON TESTER,  
U.S. SENATOR FROM MONTANA**

Senator TESTER. Yes. Thank you, Mr. Chairman. I want to thank you for holding this hearing today. I know you have to leave early, so I'll try to be brief.

When we discussed the implementation of the New GI Bill back in April, and I thought it was one of the better hearings that we have had around here, many of us on this Committee had some real questions and concerns about the limitation of the Post-9/11 GI Bill. To its credit, the VA addressed many of them, and has made some suggestions about how we can address more issues. I hope that we can expect the process for veterans and for the VA to be a bit smoother this fall than it was last year.

The Chairman has introduced a very good bill, which addresses some of the concerns that I have heard from Montanans. Most importantly, the Chairman's bill makes eligible for GI benefits a number of National Guardsmen who had been inadvertently left out of the original bill. It also creates a modified housing allowance for folks who are enrolled in online courses. That's important in a highly-rural State like Montana, where many folks take their courses online.

The Chairman's bill would add a host of new educational opportunities to the GI Bill eligibility, including more vocational opportunities. That's important. And it increases the processing payments to colleges and universities to help make sure they have the resources to handle veterans' claims. Those are all critical elements, and that's why I intend to cosponsor this bill offered by Chairman Akaka.

I would like to also add that for a great many veterans it is a college veterans' education representative who is the face of the GI Bill, not the VA, and it's important to remember that. The schools are the ones who must help the veteran navigate through the red tape. The colleges are the ones who tell the veteran how their claim is proceeding within the VA. That means that communication between the VA and the schools must be perfect, nothing less.

From what I understand, it's getting better. We still have a ways to go, but I do believe that things are getting better, and I hope that trend continues.

With that, Mr. Chairman, I appreciate the hearing.

Chairman AKAKA. Thank you very much, Senator Tester.

Senator Brown from Massachusetts?

**STATEMENT OF HON. SCOTT BROWN,  
U.S. SENATOR FROM MASSACHUSETTS**

Senator BROWN OF MASSACHUSETTS. Good morning, Mr. Chairman. Good morning to the folks who are here to testify.

I'm just eager to start the hearing, Mr. Chairman, so, I'll defer and get right at it. Thank you.

Chairman AKAKA. Thank you very much, Senator Brown.

Senator Murray?

**STATEMENT OF HON. PATTY MURRAY,  
U.S. SENATOR FROM WASHINGTON**

Senator MURRAY. Mr. Chairman, thank you so much for holding this hearing today on legislation to improve the Post-9/11 GI Bill.

We all know that education benefits are one of the most important tools for our military to recruit and retain our troops. If we're really committed to maintaining our Nation's ability to recruit and retain the best and the brightest, we have got to make sure that the education benefits offer real incentives to our servicemembers and to their families, but we have also got to make sure that these benefits meet our commitment to provide a smooth transition between military service and the civilian world for veterans.

The Post-9/11 GI Bill was a big step forward in meeting this obligation, and I was delighted to work with many people on this Committee and in this room in getting it passed, and I look forward to working with this Committee now to improve it in the coming months. We know the implementation of this was far from perfect and this Committee does need to learn from the missteps as we work to improve the program. We know the bill was just beginning to address these issues, as many of our vets coming back from Iraq and Afghanistan find that this bill does not meet their educational needs.

Veterans have told me, as well, about being unable to use their GI Bill benefits for apprenticeship programs in particular that they tell me would help them get better jobs. I, too, have heard from veterans who were not able to use the benefits to pay for needed distance learning education programs. And, of course, we have all heard about the red tape and delays that faced a lot of our veterans who are trying to get their new benefits.

So I look forward to working with everyone to improve this program so all of our veterans can really realize the full benefits of the Post-9/11 Bill. But when it comes to making sure that veterans have the ability to make it in the civilian world and the civilian workplace, education benefits are just one piece of this larger challenge.

Mr. Chairman, I introduced the Veteran Employment Assistance Act earlier this year to try and address this challenge comprehensively. Far too often, our veterans go from the battlefield to the working world, and they face really unique challenges. I have talked to a number of veterans in my State, who are disciplined, who are technically-skilled workers, yet time and time again, they are facing real difficulties in getting a job in this market.

In fact, some veterans have told me that they leave off of their résumé the fact that they are a veteran because they believe there is a stigma for veterans trying to get employment. National Guard members, too, have told me about coming home to find out they've been laid off from the job they had because it does not exist at the company anymore, and a lot of them have told me that the Pentagon and VA Transition Programs are not working for them. They tell me that they struggle to have employers in the civilian world really understand what skills they have learned in the military and how to translate them to a résumé.

So all of those stories have really convinced me that we need a broad new legislative approach, and the bill I introduced includes

a series of proposals to create new employment programs, expand some good existing ones, and assess how to improve the ones that we have now.

One of my bill's provisions is actually before the Committee today in the form of Senator Klobuchar's Post-9/11 Veterans' Job Training Act. I worked with Senator Klobuchar to include the Post-9/11 Veterans' Job Training Act in my package because I believe it provides a really important benefit to veterans. What it does is expand the Post-9/11 GI Bill to allow returning veterans to use their benefits for apprenticeship and worker training programs, and that will help them get the skills they need so they can provide a stable job for their families. I think it's a great commonsense provision that will benefit our veterans, our employers, and our local communities. I will be working with all of you in the coming weeks to move that and move the entire Veteran Employment Assistance Act as a whole forward in the Senate.

So, thank you very much, Mr. Chairman, for having this really important hearing. I appreciate it.

Chairman AKAKA. Thank you very much. I would like at this time to welcome our first panel this morning, representatives from VA and DOD.

Our first witness is Keith Wilson, the director of VA's Education Service. With him is John Brizzi, Assistant General Counsel. Now, from the Department of Defense, we're joined by Robert Clark, assistant director of Accession Policy.

Before we get started, I also want to extend my sincere thanks to each of you for the valuable assistance you have provided to the Committee staff on this important issue. It has been really helpful to us, and I welcome each of you. But before I call on you for your testimony, let me ask Senator Begich for any opening statement that you may have.

**STATEMENT OF HON. MARK BEGICH,  
U.S. SENATOR FROM ALASKA**

Senator BEGICH. I'll pass, Mr. Chairman.

Chairman AKAKA. Thank you.

Mr. Wilson, will you please proceed with your statement?

**STATEMENT OF KEITH WILSON, DIRECTOR, EDUCATION SERVICE, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY JOHN BRIZZI, ASSISTANT GENERAL COUNSEL**

Mr. WILSON. Thank you, and good morning Mr. Chairman, Ranking Member Burr, and other Members of the Committee. I'm pleased to appear before you today to provide views on several bills affecting VA's education programs, most notably S. 3447. I am accompanied today by Mr. John Brizzi of VA's Office of General Counsel.

Let me start by congratulating you, Mr. Chairman, and your staff, as well as many other senators who have worked hard to put forward legislation to make improvements in education programs administered by VA. The Department appreciates your and your staff's consultation throughout the entire process.

Implementation of the historic Post-9/11 GI Bill was and is a top priority. Since inception of this new historic program, VA has



issued nearly \$4 billion in payments to over 295 individuals and their educational institutions. Mr. Chairman, your bill, S. 3447, would enhance certain provisions of the Post-9/11 GI Bill, as well as make improvements in other VA Educational Assistance Programs.

Section 2 contains potential impact on military recruitment and retention, and VA respectfully defers to DOD as well as the Coast Guard regarding the merits of those proposed changes. However, we do note that the amendment would be consistent with qualifying requirements under the Montgomery GI Bill and the Reserve Educational Assistance Program. We also note that this section would generate PAYGO costs, which would require an appropriate and acceptable offset.

Concerning Section 3, VA supports the streamlining of tuition and fee benefits for students attending public institutions and establishing a maximum payment cap for students attending private institutions. The manner in which institutions assess charges varies wildly from State to State and from school to school. VA also does not object to expansion the program to permit payment of vocational, flight, correspondence, and apprenticeship or on-the-job training programs, subject to Congress identifying appropriate and acceptable PAYGO offsets. However, we believe several technical corrections to the bill as drafted would be necessary to enable VA to administer this section properly.

Section 4 of S. 3447 would permit individuals to make more than one licensing and certification test. VA does not oppose this proposed amendment subject to identifying PAYGO offsets.

VA respectfully defers to DOD concerning Section 5, since this section impacts military recruitment and retention.

Section 6 would authorize DOD to permit an individual to transfer his or her entitlement to benefits under the Post-9/11 GI Bill after an individual is no longer a member of the Armed Forces. The Administration is still reviewing this section and we will provide written reviews once VA completes a cost estimate of the entire bill.

Section 7 of the bill would prevent individuals eligible for National Call to Service Incentives and the Post-9/11 GI Bill from receiving payments concurrently. VA supports this provision. VA has also identified other areas of potential duplication of benefits, and would be pleased to work with the Committee to include language that would ensure against duplication of benefits.

Section 8 of the bill would provide VA not approved, non-accredited courses of education pursued in whole or in part by distance learning. This change would be similar to the existing rule for courses of education pursued by independent study. VA currently does not approve non-accredited distance learning programs of education. Nonetheless, we would not object to this amendment.

VA does not object to the proposed increase in the reporting fee contained in Section 9 subject to identifying appropriate offsets. In addition, however, VA believes this section should be further amended to include language requiring educational institutions to use the reporting fee to support veterans' programs and VA certifying official activities.

Section 11 of the bill would remove VA's authority to make interval payments, payments between breaks, terms, quarters, et cetera. VA does not support this amendment because the interval payments are paid to the individuals to help with their living expenses during breaks between enrollment periods. Currently, a student is not eligible for interval pay if the break is more than 8 weeks long.

We note that the amendment proposed in S. 3447 would be effective the date of enactment. VA is working aggressively on a new payment system to support existing Post-9/11 GI Bill provisions.

Since we have concerns about changes to the eligibility criteria impacting our current efforts, as well as our ability to implement the provisions on the effective date of enactment, we strongly recommend the amendments made by this bill take effect no earlier than August 1, 2011.

Mr. Chairman, we will provide the Committee with our estimates in the entire bill for the record. In the interest of time, I will defer oral comments on S. 1785, 2769, 3082, 3171, and 3389, and respectfully refer the Committee to my written testimony.

Mr. Chairman, this concludes my statement. I'd be happy to answer your questions or any questions of the Committee. Thank you.  
[The prepared statement of Mr. Wilson follows:]

PREPARED STATEMENT OF KEITH M. WILSON, DIRECTOR, EDUCATION SERVICE,  
U.S. DEPARTMENT OF VETERANS AFFAIRS

Good morning, Mr. Chairman, Ranking Member Burr, and other Members of the Committee. I am pleased to be here today to provide the Department of Veterans Affairs' (VA) views on several bills that would affect educational assistance benefits for Veterans, Servicemembers, and their dependents—most notably, S. 3447. I am accompanied today by Mr. John Brizzi of VA's Office of the General Counsel.

Let me start by congratulating you, Mr. Chairman, and your staff, as well as the many other Senators who have worked to put forward legislation to make improvements to the educational programs VA administers on behalf of our Nation's Veterans. The Department appreciates your staff's consultation throughout the entire process. Implementation of the historic Post-9/11 GI Bill was, and is, a top priority for President Obama, Secretary Shinseki, and the entire Department. Secretary Shinseki is committed to making sure that all eligible student Veterans who are interested receive the education benefits they earned in defense of our Nation. Since inception of this historic new program, VA has issued nearly \$4.0 billion in Post-9/11 GI Bill benefit payments to over 295,000 individuals and their educational institutions.

S. 3447

Mr. Chairman, your bill—S. 3447, the "Post-9/11 Veterans Educational Assistance Improvements Act of 2010"—would enhance certain provisions of the Post-9/11 GI Bill (chapter 33 of title 38, United States Code), as well as make improvements in other VA educational assistance programs.

Under the Post-9/11 GI Bill, individuals with qualifying periods of active duty of 36 months or more are eligible for payment of tuition and fees up to the highest in-state public school tuition for an undergraduate degree, monthly housing allowances, and books and supplies stipends. Individuals with less than 36 months of service are eligible, in general, for the same benefits. However, their benefits are proportionately lower (ranging from 90 percent to 40 percent) based on their length of service. In addition, as a retention incentive, the Department of Defense (DOD) may permit a member of the Armed Forces to transfer all or a portion of his or her Post-9/11 GI Bill benefits to a spouse and/or children. S. 3447 would amend the Post-9/11 GI Bill by expanding eligibility for certain individuals and by modifying the amount of assistance and types of approved programs.

Section 2 of the bill would amend the eligibility criteria under chapter 33 by modifying the definitions of qualified active service performed by members of the Guard and Reserve. The changes would: (1) clarify that Active Guard Reserve (AGR) members serving under title 10, United States Code, "for the purposes of organizing, ad-

ministering, recruiting, instructing, or training the reserve components of the Armed Forces,” are covered, and provide that all other active service under title 10 must be in support of a contingency operation (as defined in 10 U.S.C. § 101(a)); (2) extend coverage to include full-time National Guard service under title 32, United States Code, for the purposes of organizing, administering, recruiting, instructing, or training the reserve components of the Armed Forces; and (3) extend coverage to National Guard members serving under section 502(f) of title 32 when ordered to active service by the President or the Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by Federal funds.

This section also would clarify that an honorable discharge would be required to establish eligibility under the Post-9/11 GI Bill in the case of an individual who is released from active duty in the Armed Forces: (1) due to a medical condition that preexisted service and that is not service-connected; (2) for hardship; or (3) for a physical or mental condition that was not characterized as a disability and did not result from an individual’s own willful misconduct, but did interfere with the individual’s performance of duty, as determined by the Secretary concerned in accordance with regulations prescribed by the Secretary of Defense.

Finally, section 2 would amend 38 U.S.C. § 3311(d)(2) to exclude attendance at the Coast Guard Academy as qualifying service under the Post-9/11 GI Bill and expand the definition of entry-level and skill training for the Army to include “One Station Unit Training.”

Because of their potential impact on military recruitment and retention, VA respectfully defers to DOD and the Coast Guard regarding the merits of the proposed changes to qualifying active-service requirements. However, we note that this section will generate PAYGO costs, which would require an appropriate and acceptable offset.

We note that the amendments regarding qualifying title 10 service and extending coverage to Guard members under title 32, United States Code, would be consistent with qualifying active service under the Montgomery GI Bill (MGIB) and the Reserve Educational Assistance Program (REAP). In addition, the proposed amendment clarifying that certain service must result in an honorable discharge, described above, is similar to the honorable discharge requirements applicable to other covered individuals. Last, the amendment excluding, as qualified active service, attendance at the Coast Guard Academy is also similar to existing provisions that exclude attendance at the other military service academies.

Section 3 would modify the amount of educational assistance payable in the following areas: With regard to tuition and fee payments (which would still be subject to the 40–100 percent payment tiers in 38 U.S.C. § 3313(c)), for those enrolled in a public institution of higher learning, VA would pay tuition-and-fee benefits based on the charges reported. This would include students enrolled in graduate programs and students charged out-of-state tuition rates. For those enrolled in a private or foreign institution of higher learning, VA would base payment on the lesser of the charged tuition and fees or a maximum tuition-and-fee cap. The maximum cap would be computed based on figures obtained from the Department of Education’s National Center for Education Statistics. The figure used would be the average of established charges at all institutions (public and private) in the U.S. for a baccalaureate degree for the most recent academic year.

With regard to housing stipends (which would still be subject to 40–100% payment tiers in 38 U.S.C. § 3313(c)), for individuals enrolled in institutions of higher learning in resident programs, the monthly housing stipend would be prorated based on training time. For example, a student training at the three-quarter-time rate would receive three fourths of the monthly housing stipend rather than the full monthly housing stipend. Students enrolled at foreign institutions would be subjected to the same rule. However, if the housing allowance based on training time is greater than the national average basic housing allowance, VA would pay the lesser amount. For students enrolled in a distance learning program at more than the half-time rate, VA would pay 50 percent of the housing allowance otherwise payable.

Section 3 would also expand benefits to include payment for enrollment in programs offered by vocational schools, correspondence school-training establishments, on-the-job training and apprenticeships, and flight schools. For those individuals pursuing programs offered by vocational schools, VA would pay the lesser of the established charges or a maximum fee cap. That cap would be computed based on figures from the Department of Education’s National Center for Education Statistics. The figure used would be the average of established charges at all institutions (public and private) in the U.S. for a baccalaureate degree for the most recent academic year. In addition, VA would pay a monthly housing allowance based on the mili-

tary's basic allowance for housing (BAH) of an E-5 with dependents based on the Zip Code of the institution.

For those individuals pursuing a program of apprenticeship/on-the-job training, trainees would receive two monthly stipend payments. One would be based on the military's basic allowance for housing (BAH) for an E-5 with dependents. VA would pay the lesser of the BAH rate for the Zip Code of the employer or the national average of BAH rates. The other payment would be based on one twelfth of the average established charges for tuition and fees at all institutions (public and private) in the U.S. for a baccalaureate degree for the most recent academic year. The figure would be obtained from the National Center for Education Statistics. Both payments would decrease over the length of program. During the first six months of training, the trainee would receive 75 percent of the monthly stipends. During the second six months, the trainee would receive 55 percent of the monthly stipends. For the duration of the program, the trainee would receive 35 percent of the monthly stipends.

An individual pursuing a course of flight training would receive assistance in an amount equal to the lesser of the established charges for the program or 60 percent of the average established charges for tuition and fees at all institutions (public and private) in the U.S. for a baccalaureate degree for the most recent academic year. The figure would be obtained from the National Center for Education Statistics.

An individual pursuing a program of education through correspondence courses would receive educational assistance in an amount equal to the lesser of the established charges for the program or 55 percent of the average established charges for tuition and fees at all institutions (public and private) in the U.S. for a baccalaureate degree for the most recent academic year. The figure would be obtained from the National Center for Education Statistics. VA would charge one month of entitlement for each month of assistance provided.

Finally, section 3 would provide for lump-sum payments for books and supplies to Servicemembers using VA education benefits while on active duty and to spouses using transferred benefits while the servicemember is on active duty. The total amount payable in an academic year would be \$1,000.

VA supports streamlining the tuition-and-fee benefits for students attending public institutions and establishing a maximum payment cap for students attending private institutions. The manner in which institutions assess charges varies widely from state to state and from school to school. VA also does not object to expansion of the program to permit payment for vocational, flight, correspondence, and apprenticeship or on-the-job training programs, subject to Congress identifying appropriate and acceptable offsetting PAYGO cost savings. However, we believe several technical corrections to the bill as drafted would be necessary to enable VA to administer this section properly. For example, it would be beneficial to streamline the two monthly stipends payable to an individual pursuing a program of on-the-job training or apprenticeship into a single monthly benefit. In addition, as drafted, the assistance proposed in section 3 for certain types of courses at other than institutions of higher learning would not be subject to the 40-100 percent tier levels that reflect the length of an individual's qualifying active-duty service. As a result, individuals pursuing programs of education under the new provisions apparently would receive higher housing and tuition benefits than students attending degree-granting institutions. We would be pleased to work with the Committee to address identified areas of concern.

Section 4 of S. 3447 would amend 38 U.S.C. § 3315 to permit individuals to take more than one licensure or certification test. Currently, individuals are eligible to receive a reimbursement of up to \$2,000 for a single licensure or certification test, with no charge being made to their Post-9/11 GI Bill entitlement. As part of the amendment to section 3315, an individual's entitlement would be charged based on each reimbursement made. VA would base the entitlement charge on a dollar amount provided by the National Center for Education Statistics (NCES) that represents the average established charges for tuition and fees at all institutions (public and private) in the U.S. for a baccalaureate degree for the most recent academic year. VA would charge one month of entitlement for each reimbursement equal to one twelfth of the annual NCES figure. VA does not oppose this proposed amendment, subject to the identification of appropriate and acceptable PAYGO offsets for any resulting additional costs.

Section 5 of the bill would amend 38 U.S.C. § 3316 to provide that individuals eligible to receive supplemental education assistance (i.e., "reenlistment kickers") under the Montgomery GI Bill—Active Duty (MGIB-AD) or the Montgomery GI Bill—Selected Reserve (MGIB-SR), would remain eligible for such assistance if the individual elected to receive the Post-9/11 GI Bill instead of the MGIB. The supplemental assistance would be paid as an increase to the monthly housing allowance, and based on the individual's benefit level. Thus, only individuals eligible for a

monthly housing stipend would be eligible to receive such supplemental assistance. The Department of Defense would reimburse VA for any supplemental assistance paid. VA defers to DOD as to the merits of this section.

Section 6 would authorize DOD to permit an individual to transfer his or her entitlement to benefits under the Post-9/11 GI Bill after the individual is no longer a member of the Armed Forces. Under current law, DOD must approve such a transfer while the individual is still a member of the Armed Forces. This section would also extend the transfer-of-entitlement option to members of the Public Health Service and the National Oceanic and Atmospheric Administration. In addition, this amendment would require the Secretaries of Defense, Health and Human Services, and Commerce to reimburse VA for the amounts VA pays family members. Currently, VA is not reimbursed for payments made to family members utilizing transferred benefits. The Administration is still reviewing this section, and we will provide written views once VA completes a cost estimate for the entire bill.

Section 7 of the bill would amend 38 U.S.C. § 3322(a) to prevent individuals eligible for National Call to Service (NCS) incentives and the Post-9/11 GI Bill from receiving payments concurrently. VA supports this provision. However, we have identified other areas of potential duplication of benefits, and would be pleased to work with the Committee to include language that would ensure against duplication of benefits.

Section 8 of the bill would amend 38 U.S.C. § 3676(e) to provide that VA may not approve non-accredited courses of education pursued in whole or in part by distance learning. This change would be similar to the existing rule for courses of education pursued by independent study. This change is not necessary because current definitions of resident training and independent study in VA regulations encompass distance learning. As a result, VA currently does not approve non-accredited distance learning programs of education. Nonetheless, we would not object to this amendment.

Section 9 of S. 3447 would amend 38 U.S.C. § 3684(c), which provides that VA may pay an annual reporting fee to any educational institution that furnishes education or training and submits reports or certifications to VA. Under current law, the reporting fee is computed each calendar year by multiplying \$7 by the number of individuals enrolled in VA education and Vocational Rehabilitation and Employment programs. In addition, the law also provides for the payment of \$11 for each individual whose educational assistance checks are sent to a school for temporary custody and delivery at the time of registration. These amounts have not been increased since October 1, 1977. Section 9 proposes to increase the respective amounts for such payments from \$7 to \$12, and from \$11 to \$15.

VA does not object to the proposed increase in the reporting fees, subject to Congress identifying appropriate offsets. In addition, however, VA believes that section 3684(c) should be further amended to include language requiring educational institutions to use the reporting fees to support Veteran programs and VA certifying-official activities.

Section 10 of the bill would amend 38 U.S.C. § 3108(b) to authorize Veterans pursuing a vocational rehabilitation program under Chapter 31 to elect payment of an amount equal to the national average of the monthly amount of basic allowance for housing payable under section 403 of title 37 for a member with dependents in pay grade E-5 in lieu of the subsistence allowance payable under Chapter 31. We will provide written views for the record regarding this section.

Section 11 of the bill would amend 38 U.S.C. § 3680(a) to remove VA's authority to make interval payments (payment between breaks in terms, quarters, or semesters). This amendment would apply to the Post-9/11 GI Bill, the Montgomery GI Bill, the Reserve Educational Assistance Program, the Survivors' and Dependents' Educational Assistance Program, and the Vocational Rehabilitation and Employment program. However, an exception would exist to make interval payments between consecutive terms when a student changes schools and the break does not exceed 30 days. VA does not support this amendment because the interval payments are paid to the individuals to help with their living expenses during breaks between enrollment periods. Currently, a student is not eligible for interval pay if the break is more than 8 weeks. Discontinuing interval payment would mean a student would have to seek employment during the break between fall and spring semester; thus, we do not support this section as drafted. VA would be pleased to work with the Committee to identify changes to interval payment that would not result in a hardship to students.

We note that the amendments proposed in S. 3447 would be effective on the date of enactment of the Act. VA is working aggressively on a new payment system to support the existing Post-9/11 GI Bill provisions. Since we have concerns about changes to the eligibility criteria impacting our current efforts as well as our ability

to implement the provisions effective the date of enactment, we strongly recommend the amendments made by this bill take effect no earlier than August 1, 2011.

Mr. Chairman, we will provide the Committee with our estimate of the cost of enactment of S. 3447 for the record.

#### S. 1785

S. 1785 would amend 38 U.S.C. § 3675(a) to mandate State approving agency (SAA) approval of courses of education that have been accredited and approved by a nationally-recognized accrediting agency or association if the courses also meet other criteria specified in section 3675(b), including maintenance of certain records, and certain other criteria specified in 38 U.S.C. 3676(c). We believe the amendments proposed in S. 1785 would have no practical impact on SAA approval activities; thus, we do not support its enactment. SAAs currently approve accredited courses if they meet all of the criteria set forth in section 3675. SAAs rarely disapprove accredited courses; however, if an accredited course were to be disapproved, the most likely reason would be a failure to meet the requirements of section 3675(b), which already apply to all approvals under section 3675. As such, we believe enactment of this bill would not result in any additional cost.

#### S. 2769

S. 2769, the “Veterans’ Job Training Act of 2009,” would provide for payment of a monthly benefit to individuals pursuing full-time programs of apprenticeship and on-the-job training (OJT) under the Post-9/11 GI Bill using a graduated structure similar to that under other VA educational assistance programs, including the Montgomery GI Bill—Active Duty (MGIB-AD) and Selected Reserve (MGIB-SR) programs, and the Post-Vietnam Era Veterans Educational Assistance program. The measure also would amend current law to include apprenticeship or other OJT training programs as approved programs of education for purposes of the Post-9/11 GI Bill.

Pursuant to S. 2769, for each of the first 6 months of an individual’s pursuit of an apprenticeship or other OJT program, the individual would be paid 75 percent of the “monthly benefit payment otherwise payable to such individual” under chapter 33. For the second 6 months of such pursuit, the individual would be paid 55 percent of such amount, and for each of the months following, the individual would be paid 35 percent of such amount. In addition, this bill would authorize payment to such individuals of a monthly housing stipend equal to the monthly amount of the basic allowance for housing payable for a servicemember with dependents in pay grade E-5 residing in the military housing area that encompasses all or the majority portion of the ZIP code area in which the individual resides. We note that, unlike the monthly housing stipend authorized under 38 U.S.C. § 3313, this section contains no provision requiring payment of reduced amounts of such monthly stipend in cases where individuals’ aggregated active-duty service is less than 36 months in duration. For each month an individual receives a benefit under this bill, VA would charge the individual’s entitlement at a rate that reflects the applicable percentage (i.e., 75, 55, or 35 percent, as appropriate).

The amendments made by S. 2769 would take effect as if included in the enactment of the Post-9/11 Veterans Educational Assistance Act of 2008 (Title V, Public Law 110-252). That is, the effective date would be August 1, 2009. While VA supports the intent to improve Post-9/11 GI Bill benefits, VA cannot support enactment of this bill as drafted.

The bill would provide a monthly assistance benefit plus a monthly housing stipend amount to trainees. This would be in addition to any wages a trainee may receive. Further, as noted, S. 2769 provides that the monthly benefit would be equal to a percentage “of the monthly benefit payment otherwise payable” to an individual under chapter 33. However, unlike the MGIB-AD, which provides for monthly payments of educational assistance, no “monthly” benefits other than housing stipends are payable to a student or trainee under the Post-9/11 GI Bill. VA’s payment of educational assistance under 38 U.S.C. § 3313 (for actual charges of an individual’s tuition and fees) is made directly to the institution of higher learning on a lump-sum basis for the entire quarter, semester, or term. Thus, it is unclear to what monthly benefit the provision refers in order to determine the amount of any payment to an individual.

If enacted, this bill would take effect as if it had been included in Public Law 110-252, the Post-9/11 Veterans Educational Assistance Act of 2008. VA would have to manually re-work all apprenticeship and OJT cases for individuals wishing to elect to receive assistance under the Post-9/11 GI Bill for training that occurred on or after August 1, 2009. VA is currently programming a new payment system to imple-

ment the provisions of the Post-9/11 GI Bill. Adding new payment provisions before full deployment of the payment system would severely hamper deployment efforts. In addition, it would impact service delivery by adding additional rules while VA is manually processing claims augmented by limited automated tools. We recommend postponing significant changes to the Post-9/11 GI Bill until August 2011 so that enhancements to the program do not have a negative impact on service delivery. This will also allow VA to complete the long-term payment system developed to support the Post-9/11 GI Bill program.

We estimate that the enactment of S. 2769 would result in a benefits cost of \$154.5 million during the first year, \$806.6 million over 5 years, and \$1.7 billion over 10 years.

#### S. 3082

S. 3082 would amend 38 U.S.C. § 3485(a)(4) to authorize individuals who are pursuing programs of rehabilitation, education, or training under chapters 30, 31, 32, 33, or 34 of title 38, United States Code, or chapters 1606 or 1607 of title 10, United States Code, to receive work-study allowances for certain activities conducted at the offices of Members of Congress. These work-study participants would distribute information concerning VA benefits and services, as well as other appropriate governmental and non-governmental programs, to members of the Armed Forces, Veterans, and their dependents. In addition, the work-study participants would prepare and process papers and other documents, including documents to assist in the preparation and presentation of claims for VA benefits.

VA has no objection to the enactment of S. 3082, subject to the identification of appropriate and acceptable PAYGO offsets for the resulting additional costs. We have no objection to work-study participants participating in and promoting the outreach activities and services contemplated by the bill. We also have no objection to work-study participants assisting in the preparation and processing of papers and other documents, *“including documents to assist in the preparation and presentation of claims for VA benefits”* (emphasis added) under proposed new section 3485(a)(4)(G)(ii). We note that work-study participants would be subject to the 38 U.S.C. chapter 59 limitations on representing claimants for VA benefits.

We estimate that the enactment of S. 3082 would result in a benefits cost of at least \$727,000 during the first year, \$3.6 million over a 5-year period, and \$7.3 million over 10 years.

#### S. 3171

S. 3171, the “Veterans Training Act,” would amend the Post-9/11 GI Bill definition of an approved program of education to include those offered by an institution, which has: (1) postsecondary instruction that leads to an associate or higher degree and the institution is an approved institution of higher learning; or (2) instruction that does not lead to an associate or higher degree and the institution is an approved educational institution.

VA supports the intent to improve the Post-9/11 GI Bill benefits. However, because the provisions in this bill would unduly complicate the current Post-9/11 GI Bill program, we are unable to support it.

S. 3171 does not provide specific payment rules for non-degree granting educational institutions. Under current law, the amount payable under the Post-9/11 GI Bill is limited to an amount equal to the maximum charges for an in-state public undergraduate program. To accommodate various fees and the differences between states, VA established a maximum credit-hour charge for tuition and maximum fee charges per term. This ensured that VA made payments in accordance with the intent of the initial legislation, so an individual eligible for the 100 percent payment at a public undergraduate institution would not have to pay tuition and fees.

Most non-degree programs are offered based on clock-hour measurement with tuition charged for the entire program. However, most degree-granting institutions charge tuition based on enrollment for the term, quarter, or semester. For example, a Veteran enrolled in a specialized computer-training program lasting six months could be charged \$10,000 for the program. The bill does not indicate how VA should determine the maximum amount payable for such a program.

Current law provides that individuals who transfer from other VA educational assistance programs to the Post-9/11 GI Bill may be paid for courses offered by non-degree-granting institutions. However, the payment of assistance thereunder is limited to the monthly educational assistance allowance the individual would have received if he or she remained under the program from which he or she transferred. Thus, this new legislation would create a payment discrepancy between those who

were eligible to elect the Post-9/11 GI Bill over a different educational assistance program versus those individuals who are only eligible for Post-9/11 GI Bill benefits.

VA is aggressively working on a new payment system to support the existing Post-9/11 GI Bill benefits. Adding new payment provisions before full deployment of the payment system would severely delay deployment. As stated earlier, VA respectfully recommends making any significant changes to the Post-9/11 GI Bill effective after August 1, 2011, so that enhancements to the program do not have a negative impact on service delivery.

As always, subject to Congress identifying appropriate and acceptable offsetting PAYGO cost savings, we would be pleased to work with the Committee to improve the Post-9/11 GI Bill while eliminating existing payment complexities after deployment of the Post-9/11 GI Bill payment system.

We estimate that enactment of S. 3171 would result in a benefits cost of \$169.2 million in the first year, \$863.0 million over 5 years, and \$1.8 billion over 10 years.

S. 3389

S. 3389 would amend section 3695 of title 38, which currently limits individuals to 48 months of entitlement under two or more education benefit programs. This measure would exclude individuals who have served at least four years on active duty in the Armed Forces from the current 48-month limitation if they are eligible to receive either the Post-9/11 GI Bill or Montgomery GI Bill—Active Duty, and the Montgomery GI Bill—Selected Reserve or Reserve Educational Assistance Program (REAP) benefits. Individuals eligible for two or more of these programs would be able to receive up to 72 months of education benefits combined. This amendment would apply retroactively and be effective upon the date of enactment.

VA does not support enactment of this legislation because it would allow individuals to use the same period of active-duty service to qualify for and use two education benefit programs. For example, an individual could use active-duty service performed from October 1, 2001, to October 1, 2005, to qualify for REAP and the Post-9/11 GI Bill, thus earning up to 72 months of entitlement for the same period of service.

Mr. Chairman, we will provide the Committee with our estimate of the cost of enactment of S. 3389 for the record.

This concludes my statement, Mr. Chairman. I would be happy to respond to any questions you or the other Members of the Committee may have.

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RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. DANIEL A. AKAKA TO KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS AFFAIRS

*Question 1.* There has been some discussion about making VA the payer of last resort. Could you explain this in a bit more detail?

Response. The Department of Veterans Affairs (VA) became one of various programs that provide funds designated to cover, in whole or part, a Veteran's tuition and fees. Other programs providing funding include: Department of Defense (DOD) Reserve Officer Training Corps (ROTC) scholarships, DOD Health Professionals Scholarships, Merit Scholarships, employer paid tuition, and State tuition reductions provided for State National Guard members.

Often the money from the other programs is credited to a student's account before VA receives an enrollment certification from the school. Currently, schools submit their enrollment certifications and report the established charges for the program. Thus, when the school receives VA payment, an overage exists. Some schools have been returning overages to VA, some have been refunding money to the student, and others have requested that VA determine which money should be applied first.

Asking the schools to report only the charges the student was required to pay with his or her own funds is a way to eliminate duplication of benefits, provide clear rules for students and schools, and streamline the process. Establishing VA as the payer of last resort will allow schools to report only charges that are not covered by other programs (other than title IV programs) and would otherwise be paid by students' individual funds. The Department is committed with working with Department of Education to ensure that change in this law does not impact Title IV awards or create inefficiencies between two programs.

*Question 2.* If VA were to only make payment to institutions after all other educational assistance were paid, how would you handle small scholarships and awards that individuals might receive—for example, a \$150 grant from a local church or a \$500 scholarship from the local V.F.W. post?



Response. A legislative change would be required for VA to consider all tuition-and-fees-based assistance received by the school when determining payment under the Post-9/11 GI Bill. However, if a change were implemented and a third-party (e.g., local church, V.F.W. Post) provided funds directly to the school on behalf of a student, then the school would be required to exclude such funds when reporting to VA the total charges that the veteran-student owed. This would only apply when the other funds were designated as solely applicable to tuition and fee charges. Some scholarship funds may be used for other education expenses. VA does not want to disadvantage a Veteran from receiving aid for purposes other than tuition and fee charges. VA is solely interested in elimination of duplication of tuition and fee payments such as DOD-paid tuition.

VA does not currently receive or request information regarding scholarships, grants or other funds paid directly to the student for educational expenses. As such, VA has no way of knowing whether any funds paid to the school by the student were received from personal sources or from an organization.

*Question 3.* Moving forward, what do you see as the role of State Approving Agencies?

Response. VA would utilize State Approving Agencies (SAA) to perform compliance and oversight visits, increase outreach, and approve on-the-job training programs and non-accredited courses. To do so, legislation is necessary to permit the Secretary to accept courses offered by public institutions, accredited institutions, flight courses offered by schools holding a Federal Aviation Administration Pilot School Certificate, and Department of Labor Registered Apprenticeship programs as approved. Currently, the statute provides that SAA must approve these programs. VA recently submitted a legislative proposal that would provide the Secretary this authority. The proposal also meets with Government Accountability Office and Congressional recommendations that VA eliminate SAA approval of programs that are approved by other entities.

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RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. RICHARD BURR TO  
KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS  
AFFAIRS

*Question 1.* In May, VA issued a General Counsel Precedent Opinion that addressed this question: “If a VA payment is received by a school after all or a portion of the tuition and fees have been paid by another entity, should the school refund the excess to the student?” The General Counsel’s answer to that question indicated, in part, that schools could “reapply the assistance to the educational expenses of other students.”

*Question 1A.* To clarify, does that mean, if VA pays a school for tuition or fees on behalf of a Veteran, the school could in some circumstances use those funds to pay the expenses of a non-Veteran?

Response. No, schools may not use VA funds for non-VA students. General Counsel (GC) stated this in its opinion. When referring to “reapplying the assistance to the educational expenses of other students,” GC was referring to the “other” educational assistance that had been applied to the Veteran’s account.

For example, if the tuition and fees incurred by the Veteran at a private institution totaled \$10,000 and the Veteran received a \$10,000 merit scholarship, then the Veteran’s tuition and fees would be paid in full. However, if the Veteran was also eligible for the Post-9/11 GI Bill and VA paid \$8,000 toward the Veteran’s tuition and fees (maximum in-state tuition and fees payable for that state), the school could apply the full \$8,000 VA paid toward the Veteran’s account and reduce the Veteran’s merit scholarship from \$10,000 to \$2,000. In this instance, the school could reassign \$8,000 of the merit scholarship funds (no longer being utilized by the Veteran) to another student.

*Question 1B.* If so, what legislative or administrative changes would be needed to avoid that situation?

Response. If Congress would like to clarify that VA funds are to be used only for reducing the tuition and fee charges of the individual for whom VA submitted the payment, Congress could amend section 3313(g) to so state.

*Question 2.* One of the witnesses on the second panel mentioned in her written testimony that educational institutions have tried unsuccessfully to initiate an ongoing dialog between schools and VA.

*Question 2A.* How frequently do personnel from the Education Service meet with schools?

Response. VA meets frequently with school officials. VA officials attended more than 100 training and informational conferences since the enactment of the Post-9/11 GI Bill to provide training, disseminate information, and answer questions from participants. We also conducted webinar training sessions and continue to participate in schools' national, regional, and local conferences.

VA also has employees who are responsible for maintaining direct contact with participating schools. VA's education liaison representatives (ELRs) are the primary points of contact for school officials. ELRs have a wide range of responsibilities in support of education benefits programs and work closely with school officials to inform them of changes in VA policies and procedures.

SAAAs also assist in outreach and dialog efforts between VA and schools. Under statute, VA contracts with each state to approve programs of education and support outreach. The SAAAs provide information to schools, students, and employers.

*Question 2B.* In the future, will these types of meetings be held on a regular basis?

Response. VA will continue the dialog with schools through its ELRs and conduct outreach efforts to ensure Veterans and school officials are informed about the Post-9/11 GI Bill.

*Question 3.* The written testimony from Veterans of Foreign Wars included this information: "Interval payments come at a cost to the Veteran, requiring the Veteran to consume GI Bill monthly eligibility over Christmas break or over summer vacation without providing the maximum [of] 36 months of benefit[s] available."

*Question 3A.* In order to ensure that the record on this issue is complete, please explain the circumstances under which VA now provides interval pay and how entitlement is charged for interval pay.

Response. Interval payments are educational assistance benefits paid during the break (also called interval) between terms at a school or between terms when transferring from one school to another while the student is in the same program. Generally, VA will automatically pay benefits over qualifying breaks that do not exceed eight weeks. Individuals on active duty and training less than half time are not eligible for interval payments.

The entitlement of an individual to educational assistance is charged for the interval period at the rate of one day of entitlement for each day of full-time pursuit. For the purpose of calculating entitlement, each month consists of 30 days.

For example, an individual is pursuing training full-time for the fall semester and is entitled to a \$1,200 monthly housing allowance. If the fall semester ends on December 13, and the individual is not entitled to (or requested not to receive) interval pay, he or she will receive a monthly housing allowance payment in the amount of \$520 and be charged 13 days of entitlement. However, if the individual is entitled to interval pay between the fall and spring terms, then he or she would receive the full \$1,200 monthly housing allowance for the month of December and be charged a month on entitlement.

Historically, Veterans and eligible dependents have received payment for breaks between their enrollment periods to help with their living expenses.

*Question 3B.* What steps, if any, does VA take to inform Veterans about the pros or cons of accepting interval pay and their ability to decline to receive it?

Response. VA provides information on interval payment in the Frequently Asked Questions section on the GI Bill Web site. This includes information regarding when intervals are payable, what an individual must do to receive interval pay, and when VA does not provide payment for intervals. While an individual can specifically request not to receive interval pay, he or she must make this request before VA authorizes payment for the interval. 38 CFR 21.4138(f)(2)(1) states that VA will make no payment for an interval described in paragraph (f)(2) of this section if:

- (i) The student is training at less than the half-time rate on the last date of his or her training during the term, quarter, semester or summer term preceding the interval;
- (ii) The student is on active duty;
- (iii) The student requests, prior to authorization of an award or prior to negotiating the check, that no benefits be paid for the interval period;
- (iv) The student will exhaust his or her entitlement by receipt of such payment, and it is to the advantage of the individual not to receive payment; or
- (v) The interval occurs between school years at a school which is not organized on a term, quarter or semester basis.

VA also provides technical information on interval payment to school certifying officials during school conferences throughout the year. School officials and Veterans

can contact the Education Call Center staff for guidance regarding interval payment.

*Question 4.* I heard from a constituent who was concerned that he lost out on benefits when he switched into the Post-9/11 GI Bill with a month or so of benefits remaining under the Montgomery GI Bill. What steps does VA take to inform Veterans that, under current law, they might receive less total benefits if they switch into the Post-9/11 GI Bill before exhausting their old benefits?

Response. The Post-9/11 GI Bill is structured differently than other VA education benefit programs, and can cause confusion when individuals are trying to compare payment types and amounts, eligibility criteria, and other factors to determine which benefits program would be most advantageous. Since each individual's situation is different, VA provides a "Road Map to Success" tool and a side-by-side comparison of benefits under each program on the GI Bill Web site. In addition, a benefits calculator and extensive benefits information are available on the Web site. This information provides a step-by-step guide through the benefit selection and application process, and helps a student determine which of the programs provide the greatest benefit in an individual situation.

VA is aware of a few Veterans who elected the Post-9/11 GI Bill and subsequently learned they would be limited to the number of months of entitlement remaining under their relinquished education program. The public law enacting the Post-9/11 GI Bill limits the entitlement of those individuals electing to transfer from the Montgomery GI Bill. Such individuals may receive only the number of months of Montgomery GI Bill entitlement they have remaining at the point they elect benefits. In some instances, individuals may realize it would be better to utilize all their Montgomery GI Bill before electing the Post-9/11 GI Bill. However, even though information was available to help them make that decision, some may not have considered that information when electing to transfer before their Montgomery GI Bill was exhausted.

While the information is available on our Web site, in fact sheets, and at schools, the complexity and variances between the multiple programs may cause some students to make a decision to elect a new benefit assuming it was a better benefit without fully reviewing the available materials.

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RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. MARK BEGICH TO  
KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS  
AFFAIRS

*Question 1.* Mr. Wilson, A Veteran in Alaska told me he does not want to go to college, he wants to start his own business, have you explored giving funds to start businesses for the vets that do not want to go to college, but believe they deserve to have some access to the Post-9/11 GI Bill?

Response. On June 10, 2010, VA testified before the House Committee on Veterans' Affairs on pending legislation that included the Veterans Entrepreneurial Transition Business Benefit Act (H.R. 114). This legislation proposes to allow a Veteran, eligible under chapter 30 to elect to use any of his/her financial educational assistance to establish, own, and operate a business as their primary source of income. Currently, there are no provisions under any Department of Veterans Affairs (VA) education benefit program for payment of benefits for individuals to establish, own, and operate a business. While VA strongly supports assisting in, and advocating for, Veterans' opportunities in the areas of small business and self-employment, VA does not support such legislation. VA believes GI Bill education benefits should be preserved and the program administered as currently established.

*Question 2.* Mr. Wilson: do you have numbers of schools that have been taken off the list of VA approved schools for not providing the education the vets paid for or for any other reason, would like these numbers for the last 10 years. Do you have numbers of the default rates? What are they?

Response. VA identified 376 schools that have been removed from the approved list of VA schools during the last 10 years for various reasons, including school closure. However, we have not identified any schools that were removed for not providing an adequate educational product. VA does not maintain data regarding default rates.

*Question 3.* Is there a reason that the VA and USDOE do not coordinate the accreditation process for loans?

Response. VA does not administer or approve any loan programs. Generally we accept any program recognized as accredited by the Secretary of Education.

*Question 4.* For VA: I would like data on Muskogee service center: in the last 6 months how many disconnects, wait time?

Response. The National Call Center answered 1,480,499 calls from February 2010 through July 2010. During this period, VA had 218,235 abandoned calls (disconnected calls); which was 14.7 percent of all calls received during this period. The average wait time was 3 minutes and 37 seconds.

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RESPONSE TO POST-HEARING QUESTIONS SUBMITTED BY HON. ROLAND W. BURRIS TO  
KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS  
AFFAIRS

*Question 1.* Can you tell me the status of the \$3,000 advance payment checks that went out to Veterans and Servicemembers in October 2009, to those who had not yet received their VA benefits for the fall enrollment period?

*Question 1A.* How much of the money have you recouped?

Response. As of August 16, collections total approximately \$170 million with a remaining balance of \$182 million to collect. The full amount has been collected for 35,187 Veterans and Servicemembers, and the remaining 85,957 Veterans and Servicemembers have an outstanding balance.

VA expects a surge of collections in August and September when students return to school. Recipients who do not return to school must make other arrangements with VA's Debt Management Center to repay the balance on their advance. Any recipients who do not make repayment arrangements or from whom we have not collected any amount have been or will be referred to the Department of Treasury for offset of any Federal payments and collection action by private contractors.

*Question 1B.* How do we ensure that we don't have to do second round of emergency payments going into the next school year, is it an internal VA policy that needs to be made or can we fix it legislatively?

Response. The decision to issue emergency payments for the fall 2009 term was an internal VA policy decision. Emergency advance payments were not needed for the spring and summer 2010 terms, and we do not anticipate needing emergency advance payments for the 2010/2011 school year that begins this month.

We encouraged schools to submit enrollment certifications earlier this year, asking them to submit the certifications even if their fall tuition and fees schedule had not been finalized. Doing so allows VA to timely process students' housing allowance and books and supplies stipend. The school may subsequently submit certification of the tuition and fees to receive payment. In addition, many students are returning students that VA previously determined eligible for the Post-9/11 GI Bill program, making the award and payment process much simpler.

*Question 2.* The implementation process of the Post-9/11 GI Bill has not been a smooth journey; but we are starting to make progress. It is disturbing though, to hear stories about phone lines having long hold times and are even dropped, a lack of communication between schools and the VA, and a lack of standardization in policies.

*Question 2A.* How do we proceed from here to make sure that not only the process becomes more standardized and streamlined, but that there is an open communication process between the VA and schools?

Response. VA made a substantial effort to engage various stakeholders in the Post-9/11 GI Bill implementation process. The aggressive timeline required for Post-9/11 GI Bill implementation, coupled with the use of interim manual claims processes, did impact VA's ability to provide the highest level of service to stakeholders in some instances.

VA continues to attend professional and educational conferences to discuss the Post-9/11 GI Bill, hold training for school certifying officials who work with Veterans at schools, and update the GI Bill Web site to provide the most comprehensive information available to a variety of audiences. VA also sent informational letters and made direct contact with university officials, state Veterans affairs directors, Veterans service organizations, Members of Congress, and other stakeholders to discuss the status of Post-9/11 GI Bill implementation and the potential impacts of this benefit program on each stakeholder.

*Question 2B.* How do we put this into legislation?

Response. Over the past several months, VA instituted numerous streamlining procedures to improve processing timeliness during implementation using the manual Interim Solution toolset and initial releases of the Long Term Solution (LTS). Many of these procedures involved revising policy guidance to ensure that employ-

ees are able to process claims as efficiently as possible with these systems while continuing to meet quality standards.

VA continues to evaluate current staffing and business processes and make modifications wherever possible to facilitate timely processing of claims. Upon full deployment of the LTS IT system in December 2010, which will automate Post-9/11 GI Bill processing, VA will be able to achieve a greater level of consistency.

Policy aimed at standardizing processes is established in VA Headquarters and distributed to each of the four regional processing offices. When we learn of any inconsistency, we address the concern and provide additional training as needed.

We believe the majority of the comments about standardized processes are related to Veterans' receipt of other aid for tuition and fees in addition to VA payments. VA is not able to direct schools on how all the various types of financial aid should be handled. For example, VA cannot always provide direction on which expenses other financial aid may cover or the timing of receipt of the financial aid. One suggestion to address these issues is to make VA the last payer of tuition and fee expenses. VA is willing to work with Congress to address duplication of financial aid and establish clear rules to address these concerns.

*Question 3.* It is my impression that prior to the Post-9/11 GI Bill, tuition payments were just between the VA and the schools. Why are students a component of this payment system, and why can't the VA deal exclusively with the school to calculate and make payments?

Response. Educational assistance allowances under other VA programs, excluding Vocational Rehabilitation, are paid directly to the student. The assistance is paid based on a single rate that changes only with the student's number of credit hours.

Generally, students training under the Post-9/11 GI Bill are entitled to a direct payment for books and supplies and monthly housing payments. School officials are responsible for certifying the student's enrollment. The appropriate payment amounts are calculated based on the length of the student's enrollment period, number of credit hours, length of the student's service, and location of the student's school. Only tuition and fee payments are paid directly to the school.

Chairman AKAKA. Thank you very much, Mr. Wilson.

Mr. Clark, will you please proceed with your statement?

**STATEMENT OF ROBERT E. CLARK, ASSISTANT DIRECTOR FOR  
ACCESSION POLICY, OFFICE OF THE UNDER SECRETARY OF  
DEFENSE FOR PERSONNEL AND READINESS, U.S. DEPARTMENT  
OF DEFENSE**

Mr. CLARK. Good morning, Chairman Akaka, Ranking Member Burr, and esteemed Members of the Committee. I'm pleased to appear before you today to discuss the potential improvements to the Post-9/11 GI Bill as proposed in S. 3447 and related bills.

As I stated this past April before this Committee, post-service education benefits have been a cornerstone of our military recruiting efforts since 1985 and a major contributor to the success of the all-volunteer force. Money for education has been and remains the forefront of reasons young Americans cite for joining the military. There's no doubt that the Post-9/11 GI Bill will continue to have this impact, and we're seeing that happen with unprecedented recruiting success.

For today's hearing, you asked me to comment on S. 3447, a bill that offers a series of changes to Chapter 33, Title 38. In respect of time, I will limit my comments to those changes that most effect the Department of Defense.

Section 2 of S. 3447 makes changes to the definition of qualifying active-duty and appears to correct omissions in the original statute. As written, this subsection would include as qualifying active-duty the full time National Guard duty currently eligible for either the Montgomery GI Bill or the Reserve Educational Assistance Program. DOD does not object to this section, provided Congress pro-

vides identified, appropriate, and acceptable offsets for the additional benefits cost. We support equivalent benefits for equivalent service, and this change would make that go.

The section also makes a technical correction to the definition of entry- and skill-level training for the Army's One Station Unit Training, a specific form of initial entry training without a break between basic combat training and advanced individual training. DOD is already reporting this training as entry-level, and we support this technical correction.

Another provision in this section clarifies that all separations to remain eligible for the Post-9/11 GI Bill be characterized as honorable to be eligible and we support that provision.

Finally, this section excludes the statutory period of active service incurred by graduates of the U.S. Coast Guard Academy. This aligns graduates of the Coast Guard Academy with the U.S. Military Academy, Air Force Academy, and Naval Academy, and we support this provision as it provides equity across the Armed Services.

Today's military stands ready, willing, and able to defend this Nation, as well as its values and principles. Our young service-members, all volunteers, and we must remember that, are deployed across the Gulf, many in harm's way. Post-service education benefits have been a major contributor to recruiting achievements and retention achievements over the past 25 years.

Additionally, these post-service education benefits have been an invaluable asset to thousands of veterans, providing them with funding to enhance their education and increase their employability and income-earning opportunities while assisting their transition to civilian life. The Department of Defense is an education employer. We hire educated, young people, we invest in them while in service, and we encourage them to invest further in themselves when they leave. The VA-administered education benefits, in particular the Post-9/11 GI Bill, facilitate that investment.

Few things, if any, are more important to the secretary and to the services than recruiting and retention. We recognize our duty to man the all-volunteer force with high-quality, motivated, well-trained, young men and women. The Post-9/11 GI Bill remains a key to our success. As we move forward in the 21st Century, we must seize the opportunity to build on this remarkable legacy given to us by the visionaries who crafted each preceding version of the GI Bill.

I thank this Committee for its unflagging support of the men and women who have served in providing for the national defense and look forward to your questions.

[The prepared statement of Mr. Clark follows:]

PREPARED STATEMENT OF ROBERT E. CLARK, ASSISTANT DIRECTOR FOR ACCESSION POLICY, OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR PERSONNEL & READINESS, U.S. DEPARTMENT OF DEFENSE

Good afternoon, Chairman Akaka, Ranking Member Burr, and esteemed Members of the Committee. I am pleased to appear before you today to discuss the potential improvements to the Post-9/11 GI Bill as proposed in S. 3447, "Post-9/11 Veterans Educational Assistance Improvements Act of 2010," and related bills.

As I stated earlier this year in testimony, post Service education benefits have been a cornerstone of our military recruiting efforts since 1985, and a major contributor to the success of the All-Volunteer Force. Money for education has been and

remains at the forefront of reasons young Americans cite for joining the military. There is no doubt that the Post-9/11 GI Bill will continue to have this impact and we are seeing that happen—with unprecedented recruiting success.

For today's hearing, you asked me to comment on S. 3447, "Post-9/11 Veterans Educational Assistance Improvements Act of 2010" and related bills. S. 3447 offers a series of changes to chapter 33, title 38, United States Code. Since both funding and administration of the Post-9/11 GI Bill fall under the purview of the Department of Veterans Affairs (VA), I will focus my comments on those changes that will affect the Department of Defense (DOD) and generally defer to VA to provide responses on those with no significant DOD impacts.

S. 3447, "POST-9/11 VETERANS EDUCATIONAL ASSISTANCE IMPROVEMENTS ACT OF 2010"

*Section 2. Modification of Entitlement to Educational Assistance.*

Subsection (a) makes changes to the definition of qualifying active duty for Post-9/11 GI Bill entitlement and appears to correct omissions in the original statute. As written, this sub-section would include as qualifying active duty the full-time National Guard duty currently eligible for either the Montgomery GI Bill or the Reserve Educational Assistance Program. DOD does not object to this section, provided Congress identifies appropriate and acceptable offsets for the additional benefits costs. DOD supports equivalent benefits for equivalent service and this change would meet that goal. This subsection also makes a technical correction to the definition of entry level and skill level training for the Army by adding One Station Unit Training (OSUT), a specific form of entry level training without a break between Basic Combat Training and Advanced Individual Training. DOD is already reporting OSUT as entry level training and supports this technical correction.

Subsection (b) clarifies that all separations must be characterized as "honorable" to be eligible for Post-9/11 GI Bill entitlement. DOD supports this provision.

Subsection (c) excludes the statutory period of service incurred by graduates of the U.S. Coast Guard Academy (USCGA) as qualifying active duty for Post-9/11 GI Bill entitlement. This aligns graduates of the USCGA with graduates of the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy. DOD believes this provision provides equity across the Armed Services and supports the provision.

*Section 3. Modification of Amount of Assistance and Types of Approved Programs of Education.*

This section modifies the amount of assistance and types of programs eligible for the Post-9/11 GI Bill. DOD defers to VA, the agency responsible for administration and funding of the program, for a response.

*Section 4. Modification of Assistance for Licensure and Certification Tests.*

This section expands and makes changes to the entitlement charge for licensing and certification tests. Again, DOD defers to VA for a response.

*Section 5. Transfer of Entitlement to Supplemental Educational Assistance to Post-9/11 Educational Assistance.*

This section appears to change the procedure for payment of Supplemental Educational Assistance earned under the provisions sub-chapter III, chapter 30, 38 U.S. Code for individuals who choose to convert from the MGIB to the Post-9/11 GI Bill from a single payment each academic term to a monthly payment in conjunction with the monthly stipend. Since this procedural change could have an impact on the administration of Post-9/11 GI Bill we would defer to VA, the agency responsible for administration and funding of the program, for a response.

*Section 6. Transfer of Unused Education Benefits to Family Members.*

The Administration is still reviewing the section and will not determine an Administration position on this section until VA completes a cost estimate for the entire bill. We will provide written views once the cost estimate is complete.

*Section 7. Limitations on Receipt of Educational Assistance under National Call to Service (NCS) and Other Programs of Educational Assistance.*

The section clarifies that VA administered educational assistance benefits under the NCS enlistment option cannot be used simultaneous with any other VA administered educational assistance program, thus aligning NCS with other VA administered programs. DOD defers to VA, the agency responsible for administration and funding of the program for comment.

*Sections 8, 9, 10, and 11 have no impact on DOD; therefore, we defer to VA for comment.*

Of the other bills listed on the agenda, only S. 3389 has any impact on DOD. This bill would change the 48-month rule for Servicemembers or Veterans with four years or more of active service who also received educational benefits through either the Montgomery GI Bill—Selected Reserve (MGIB-SR, chapter 1606, 10 U.S.C.) or the Reserve Educational Assistance Program (REAP, chapter 1607, 10 U.S.C.) The 48-month rule limits Servicemembers or Veterans with eligibility under more than one VA administered education programs from receiving more than 48 months of educational assistance. While this provision could have minor impact on usage of MGIB-SR and REAP, the major fiscal impact would be increased usage of the Post-9/11 GI Bill. Therefore, DOD defers to the Department of Veterans Affairs, the agency responsible for administration and funding of the program for comment.

Today, the military stands ready, willing, and able to defend our Nation, as well as its values and principles. Our young Servicemembers, all volunteers, are deployed across the globe, many in harm's way. Post Service education benefits have been a major contributor to recruiting achievements over the past 25 years. Additionally, these post service education benefits have been an invaluable asset to thousands of veterans, providing them with funding to enhance their education and increase their employability and income-earning opportunities, while assisting their transition to civilian life. The Department of Defense is an "education" employer. We hire educated young people, invest in them while in Service, and we encourage them to invest further in themselves when they leave. The VA-administered education benefits, and in particular the Post-9/11 GI Bill, facilitate that investment.

Few things, if any, are more important to the Secretary and to the Services than recruiting and retention. We recognize our duty to man the All-Volunteer Force with high-quality, motivated, and well-trained young men and women. The Post-9/11 GI Bill remains a key to our success. As we move forward in the 21st Century, we must seize the opportunity to build on the remarkable legacy given to us by the visionaries who crafted each preceding version of the GI Bill. I thank this Committee for its unflagging support of the men and women who serve, or who have served, in providing for the national defense. I look forward to your questions.

Chairman AKAKA. Thank you very much, Mr. Clark.

One fast question. Are you satisfied that there are sufficient safeguards in place to make sure that programs of education are legitimate?

Mr. WILSON. We do believe that there are satisfactory safeguards in place. We have a robust mechanism in place in conjunction with our partners within the States at the State Approving Agencies. The statute also supports mechanisms to allow us to weed out inappropriate schools, for instance, the existing 2-year requirement that's in the statute requiring an institution to be in place for 2 years. I believe we do have sound mechanisms in place. Yes, sir.

Chairman AKAKA. Mr. Wilson, VA has proposed to accept VA Title IV approvals for purposes of GI Bill Programs. While I'm inclined to agree with this proposal, I'm concerned that this could potentially open the door for some fraud and abuse.

Do you share this concern, and if so, how would you guard against it?

Mr. WILSON. We would share the concern and guard against it by ensuring that we continue to keep the flexibility we currently have. In other words, while we will accept accreditation for Title IV purposes, in some cases for program approval, we would never want to take off the table our ability to continue to go into a school and make sure that they are doing what they are supposed to in support of our veterans, and if not, we will continue to have the authority to remove approval for VA purposes, if needed.

Chairman AKAKA. Mr. Clark, I understand the Department's opposition to my proposal that DOD reimburse VA for the cost of transferred benefits. That said, I do believe that DOD has too



broadly extended this benefit to all servicemembers as they reach the required minimum length of service. I believe a more targeted use of the benefit was envisioned in order to retain individuals in critical skill areas or difficult-to-replace personnel.

Would you comment on this, please?

Mr. CLARK. Yes, Mr. Chairman. The Department, as you are well aware, in the development and all discussions leading up to the Post-9/11 GI Bill had concerns about the generous benefit being more of a draw for first-term members to leave in order to use this benefit, and we were very pleased to see the transferability which allows our career servicemembers to share this benefit that they have earned with their family members, and we did not believe that this benefit for family members was to be limited to any specific targeting. We believe that every soldier, sailor, airman, and Marine that chooses to stay, and we want to stay, should have the same opportunity to share their earned benefit with those family members.

Chairman AKAKA. Thank you.

Mr. Wilson, could you please comment on the extent to which you believe that basing many benefits on the national average would make administration of the program easier?

Mr. WILSON. Certainly. The Post-9/11 GI Bill is a fabulous benefit, and at its core, it's going to provide the opportunity for many individuals to attend college that they otherwise would not have even under our previous programs. Taking into account though all the specific nuances of how charges are made within each school and within each State, it makes the administration very complex.

Now, the administration of the program, of course, is one issue, and that's VA's responsibility, and we will continue to do our utmost to do that. But the other side of that complexity is that students have to understand the program in order to get the best use of it. That complexity, all of those ins and outs, make it very complex a lot of times for the students to understand how they can best use the benefit.

Chairman AKAKA. Thank you very much.

Senator Brown, your questions?

Senator BROWN OF MASSACHUSETTS. Thank you, sir.

So, I guess it's kind of a follow-up, and any of the folks who are testifying can comment on this. The Post-9/11 GI benefits for veterans and servicemembers who want to pursue vocational training to 4-year degree programs, et cetera, how soon would the VA and State Approving Agencies be able to implement these programs do you think?

Mr. WILSON. We're recommending right now that the effective date for the enactment be August 1, 2011. That's based on our current status with implementing the new pay system for the initial implementation of the Post-9/11 GI Bill. We have had two releases of the functionality. We will complete the last core release for functionality around the end of December of this year, and then we have got some policing of the battlefield issues that we need, but we believe that we can meet an August 1, 2011, timeframe.

Senator BROWN OF MASSACHUSETTS. And as a follow-up to Senator Burr, I'm not having that same experience, but would the additional workload and resources and the redirection of resources

currently in place in providing assistance to veterans, is that an accurate portrayal? Do you have the tools and resources you'll need to implement the program?

Mr. WILSON. I believe we do. We have currently in place in excess of 1,400 individuals processing claims at our four offices around the country. I would be the first to say very clearly that we underestimated the complexity of what we needed to do going into last fall, and there were unacceptable delays in the processing of claims.

To give you a little picture of where we're at right now, going into the fall, we could process about 1,800 claims a day around the country. Going into the spring semester, which was very successful, we could process in excess of 6,000 a day. So we believe by bringing in those additional resources that we have, streamlining our processes, we were cautiously optimistic that we're going to have a good fall semester enrollment period for individuals. We are continuing to be very rigorous in our oversight on that.

Long-term, we will continue to move down the path of automating a lot of this work, and that will better allow us to address the seasonal nature of our work, the high workloads in the fall periods and the spring periods.

Senator BROWN OF MASSACHUSETTS. On a side note, obviously, we're getting ready to begin the fall semester, and many more students will be requesting benefits than they did in January.

Are you ready to handle this influx of potential new requests? And, if so, what type of improvement do you think we'll see over the previous time period?

Mr. WILSON. We believe we are ready. We did several things following the beginning of last fall. As I mentioned, we have significantly more resources on it and our productive capacity is much higher than it was going into last fall. So we're in very good shape there.

Additionally, we implemented an initiative over the summer that we believe helps us out, as well. We allowed schools beginning June 1 to begin submitting the enrollment certs for the fall to VA. We're allowing them to submit that information, even if they do not have their tuition and fee rates in place. They can simply submit zero tuition and fees and report those tuition and fees later to us. That's important because many States in the July-August timeframe are just at that point deciding what their tuition and fees are going to be. We have already processed through completion about 50,000 fall enrollments under that initiative. So we believe we're in a very good position.

Senator BROWN OF MASSACHUSETTS. One final question. I have a little bit of time left. Being the new guy, well, not anymore. I'm actually not the new guy anymore as of yesterday, which is nice. [Laughter.]

Yes. We have an inordinate amount of veterans' issues that we're dealing with in the Boston area. We have a couple of people working full-time on it directly, and I would just encourage, yes, you're making strides, but the backlog, the frustration that we're getting from people that are calling and dealing with your organization. I do not want to hurt your feelings or anything, but they are pretty upset. Then that comes to me, and then I have to pass it down the

food chain and up the food chain. I would just suggest that you do whatever you have to do to drop some of the fluff stuff and just focus on the real issues when people are hurting and they need help.

Some of it's very simple. It's such a quagmire of paperwork and bureaucracy. So instead, I suggest someone picking up the phone—a warm body—and saying hey, I got your claim, I am on it, I just want to let you know that. Sometimes, that's all it takes, and to get that is just like pulling teeth.

So, that's kind of my message and the sense that I am getting from being here for over 6 months now; and being in the military and a JAG, as somebody who knows how to maneuver the system, I can tell you I am having the same problem.

If you could please pass that on to the folks that work for you to step above and beyond, that would be helpful.

Mr. WILSON. I'd be happy to pass that on. Just one comment in terms of a response, the secretary has significant, major issues underway throughout the Department right now, to use his term, "Break the back of the backlog." He and the rest of the organization are very, very aggressive on this issue, and we're confident that we can make strides in that area.

Senator BROWN OF MASSACHUSETTS. I appreciate that.

Chairman AKAKA. Thank you. Thank you very much, Senator Brown.

Senator Murray?

Senator MURRAY. Thank you, Mr. Chairman.

Dr. Clark, I wanted to ask you a question because in my conversations with the veterans as I travel around my State, a lot of them express a real frustration that they can not make their military experience relate to any kind of post-education or professional goal. So, in the bill that I have introduced which I have talked about a few moments ago, the Veteran Employment Assistance Act, one of our primary goals was to examine how to take military experience and training and link it up to civilian education and certification and licensure requirements.

Does the Department of Defense consider comparable civilian credit, licensure, and certification requirements when they create or update their military training curricula?

Mr. CLARK. Senator Murray, I would have to take that back.

Senator MURRAY. So—

Mr. CLARK. I do not work in that—I know there is a lot that is done in military transcripts and a lot of crosswalk to try to do this, but it being in another office, I would prefer to take that one for the record.

[Responses were not received within the Committee's timeframe for publication.]

Senator MURRAY. OK, I would really like a response back to that because I think it's very relevant to what our men and women face when they come home. And as part of that, I wanted to ask, and maybe you will not answer it then, is if there is a concern within the Department of Defense that if they modify current course curriculum to provide for that civilian education credit or licensure certification requirement that, somehow, it affects retention.

Mr. CLARK. Again, I can not see a direct link to that and the affect on retention, but not being that familiar with that separation and the transcript work that is done to try to crosswalk military training and education with civilian, I would prefer to take that for the record.

Senator MURRAY. OK, well, sir, I think we need to have eyes open on this, that sometimes some of the training, et cetera, is not designed to help somebody get a job when they get home because of retention concerns. But in today's world, we have to make sure that what our military men and women are doing as they transition does transition. They come home to a very tough job market, and we can not just dump them on the street and say tough. We need to make sure that what they get actually works for them in the real world, and I think we really have to work on that.

So Mr. Chairman, I will yield with this time and wait for the next panel. Thank you.

Chairman AKAKA. Thank you very much, Senator Murray. Senator Isakson?

**STATEMENT OF HON. JOHNNY ISAKSON,  
U.S. SENATOR FROM GEORGIA**

Senator ISAKSON. Thank you, Mr. Chairman.

I apologize for missing your testimony. I do have really one question that I would like to ask. Do you have any idea, and this is for anybody that would know, do you know the breakdown under the New GI Bill of people going to residential education environments versus online environments? Do you know the breakdown in that?

Mr. WILSON. I do not know the breakdown off the top of my head. We can certainly do some researching and get back to you. I'd be happy to do that.

One comment I would offer though is that the break is not as clean as either/or. Many of our students are taking hybrid training. They'll take some courses in residence, but then they are also taking a class or two at night. Perhaps, even at the same institution online. So it does get a little bit more complex.

Senator ISAKSON. Staying on that same vein for a second, eArmyU I think is the term you used for the active-duty online education. Is that not correct?

Mr. WILSON. Yes, that's correct.

Senator ISAKSON. As I recall, there were about 32 4-year colleges or universities that were participating in delivering content to our active-duty personnel.

Are those the same institutions to which people can get online education through the GI Bill, or is there a different way of certifying institutions that can offer it and those that can not?

Mr. WILSON. There would be a different mechanism for approving the program, but making an assumption that these are accredited institutions or institutions that VA normally works with otherwise, those programs would have been approved through VA's approval process to use for VA purposes.

Senator ISAKSON. That answers my question. But if you would give me the information, and I do understand the hybrid nature in particular of some of the online content while being a residential student, but I'd like to know the number that are full-time online

and the number that are full-time residential just for my information, if you would.

Mr. WILSON. I'd be happy to.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. JOHNNY ISAKSON TO  
KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS  
AFFAIRS

Response. VA does not have data that provides a breakout of the number of students attending in residence and online courses.

Senator ISAKSON. Thank you. Thank you, Mr. Chairman.

Chairman AKAKA. Thank you very much, Senator Isakson.

I regret very much that due to signing of the financial reform legislation, I am going to have to leave a bit early today. Senator Tester has graciously agreed to chair the balance of the hearing in my absence, and I want to thank him. Thank you very much, Senator Tester for that. In addition, I want to extend my deepest thanks to all our witnesses this morning for your insights and input. You've been very, very helpful prior to this and now with the Committee's work, as well. So again, I want to say thanks. Let me now turn the gavel over to Senator Tester.

Senator TESTER [presiding]. Well, thank you, Chairman Akaka, and if I may, I'll just ask questions from here and then take your seat after you go. I want to thank you for your leadership, as always, and good luck at the signing.

Mr. Wilson, this is kind of a follow-up on Senator Brown from Massachusetts' questions. In April, you talked about the targeting for full functionality of the claims, Automated Claims System, December 2010. Is that on target? You talked about functionality. Is that what you meant? It is going to be fully functional by December 2010?

Mr. WILSON. That's correct.

Senator TESTER. OK.

Mr. WILSON. That's what we're on target for, is providing the functionality to process claims by the end of December.

Senator TESTER. Perfect. You also talked about the Chairman's bill would be much better if it were delayed until August 2011.

Do you anticipate the upgraded IT system will be adequately ready to handle the delivery of new benefits proposed by this bill?

Mr. WILSON. We believe it will be. That's what our estimate of August 2011 is based on.

Senator TESTER. Good. You raised the issue of complexity. I am glad that you did. I think one of the problems we had last fall, one of the problems we have today is implementation being complex for the veteran, and it's been complex for the school.

The question is, what kind of outreach are you doing to help the schools, particularly in rural parts of the country, to better understand how to handle certain cases? And what specifically is the VA doing in terms of listening to the concerns of school administrators?

Mr. WILSON. There are several mechanisms in place for training. First of all, all school officials receive online training from VA. That's VA-sponsored training in terms of providing the technical information that they need to provide the VA so that we can pay benefits.

Senator TESTER. OK.

Mr. WILSON. Additionally, we have individuals stationed throughout the country, our Education Liaison Representatives, who are the first point of contact for all school officials within their State of jurisdiction. In addition to those individuals, I think you're aware we have had a longstanding relationship with the State Approving Agencies. The State Approving Agencies are also on the ground at the States providing training and resources.

Senator TESTER. OK. So if a school has a concern, they go to the VA employees that you talked about?

Mr. WILSON. That's correct.

Senator TESTER. OK. That's exactly the point I am getting at. Those VA employees are in four different places in the country, and correct me if I am wrong. We have a number of schools in Montana, where it's a long journey to get to those folks. If you have four people in a number of schools in Montana, you extrapolate that out to all the States in the union, and the further away you get, the bigger the problem is.

I have advocated for a VA education rep in Montana. It's for prestige; it's because, as Senator Brown said, we're the ones that catch the input, and I think it would behoove us to have folks on the ground to be able to hear the challenges that are going on in these schools because I think that's how you're going to get to solutions. If you could take that message back, it would be very much appreciated.

Mr. WILSON. I can do that. Could I make a clarification point?

Senator TESTER. Sure. Go ahead.

Mr. WILSON. We do process claims at four locations around the country. However, we have our liaison representatives stationed throughout the country, not at those four sites. I believe our individual responsible for Montana is working out of our St. Paul Regional Office, and then the State Approving Agency individual works out of Helena, I believe.

Senator TESTER. St. Paul is 1,000 miles away.

Mr. WILSON. Understood.

Senator TESTER. OK. All right. During our last hearing on the subject, you testified—this is Mr. Wilson again—that the VA had been giving the wrong living stipend because the military housing allowances were not revised within the computer system that took effect January 1. You projected the issue would be resolved by last month.

How's it going?

Mr. WILSON. The payment of the housing allowance is tied to the functionality and the data conversion involved with Release 2. The technical functionality was delivered on July 3, as scheduled. The conversion is occurring throughout the month of July. We have completed conversion of about 153,000 cases to date. The remainder of the conversion of cases is currently scheduled to occur next week, the upcoming weekend, and the following week, and that conversion, that successful conversion is what allows us to pay that housing allowance.

Senator TESTER. Of those 153,000, how many were overpayments?

Mr. WILSON. None of the 153,000 had overpayments. That first group that we converted were the individuals who we had determined eligible, but had not received any payments yet.

Senator TESTER. OK. What have been the results of your review?

Mr. WILSON. Our 153,000 conversion was successful.

Senator TESTER. OK, how about looking into the folks who were overpaid and underpaid?

Mr. WILSON. As part of the conversion, the additional things that we will get, in addition to the conversion into the new tool, is the complete list of individuals that are due the increase, and that payment of the increase is going to be automated.

Senator TESTER. OK.

Mr. WILSON. We will push a check for the difference they are owed directly to the individual.

Senator TESTER. I guess the question is that I think it was this month you were going to finish looking into who was overpaid and who was underpaid.

Has that been done?

Mr. WILSON. Yes, yes.

Senator TESTER. And what has been the result of that?

Mr. WILSON. There's an estimated 150,000 individuals that are due some type of additional payment.

Senator TESTER. OK, so, that's 150,000 you were talking about.

And how are you handling those overpayments?

Mr. WILSON. There won't be overpayments.

Senator TESTER. OK.

Mr. WILSON. There's about 150,000 underpayments.

Senator TESTER. Underpayments.

Mr. WILSON. That we will be resolving.

Senator TESTER. So, there were no overpayments?

Mr. WILSON. No. In terms of overpayments, we are following the same policy that DOD has in place. If an individual is residing in an area that has a decrease, we grandfather them into their current rate.

Senator TESTER. Thank you.

Mr. WILSON. So that would cover everyone who lives in that area when the decrease occurs.

Senator TESTER. Thank you.

Senator Begich?

Senator BEGICH. Let me just do a quick run. So people who have received an overpayment, are they being requested to pay back? Isn't that the ultimate question?

Mr. WILSON. The overpayments, and perhaps I need to seek a little clarity on the specifics—if an individual has an overpayment for pursuing VA education benefits, we pursue collection of that overpayment, and that's the same thing we do for Montgomery GI Bill, et cetera.

Senator BEGICH. Right. So that's the question I think was: How many of those people? How many were in that category?

Mr. WILSON. OK. I understood the question to be related to the BAH increase, and the BAH increase does not cause overpayments for those individuals that were in that housing zone when the decrease occurred because we grandfather them into the old rate. So we do not pay a decrease, so, there would be no overpayment for

those individuals. And perhaps, I am not being clear, and if not, I apologize if I am missing the question.

Senator BEGICH. I am going to hold that because I have about six questions I want to rapid fire. I might come back to that, depending on time, because I want to pursue that.

First, let me get two kind of Alaskan issues out of the way. Muskogee area and how we respond, that's one of the service centers; I think of the four, that's our area. We just get a pile of complaints of service or lack of response or slow response or delayed response.

Do you have any metric that you keep track of? For example, call time, wait time, response time, letter response time, e-mail response time? Do you keep those kind of data points?

Mr. WILSON. We do.

Senator BEGICH. Do you do that on a regular basis?

Mr. WILSON. Yes, we do.

Senator BEGICH. So, for example, if I asked you to give the last 6 months of how long people stay on hold, how many disconnects there are, in other words, people who hang up because they are frustrated, how that's been improved or not improved, do you have those kind of data points?

Mr. WILSON. We do. I'd be happy to provide it to you.

[Responses were not received within the Committee's timeframe for publication.]

Senator BEGICH. I would love that. If you could get those numbers for that office, specifically for the last at least 6 months—and I recognize there's a high enrollment request, but I want to see through those data points how the flow is.

The second is: Do you coordinate with the Direct Student Loan folks within the Federal Government to determine—because yours is not a loan, it's basically a grant to allow folks to move on to higher education—do you have any connection with understanding because theirs is watching default rates or watching capacity of these universities, they are basically taking money and not doing really the job they should be doing.

What is your way to coordinate to make sure we're not offering GI benefits at schools that over here are being questioned on their ability to perform? Do you do that?

Mr. WILSON. Yes, we do that. The mechanisms by which we approve our programs are separate and distinct, and they are codified in Title 38. And I would argue actually that our mechanisms are more robust. Even for a school that is accredited, there is a mechanism by which they are required to seek approval for their programs for VA purposes in addition to that.

Senator BEGICH. Can I ask you a question? Have you ever kicked a school off the program?

Mr. WILSON. I do not know the exact answer to that.

Senator BEGICH. Could you get that for the record?

Mr. WILSON. I'd be happy to find out.

[Responses were not received within the Committee's timeframe for publication.]

Senator BEGICH. Because in the perfect world, everything is good, but I used to chair the Student Loan Corporation for the



State of Alaska for 7 years, Post Secondary Education Commission. Despite the great schools that are in our country here and overseas, there are some that just have a lack of ability to understand what they should be doing with the monies that the Federal Government provides for these students. So I would like to see in the last 5 years or 10 years, you pick the period of time, if anyone's ever been taken off the program and benefited from the GI benefit?

Mr. WILSON. OK.

Senator BEGICH. Universities, school, certification program, it does not matter, just what's the skinny there?

Mr. WILSON. We'd be happy to provide a response. Just in terms of a clarification, we approve each individual program. We do not approve the institution overall. We approve specific programs. There have been, I know, programs that we have not approved initially. I just do not know whether we have yet pulled approval once a program has been approved.

Senator BEGICH. What happens if you have a program that let's say it's a good program, but the school is in a serious situation with, for example, the other side of the equation, the folks that are doing the Pell Grants and the student loans on the other side. In other words, they've been booted off a grant program.

Do you still fund the program within a school like that?

Mr. WILSON. We will still allow a veteran to pursue training at that institution, making the assumption that they still have to meet our approval criteria. That approval criteria is still out there for our purposes, and we can go out whenever we need to, to survey whatever's needed to ensure the veteran's quality of education is still there.

Senator BEGICH. OK. My time has expired, but if you could follow-up and give me some information on that.

Senator Murray talked about certification and how we make that connection between what services they receive in the military and then how they can move that forward. My understanding is—and you can get back to me for the record on this later—my understanding is the Coast Guard has developed a program to do that. I am pretty sure it's the Coast Guard, where they've been able to ensure some of the work they do and the training that goes on there can literally transfer right over into certain certifications that then can be utilized in the private sector without additional expense and cost to Coasties. So could you follow-up on that and—

Mr. WILSON. I would be happy to look at that. Just in terms of amplifying a little bit more on Senator Murray's comments, it does get, based on our experience, a little bit more complex than one list in the military and another list on the outside. It's one thing and much cleaner if there is a DOD certification, for example, and then externally one national certification.

Senator BEGICH. Correct.

Mr. WILSON. However, our experience is that most of the certifications that we deal with are at the State level, and there's obviously very many different State—

Senator BEGICH. No, I understand that, but I think the Coast Guard has done something on the national level. I do not know why—some discussion I had sometime, and it's just coming back to

me here. So, great. Thank you very much. Thanks for your testimony.

Mr. Chairman?

Senator TESTER. Senator Burris.

**STATEMENT OF HON. ROLAND W. BURRIS,  
U.S. SENATOR FROM ILLINOIS**

Senator BURRIS. [Microphone malfunction] I'd like to welcome Judy Flink from the University of Illinois for making her way here to testify today. Her expertise, over 30 years of experience in student financial services and higher education, should include the invaluable [microphone malfunction] and provide input on how we can make the Post-9/11 GI Bill the best bill that it can be. [Microphone malfunction.]

And Mr. Wilson, could you provide that information that Senator Begich requests to all of us on the Committee, please?

Mr. WILSON. I'd be happy to.

Senator BURRIS. [Microphone malfunction] do that. OK.

Could you tell me [microphone malfunction] registered with the University of Phoenix?

Mr. WILSON. We do. Yes.

Senator BURRIS. And that's [microphone malfunction] online education.

Have you approved that university?

Mr. WILSON. That's correct. The University of Phoenix conducts both online and resident training.

Senator BURRIS. Can you tell me the status of the \$3,000 advance payment checks that went out to veterans and the service-members in October 2009 and those who have not yet received their VA benefit for the fall enrollment period? How much of the money have you recouped?

Mr. WILSON. I do not know the exact numbers. I'd be happy to provide a response for the record, Senator.

[This question was duplicated in Post-Hearing Questions from Senator Burris.]

Senator BURRIS. Would you please do that for us? And how do we ensure that we will not have to do a second round of emergency payments [microphone malfunction] the next school year? Is that an internal VA policy that we need to [microphone malfunction] or can we fix it?

Mr. WILSON. We believe we're in a much better place going into this fall than we were last fall, as witnessed by our success last spring. We will do whatever it takes to make sure individuals are paid their benefits. However, because we have been able to increase our productive capacity significantly and have taken steps to work with schools to begin processing enrollment certs earlier, we believe we are much better positioned this fall and believe that we can provide timely benefits this fall. We will continue to monitor that day by day very aggressively.

Senator BURRIS. Now, Mr. Wilson, the implementation process of the Post-9/11 GI Bill has not been a smooth journey, which you said. But we are starting to make progress. It is disturbing though to hear stories about phone lines, hold times or even dropped calls,

a lack of communication between schools and the VA, and the lack of standardization of policies.

How can we proceed from here to make sure that not only the process become more standardized and streamlined, that there's an open communication process between the VA and the schools?

Mr. WILSON. We have worked very hard, and we'll continue to work hard to make sure that we have an effective relationship with the school officials. The school officials are crucial to veterans being able to obtain their benefits timely. They are the ones on the ground at the school. They, as well as the State Approving Agencies are the folks on the ground where these students are. We work very aggressively with the school certifying officials through our Education Liaison Representatives around the country, as well as providing material online, as well as the State Approving Agencies working with the school officials.

Senator BURRIS. Mr. Wilson, I understand though when a payment would go to the school, and you correct me if we have misinformation on this, and let's just say that there's some overpayment to the school, rather than the check coming back to the VA, the check comes back to the student. The student does not understand what the check is for, and the student may have, in fact, spent that check, thinking it was a refund of overpayment that he or she has made. Now, have we gotten our handles on that issue?

Mr. WILSON. There are a lot of moving parts concerning how VA pays tuition and fee amounts to the schools, and there are also non-VA-related requirements. For example, we are always paying the tuition and fee payment toward the beginning of the semester now, based on the charges that the school official certifies to us. Anytime there is a change in enrollment status during that semester, there will have to be an adjustment of that amount of tuition and fees.

Sometimes, for instance, the school could have a policy that says that they refund half of the tuition and fee amounts if a person drops within a certain amount of time. They will certify those new tuition and fee amounts to us, and since we have already paid the full tuition and fee amount upfront at the beginning of the semester, those situations are going to result in an overpayment, and those overpayments——

Senator BURRIS. And the refund would go back where? To the student or back to us?

Mr. WILSON. If there's a refund, whether the refund goes to the student or the VA will depend on the circumstances of the payment amount and who——

Senator BURRIS. Do you have any data from what information we have been able to ascertain as to students who now are getting refunds which they are not entitled to, and they are spending those refunds, and now the VA is trying to collect money from the students.

Mr. WILSON. I am not aware of information, but I'll be happy to——

Senator BURRIS. Would you please check on that?

Mr. WILSON [continuing]. Do research on that and provide a response.

[Responses were not received within the Committee's timeframe for publication.]

Senator BURRIS. That's the information we are getting. Thank you, Mr. Chairman. I am going to have to leave to preside.

Senator TESTER. OK.

Senator BURRIS. Thank you.

Senator TESTER. The senior senator from West Virginia, Senator Rockefeller. Finally.

**STATEMENT OF HON. JOHN D. ROCKEFELLER IV,  
U.S. SENATOR FROM WEST VIRGINIA**

Senator ROCKEFELLER. You see, bullying takes place everywhere. That's what he's doing to me because he's my friend, and because he's so small.

We have been trying to do a lot of what you're talking about in West Virginia at Concord University, Mountain State University, to create sort of a veteran-friendly atmosphere, and we're taking it very seriously, they are taking it very seriously. Mr. Chairman, I'd like to put my statement in the record, with your permission.

Senator TESTER. Without objection.

[The prepared statement of Senator Rockefeller follows:]

PREPARED STATEMENT OF HON. JOHN D. ROCKEFELLER IV,  
U.S. SENATOR FROM WEST VIRGINIA

Mr. Chairman, I commend you for holding this hearing and your strong commitment to oversight and improvement in our existing program. This is an important role for our Committee and I appreciate all your efforts.

It is essential to improve the implementation of the GI bill and make the changes necessary on living allowances, transfer of benefits to dependents and clear rules on unique circumstance like foreign study.

But I also want to mention that my state of West Virginia is working to make our campuses "veteran friendly" in a variety of ways. Some institutions are having introductory classes of all veterans, others are creating veteran lounges or hiring new outreach counselors with military experience. This is important work to ease the transition from combat in Kabul or Basra to a quiet campus with a different set of rules and discipline.

Next week, thanks to technology, I will be participating in the Returning Veterans Symposium next week at Concord University. This event will bring together West Virginia educators and the VA officials from our VAMCs and Vet Centers to discuss ways to support our veterans and provide for the best transition. I am proud of West Virginia's efforts and I am committed to helping them in every way.

We must get the funding right to cover tuition and living allowance as the Chairman's bill does. I also want to begin the discussion about the non-financial ways to help our veterans in their transition and their studies. I look forward to the testimony.

Senator ROCKEFELLER. We need help. I mean, we always need help on these things. West Virginia is 4 percent flat, 96 percent mountainous. People do not like to travel. A lot of people, they can not easily go to Web sites, particularly in our rural areas. A lot of coal miners and others do not have time for Web sites, and sometimes, they do not have money for Web sites.

So I appreciate very much what you say about the pending legislation, but I'd also like to ask about other ways that the VA and the DOD can support our military personnel and our veterans as they come back and make this absolutely impossible transition. My State is working, as I say, to create veteran-friendly campuses. I am very proud of that effort, and I know these folks can use help. I am wondering in what ways VA and DOD can be helpful in tak-

ing States that are working in good faith to try to help veterans make this transition. I know it's a very general question, but it's a very important question for me.

Mr. WILSON. The key, I believe, to success at the State level is the relationship VA has with the State Approving Agencies. Those individuals are on the ground with VA's Education Liaison Representatives in the States.

We do not have a physical ELR in every State, as Senator Tester is aware. But those individuals are on the ground, they are funded to provide outreach services. Can the outreach services be more robust? Absolutely. We're constantly looking at how we can do a better job of getting out there, not just at campuses, but reaching individuals before they make the decision on where they want to go to the school. What's key, I believe, is those individuals that are on the ground in the States.

Senator ROCKEFELLER. Isn't that sort of like the difference between a veterans' hospital and a Vet Center? At least in our State in Appalachia people are afraid of going into big buildings, universities, colleges, hospitals. They're just not accustomed to doing that.

There are some that have never been in an elevator before, and I love them for that because they are so busy trying to survive and make things come together so that when you say the word "outreach," I understand your intention. I understand your good intentions, but outreach is really hard when trying to convince a veteran to go do something to get themselves improved. That's why VA Vet Centers work so well, because they are always on the ground floor, they are always on the corner, they are in an old Kroger store or something of that sort. They walk in there and they know they are going to meet fellow veterans. They are immediately comfortable, and they immediately go. Well, universities are not like that.

And so, the outreach, I just want to persist on that. You do not have enough people on the ground, you do not have all kinds of things that you'd want to have and need to have. But outreach to me is a very sensitive subject in West Virginia. You have to somehow connect with the veteran, and I do not know how that happens. We have so many Vet Centers, they are heavily used, and we have four visions all going in different directions, which I never quite understood, but which I accept. But some people do not like to go to big places.

So talk to me about the rural veteran. He has a lot of them in his State, too.

Mr. WILSON. I certainly did not want to imply that we believe the veterans should be coming to us, coming to a regional office, coming to a VA hospital. That's not our goal for outreach. Our goal of outreach is being out in the locations where those individuals are.

The State Approving Agencies are the ones that know those States best. They know where the veterans are located. If that means that we go to Vet Centers or they go to Vet Centers, then that's what they do. They go to Vet Centers. If it means that they are aware that there's a veteran stand down at a local service office or hall, a VFW hall—

Senator ROCKEFELLER. Mr. Wilson, make the case to me that these approving agencies in the States—I mean, I was a Governor for 8 years, and I can not say that all agencies were the most effi-

cient that ever were. There are a lot of things that pay better than State government. So when you say that they know where the veterans are, I have to relate to that, I have to believe you, because we're not very good at tracking people. Some people do not want to be tracked, or make it difficult to be tracked. Do you understand what I am asking?

Mr. WILSON. I believe I do.

Senator ROCKEFELLER. I am asking an impossible question, of course.

Mr. WILSON. Yes. I believe I do, and I do not think I can provide an adequate response. You're absolutely right. Some States and some locations in VA are better at providing outreach services than others. That's a fact. We are always working on improving that. I think the key is, of course, not requiring individuals to come to us. We have to find the mechanism to be out where they are.

I mentioned being on campuses, but I think it's important to be able to reach the veterans before they show up on campus because the fact is, a lot of folks do not use the GI Bill benefits. Even though our usage rate for the Montgomery GI Bill, which is the most recent statistics we have is 70 percent, 70 percent of individuals that are eligible use the program. That's the highest in history, but that also means that 30 percent of the individuals for whatever reason are not using the benefit. Those are the individuals we need to do a better job of trying to make aware of the programs.

Senator ROCKEFELLER. Yes, and I am over my time. I respect the 70 percent that are using, and I regret the 30 percent that are not using it. On the other hand, we're obviously moving in the right direction, and word of mouth, the VSOs, there are a lot of things in rural States have to be done informally. And I think that's going to end up somehow being our answer. People who keep the statistics, who know where these folks supposedly are, and then others who just through word of mouth reach out because I think veterans know where veterans are.

Mr. WILSON. Understood. One of the things that we have done also to address it is brought in a firm to help us with the national marketing strategy for the Post-9/11 GI Bill on a national level, doing the type of research that we have not done in the past concerning where veterans are at, how do we reach veterans, and I think most importantly, perhaps, is how do we reach the veterans' family, looking at the issue broader than just the individual.

Senator ROCKEFELLER. Yes.

Mr. WILSON. How do we reach those family members? They've done a very good job, and we're just at the beginning of this, placing information concerning the Post-9/11 GI Bill in local and national media, getting ads on radio.

One of the things that they came up with, which I am very proud of, is helping sponsor a NASCAR during one of the recent NASCAR events. We were able to get several portions of the car with GI Bill on it and the contact information on how to get a hold of us. Our Web site traffic went up one-third.

Senator ROCKEFELLER. That's amazing. Excuse me, Mr. Chairman, but I mean, this is America now. You put your number on a NASCAR, and if you—

Mr. WILSON. It worked, sir.

Senator ROCKEFELLER. And if you see the darn thing pass and you can write it down.

[Laughter.]

Mr. WILSON. Yes.

Senator ROCKEFELLER. Because I guess it goes around so many times, you can sort of do number by number.

Mr. WILSON. Well, it's interesting, and we're learning a lot in this area. But what we found out is as you create these relationships, and it's more than just our Web site going by, but it's the commentator talking about what's on the car. It's the driver talking about our GI Bill Program during press interviews. Their research showed that one in three of our potential students or their family members are NASCAR followers. So those are the type of things that really allow us to get out there, albeit informally.

Senator ROCKEFELLER. Yes.

Mr. WILSON. Getting back to your message.

Senator ROCKEFELLER. No, and I do not mean to be joking because NASCAR is huge in West Virginia, and I am sure it is in Montana. Right?

Senator TESTER. Yes, it is, actually.

Senator ROCKEFELLER. And you've got cars, do not you?

Senator TESTER. Yes. Yes.

[Laughter.]

Senator ROCKEFELLER. Thank you, Mr. Chairman.

Senator TESTER. Thank you, Senator Rockefeller. I just have a couple more questions before we wrap this panel up, unless you have more questions, Senator Rockefeller.

First thing, as far as the educational rep in St. Paul, did it just get moved to St. Paul because it was in St. Louis?

Mr. WILSON. Let me go back for the record—

Senator TESTER. OK. That's fine.

Mr. WILSON [continuing]. And provide a full response.

Senator TESTER. Through the efforts of technology, I was just informed that the ed rep that's either in St. Louis—the ed rep from Montana retired earlier this year, and there will not be a new one until December.

Mr. WILSON. OK.

Senator TESTER. I just heard at a previous hearing I was at that Iraq and Afghanistan vets are coming back, and their unemployment rate is about 12.5 percent, which is higher than the national average. I mean, there's got to be people out there that can do this job. Why are we waiting until December to fill it? We're missing a whole semester in Montana.

And to back up a little bit, it was about 2 or 3 months ago I had a session in Montana with the college folks that go through the red tape. This is a big issue. I mean, there was an incredible amount of frustration in the room. They did not have access to people that could answer their questions. They did not fully understand the program to a point where they could answer the veterans' specific questions. We have got a problem. How are we going to deal with it? In a place like Montana—and by the way, Montana probably is not the only State which the education liaison impacts—how can this continue?

Mr. WILSON. It can not. I'll take the message back; I'll look into it more.

Senator TESTER. OK.

Mr. WILSON. Unfortunately, I can not provide an adequate response.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. JON TESTER TO KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS AFFAIRS

*Question.* Clarification on where the Education Rep/Liaison is for Montana (St. Louis or St. Paul).

*Response.* Ms. Judy Davis was the Education Liaison Representative for Montana. She recently retired, and the new Education Liaison Representative for Montana is Mr. Christopher Sutherland. His office is in the Denver Regional Office, and he works for the St. Louis RPO.

Senator TESTER. OK. Fine. One last thing. We had a pretty good discussion about overpayments last time around in April, and I appreciate the frankness and your realistic statements about what you can guarantee and what you could not. Following that hearing, Senator Begich and I wrote a letter to your boss, Deputy Undersecretary Cardarelli, and I have got the letter here. Unfortunately, we have not received a response. Just to be clear, I do not blame you for that. It's something we'll take up with Acting Undersecretary Wilkoff. But, in the meantime, it rightly or wrongly falls to you to have you to address this significant challenge.

So where are we in fixing the problems so that veterans are not immediately placed in overpayment? Now, I heard the conversation with Senator Burris. I can also go back and tell you that the testimony that we received, because I have it right in front of me from the hearing back in April, was something like this. My question was, "Moving forward, is putting veterans in overpayment status something that the VA is going to continue or are we going to fix that?" Your response was, "We would prefer not to have the veterans in overpayment status." I said, "Are we going to fix it?" You said, "We will do everything we can to put them in a status other than overpayment status." That's not what I heard here today. I heard that they are still going into overpayment status.

Do we understand what kind of fix we're putting the vets in by doing that?

Mr. WILSON. I believe we do. In my own personal experience, I have been in debt to the Federal Government. You do not want to be in that situation.

Senator TESTER. Yes.

Mr. WILSON. We fully realize the difficulty that that puts an individual in. The core issue with overpayments is we will see more overpayments under the Post-9/11 GI Bill than we have under our other education programs. Unless there's a statutory change, because of the manner in which the payments are structured, we're paying the total charges at the beginning of the semester.

Senator TESTER. Yes.

Mr. WILSON. Since we're frontloading those payments, which we have never done in the past, anytime there is a training time change, whether that be a reduction or a withdrawal from class,



any time during that semester, there will be some type of adjustment in the payments.

Senator TESTER. OK.

Mr. WILSON. Since they are all out the door for tuition, a lot of times it will result in an overpayment.

Senator TESTER. So what you're saying is that the VA can not handle this problem without a statutory change?

Mr. WILSON. That's correct.

Senator TESTER. Could you give us recommendations on what that statutory change would say?

Mr. WILSON. Yes. We have been working with the Committee. We'd be happy to continue to work with the Committee on that issue.

[The information requested during the hearing follows:]

RESPONSE TO REQUEST ARISING DURING THE HEARING BY HON. JON TESTER TO  
KEITH WILSON, DIRECTOR, EDUCATION SERVICE, U.S. DEPARTMENT OF VETERANS  
AFFAIRS

*Question.* VA comments regarding the need for statutory changes to prevent as many overpayments in the future.

*Response.* The decision to issue emergency payments for the fall 2009 term was an internal VA policy decision. Emergency advance payments were not needed for the spring and summer 2010 terms, and we do not anticipate needing emergency advance payments for the 2010/2011 school year that begins this month.

We encouraged schools to submit enrollment certifications earlier this year, asking them to submit the certifications even if their fall tuition and fees schedule had not been finalized. Doing so allows VA to timely process students' housing allowance and books and supplies stipend. The school may subsequently submit certification of the tuition and fees to receive payment. In addition, many students are returning students that VA previously determined eligible for the Post-9/11 GI Bill program, making the award and payment process much simpler.

Senator TESTER. That'll be good. Thank you very much. I appreciate the panel and appreciate your testimony. Mr. Clark, I wish we could have fired more questions at you, but you got enough, I guess. So, thank you very much for being here. Thank you.

Now we welcome the second panel that will include representatives from many of the GI bill shareholders. First on the panel will be Eric Hillman, national legislative director of the VFW. He'll lead off with the views of that organization. He will be followed by Tim Embree, legislative associate for the Iraq and Afghanistan Veterans of America. I want to especially thank you and your organization for the help, input, and development of this legislation.

Our third witness today is Terry Hartle, senior vice president of the American Council on Education. Fourth, we're joined by Judy Flink, executive director of Student Financial Aid Service at the University of Illinois. Finally, Captain Gerard Farrell is here, representing the Commissioned Officers' Association of the U.S. Public Health Service.

With that, if you folks would take your seat, and we'll start out with Mr. Hillman.

Mr. HILLMAN. Good morning, Senator Tester.

Senator TESTER. Good morning. Good to have you all here. Whenever you are ready, Eric, you can rock and fire.

**STATEMENT OF ERIC HILLEMAN, DIRECTOR, NATIONAL  
LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS**

Mr. HILLEMAN. Senator Tester, thank you for the opportunity to testify today. We certainly thank Chairman Akaka, Ranking Member Burr, and the Members of this Committee.

On behalf of the 2.1 million men and women of the Veterans of Foreign Wars and our auxiliaries, we are pleased to testify on this important issue of GI Bill implementation and upgrades, specifically commenting on improvements to the Post-9/11 GI Bill and the legislation introduced by Senator Akaka.

We would like to begin by thanking Senator Webb, Senator Akaka, and all the Members of the Senate Veterans' Affairs Committee. Because of their work, their leadership, the Post-9/11 GI Bill came into being. It is educating hundreds of thousands of veterans around the Nation.

The VFW is proud to have worked with Congress to pass this GI Bill. A generation of veterans is now better equipped to seek higher education. With this huge success behind us, it is time to reexamine the Post-9/11 GI Bill with an eye toward simplifying, strengthening, and providing better benefits to veterans.

The VFW believes a number of changes should be made to the Post-9/11 GI Bill to address the needs of today's servicemembers and their families. The original GI Bill provided training, apprenticeships, OJT, and vocational training to the World War II generation of veterans. We believe the Post-9/11 GI Bill should also provide those same opportunities in the skilled trades to our servicemembers. The VFW supports the standardization with an eye toward equitable benefits for equitable service.

The VFW priorities for standardization, simplification, and strengthening of the GI Bill are as follows: we need to expand eligibility of programs that currently do not qualify for Chapter 33 or lump sum payments, vocational training, distance learning; and Title 32 AGR Guard and Reserve service.

With the increased reliance on the Guard and Reserve to wage war, secure our borders, and grapple with national disasters, we need to reward this continuous, noble service with GI Bill eligibility. Chapter 33 should include certified vocational programs, non-degree-granting institutions. The opportunity to learn a skilled trade while receiving a tuition allowance, book stipend, and BAH would greatly improve the lives of individuals who are seeking technical degrees. We should incentivize veterans to invest in technical educations, as these are the skill sets that help build our cities, connect our communications, and drive our economy.

Further, on-the-job training should be included in Chapter 33. OJT Apprenticeship Programs should receive a living allowance based on BAH of the ZIP code of the program; and a book stipend, which help them purchase tools, equipment, and pay dues.

Programs such as Helmets to Hardhats have successfully placed veterans in skilled trades from across the Nation. This public-private partnership is paving the way for a generation of tomorrow's journeymen. Further, we believe that redefining full, three-quarter, and half-time enrollments will help to address some of the inequities within the legislation.

We must equitably adjust this mechanism. Current law does not pay the living allowance for half-time students, yet, students enrolled in one credit or more of half-time receive a full living stipend. We encourage the Committee to consider basing BAH payments on stair step programs similar to that under the Montgomery GI Bill benefit.

The VFW is very enthusiastic about S. 3447. This legislation is taking the GI Bill in a new direction, a stronger direction. It recognizes the service of hundreds of thousands of National Guard members activated in support of national emergencies. It also seeks to address the important vocational apprenticeship and on-the-job training programs as outlined in my written statement. Further, it addresses multiple issues, such as distance education, correspondence courses, active-duty book stipends, retention kickers, and stipends for disabled veterans.

Senator Tester, this legislation will address every area of concern the VFW has with improving the GI Bill. We can not say enough about the noble efforts of this legislation. Our written testimony offers a number of simple suggestions to help improve, simplify, and strengthen this legislation with a goal of equitable benefits for equitable service. We look forward to continuing to work with this Committee, its staff, and the Congress to improve this valuable benefit that makes a life-changing difference to so many veterans.

Senator Tester, thank you for this opportunity to testify. That concludes my statement. I am happy to take any questions.

[The prepared statement of Mr. Hilleman follows:]

PREPARED STATEMENT OF ERIC HILLEMANN, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Chairman Akaka, Ranking Member Burr and Members of the Committee: Thank you for the opportunity to provide testimony on Improvements to the Post-9/11 GI Bill. The 2.1 million men and women of the Veterans of Foreign Wars of the U.S. and our Auxiliaries appreciate the voice you give them at this important hearing.

Senator Webb, Senator Akaka, and all the members of Senate Veterans' Affairs Committee; the VFW would like this opportunity to thank you for your leadership and the creation of the Post-9/11 GI Bill. The VFW is very proud to have worked with the Congress to pass the Post-9/11 GI Bill. A generation of veterans is now better equipped to seek higher education, with hundreds of thousands of veterans in schools across the Nation directly benefiting from the dedication, work and leadership of this Committee and its staff. With this huge success behind us, it is time to reexamine the Post-9/11 GI Bill with an eye toward improving, simplifying and strengthening the benefits it provides.

The VFW believes a number of changes should be made to the Post-9/11 GI Bill to address the needs of today's servicemembers and their families. The original GI Bill provided training apprenticeships and vocational training for World War II veterans. We believe the Post-9/11 GI Bill should also provide veterans the same opportunity to seek careers in skilled trades. The VFW supports the standardization with an eye toward equitable benefits for equitable service.

VFW PRIORITIES FOR STANDARDIZATION, SIMPLIFICATION AND STRENGTHENING THE POST-9/11 GI BILL

*Expanded eligibility:* currently, there are a number of programs that qualify for education and training under Chapter 30 (lump sum payments, vocational training, distance learning), but are not authorized under Chapter 33. We support crediting Title 32 AGR eligibility as qualifying active duty time for the Chapter 33. With increased alliance on the Guard and Reserve to wage war, secure our borders and grapple with national disasters we need to reward this continuous noble service with GI Bill eligibility.

*Vocational Programs:* Chapter 33 should include certified Vocational Programs (non-degree granting institutions) to allow veterans the opportunity to learn a trade

while receiving a living allowance, tuition and book stipend. Many veterans have technical skills and transferable credit that gives them a head start on earning a technical education. We should incentivize veterans to invest in technical educations as these skill sets help to build our cities, connect our communications and drive our economy.

*On-the Job Training:* further, Chapter 33 should include On-the-Job Training (OJT)/Apprenticeship programs. Veterans in these programs should receive a living allowance based on BAH and the zip code of the OJT program. The living allowance should be tiered similarly to the MGIB. A book stipend should be paid every six months to aid the veteran in covering the cost of tools, dues and programs supplies. OJT is one of the few direct employment programs available to a veteran that provides an immediate career track. Programs such as Helmets to Hardhats successfully place veterans in the skilled trades across the Nation. This public-private partnership is paving the way for a generation of tomorrow's journeymen.

*Redefine Full, Three-Quarter and Half-Time Enrollments:* in Chapter 33, we must equitably adjust the mechanism for counting: full, three-quarter and half-time enrollments. Current law does not pay a living allowance for half-time students, yet students enrolled with one credit more than half-time receive the full living stipend. We encourage the Committee to consider basing BAH payments on a stair step structure with enrollments of 12 credits or more equal to full time/100 percent BAH; 9 to 11 credits equal to three-quarter time/75 percent of BAH; and 6 to 8 credits equal to half-time/50 percent of BAH. This would make rates simpler to understand and greatly reduce the number of over and underpayments charged to students.

#### PENDING BILLS

*S. 1785 would amend Title 38, United States Code, to require State Approving Agencies (SAA) to approve courses of education that have been accredited and approved by a nationally recognized accrediting agency or association, and for other purposes.*

VFW cannot support this legislation. We believe that SAA is a safeguard to the education and training programs offered to veterans. SAAs play a key role in ensuring veterans utilize their education benefits and training opportunities at reputable institutions. Requiring these agencies to approve courses that are recognized by other national approving bodies is duplicative. This requirement erodes the value of SAA's ability to protect the valuable GI Bill resources available to veterans.

*S. 2769, the Post-9/11 Veterans' Job Training Act of 2009*

The VFW supports the intent of this legislation. S. 2769 would create a mechanism for importing On-the-Job Training (OJT) and apprenticeship programs into Post-9/11 GI Bill. This bill develops a structure paying 75 percent of the monthly benefit for the first six months, 55 percent of the monthly benefit for the second six months, and 35 percent of the monthly benefit for the next 12 months. The result is each month of entitlement would be charged at the same rate of usage. We believe it accurately deals with accessible steps in benefit and charge to entitlement. The outstanding concerns with this bill are the lack of clarity on payment rates and duration of payments.

We encourage a simple table to determine the compensation rate and the charge to total months of entitlement for OJT programs. We recommend the following break out based on the BAH E-5 with dependents rate for the zip code of the program:

- 100 percent of BAH for the first 6 months, resulting in 6 months of entitlement used.
- 80 percent of BAH for the second 6 months, resulting in 4.8 months of entitlement used.
- 60 percent of BAH for the third 6 months, resulting in 3.6 months of entitlement used.
- 40 percent of BAH for the forth 6 months resulting in 2.4 months of entitlement used.
- 20 percent of BAH for any remaining months, resulting .2 months of entitlement used per month.

Under this calculation, a veteran over the course of a five-year apprenticeship would use 24 months of his/her total 36 months of entitlement. Each veteran should receive a living allowance based on BAH and the zip code of the OJT program. The annual \$1,000 book stipend should be paid at \$500 intervals every six months to aid the veteran in covering the cost of tools, dues and program supplies. OJT is one of the few direct employment programs available to a veteran that provides an immediate career track.

*S. 3082 would amend Title 38, United States Code, to authorize individuals who are pursuing programs of rehabilitation, education, or training under laws administered by the Secretary of Veterans Affairs to receive work-study allowances for certain outreach services provided through congressional offices, and for other purposes.*

We support amending Title 38, United States Code, to authorize veterans to engage in work-study and certain outreach services provided through congressional offices, and for other purposes.

As this Committee is well aware, the sunset date of the work-study pilot, authorizing work-study for outreach/domiciliary care/cemeteries, recently passed June 30, 2010. Currently, an extension of this program is tied up in the benefits bill (H.R. 1037) that has yet to be completed from last year. The VFW would like to stress the importance of work-study programs in the offices that rely on these talented veterans, and attest to the education and professional development each veteran gains by participating in this program. We look forward to continuing to work with both the House and Senate Veterans' Affairs Committees to address this legislation and ensure these veterans continue to earn valuable work experience while studying.

*S. 3171, Veterans Training Act*

The VFW is concerned that this legislation does not address the compensation implications of expanding the Post-9/11 G.I. Bill. Currently, the law states only institutions of higher learning that lead to an associate degree or higher may be utilized under Chapter 33. This means that veterans attending vocational schools, apprenticeship schools, OJT and distance learning programs are excluded from utilizing Chapter 33.

Many separating servicemembers have no desire to attend a traditional educational institution because they are more interested in learning skill sets that are not offered at these institutions. This legislation would seemingly allow veterans to attend educational institutions that do not lead to a degree (such as vocational schools, correspondence schools, business schools, science schools, technology schools, etc.) within the jurisdiction of the Post-9/11 GI Bill. However, this legislation fails to provide adequate mechanisms for providing payment to the veterans that choose these educational programs.

*S. 3389, the GI Bill Equitable Education Benefit (EEB) Act*

The VFW opposes this legislation. This bill seeks to create a disproportionate benefit for members of the Guard or Reserve who used GI Bill benefits prior to September 11, 2001, and subsequently served four years accumulative active-duty after September 11, 2001. Current law mandates a maximum time limitation of 48 months for veterans using two or more educational programs. There are no exceptions to this rule.

Veterans entitled to full benefits under both Chapters 1606 and 1607 of Title 10 are limited to 48 months. Veterans are also constrained to 48 months in situations where they are fully eligible for benefits under Chapter 31, VR&E and Chapter 33. Regardless of eligibility status or combination of service, the law bars exceeding the 48-month limit. Further, the potential inequities would also cause confusion among the veterans and disproportionately reward one veterans' service over another.

*S. 3447, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010*

The VFW is enthusiastic about the direction this legislation is taking the GI Bill. This legislation recognizes the service of hundreds of thousands of National Guard members activated in support of national emergencies. S. 3447 also seeks to address the importation of vocational, apprenticeship and On-the-Job Training (OJT) programs into Chapter 33. Further, it addresses multiple issues, such as distance education, correspondence courses, active duty book stipends, retention kickers and stipends for disabled veterans.

Senator Akaka, your legislation addresses every area of concern the VFW has with improving the Post-9/11 GI Bill. We cannot say enough about the noble intent driving this legislation. We simply offer a number of suggestions to improve, simplify and strengthen your legislation with the goal of equitable benefits for equitable service. The following is a section-by-section break out of the provisions of the bill.

Section 1 aptly entitles this bill, "Post-9/11 Veterans Educational Assistance Improvements Act of 2010." Section 2 rewards the service of National Guard members who have served on Active Guard Reserve (AGR). While this language recognizes the largest percentage of Guard members who have served on AGR, we remain concerned that this language may exclude Active Guard service performed in the wake of September 11 at airports, border security operations, and some national activa-

tion in support of disaster relief, such as in the Gulf for Hurricane Katrina and the BP oil spill. The VFW feels the Nation should reward equitable service with equitable benefits. We support rewarding all members of the National Guard who are activated on national orders. When the Nation calls, the Guard answers, no questions asked.

Section 3 eliminates the confusing mechanism VA currently uses to determine fees and tuition by making the promise that if a veteran attends any course of study at a public school (undergraduate, graduate or doctorate), the GI Bill will cover the cost. The VFW strongly supports this improvement and simplification of the GI Bill. Paragraph (a)(3)(ii) addresses the compensation rate for all private schools and foreign institutions, thus establishing the entry point for the Yellow Ribbon Program. This language would compensate up to the average national cost for an undergraduate degree for all institutions of higher learning. The VFW supports the intent of the Yellow Ribbon Program to encourage private schools to share in the cost of education America's warriors. We are, however, concerned that this language, as written, may result in a number of veterans enrolled in private institutions of higher learning receiving less funding than they are receiving under current law.

Paragraph (b)(2) seeks to resolve the inequity of monthly stipends paid to veterans with less than full-time course loads. The VFW supports resolving this inequity. We would urge a simpler step scale to replace the sliding scale which requires the weighting of averages and the division of credit hours by the minimum number of course hours required for full-time enrollment.

The Montgomery GI Bill used a simple step scale, which could be applied in this case. A veteran taking 12 credits or more is equal to full time and 100 percent of BAH; 9 to 11 credits is equal to three-quarter time and 75 percent of BAH; and 6 to 8 credits is equal to half-time and entitled to 50 percent of BAH. Thus, charging total monthly entitlement according to the percentage of BAH used in any given month. In taking this approach, every veteran can calculate the BAH for the school's zip code, determine their course load, and calculate the exact percentage of BAH they would receive. This would also help to minimize complications for the VA, while minimizing some of the over and underpayments that can occur when dropping or adding a class.

Paragraph (b)(2)(iii) provides a half-time stipend for veterans pursuing a program of distance education on a half-time or more basis. The stipend would be equal to 50 percent of the national average BAH E-5 with dependents rate. The VFW supports providing stipends for distance education; however, one of the primary purposes of the GI Bill is to serve as a transition program. We encourage every veteran to attend classes in a traditional classroom setting among their civilian peers. We believe the GI Bill helps reintegrate veterans into civilian life by encouraging socialization in the classrooms and lecture halls of America.

With this in mind, we suggest, paying a living stipend to full-time distance learners of 50 percent of national BAH average; 9 to 11 credits should be equal to three-quarter time and 37.5 percent of the national BAH average; and 6 to 8 credits is equal to half-time and entitled to 25 percent of the national BAH average. Using the national BAH average eases the calculation for VA when determine the BAH.

Section 3, Paragraph (g)(2) allows veterans pursuing certifications and education in non-degree granting institutions to receive tuition payments up to the amount of the average national cost for an undergraduate degree for all institutions of higher learning. These veterans would also receive monthly living stipends for the national average BAH E-5 with dependents rate. The VFW supports this paragraph. We urge the inclusion of the \$1,000 book stipend, paid every six months to aid the veteran in covering the cost of books, tools and program supplies.

Paragraph (g)(2)(B) includes On-the-Job Training (OJT)/Apprenticeship programs. The VFW supports the creation of an OJT program under Chapter 33, though legislation seeks to structure OJT under a complicated mix of national tuition rates and BAH. The VFW encourages a simpler table to determine the compensation rate and the charge to total months of entitlement for OJT programs. We recommend the following break out based on the BAH E-5 with dependents rate for the zip code of the program:

- 100 percent of BAH for the first 6 months, resulting in 6 months of entitlement used.
- 80 percent of BAH for the second 6 months, resulting in 4.8 months of entitlement used.
- 60 percent of BAH for the third 6 months, resulting in 3.6 months of entitlement used.
- 40 percent of BAH for the forth 6 months resulting in 2.4 months of entitlement used.

- 20 percent of BAH for any remaining months, resulting .2 months of entitlement used per month.

Under this calculation a veteran over the course of a five-year apprenticeship would use 24 months of his/her total 36 months of entitlement. Each veteran should receive a living allowance based on BAH and the zip code of the OJT program. The annual \$1,000 book stipend should be paid at \$500 every six months to aid the veteran in covering the cost of tools, dues and program supplies. OJT is one of the few direct employment programs available to a veteran that provides an immediate career track.

Paragraph (g)(2)(C) develops a compensation rate and tuition/fees for certified flight training programs under the GI Bill. This language would compensate a veteran for the program's established charges up to 60 percent of the average national cost for an undergraduate degree for all institutions of higher learning. Paragraph (g)(2)(D) develops a compensation rate for exclusively correspondence courses administered under the GI Bill. This language would compensate a veteran for the program's established charges up to 55 percent of the average national cost for an undergraduate degree for all institutions of higher learning. The VFW supports these provisions.

Section 4 establishes a mechanism to allowing a veteran to take multiple licensure and certification tests. Each test would cost the veteran one month of GI Bill entitlement at the rate of the average national cost for an undergraduate degree for all institutions of higher learning. While the VFW supports utilization of GI Bill benefits to take multiple tests, this section would eliminate the current \$2,000 maximum a veteran can utilize for a single test without charge to entitlement. The VFW recommends allowing a veteran to take multiple licensure and certification tests, spending into the \$2,000 threshold, beyond the \$2,000 threshold a veteran then consumes monthly entitlement for any tests beyond this amount at the rate suggested.

Section 5 ensures that supplemental education assistance under Chapter 30 Chapter III, transfers into Chapter 33. The VFW supports the inclusion of these important incentives to assist the Department of Defense (DOD) in managing its military retention programs.

Section 6 expands the transferability of education entitlements to members of the Public Health Service and the National Oceanic and Atmospheric Administration. The language takes this a step further to require the "Secretary Concerned," both the Secretaries of Defense and Health and Human Services (HHS), to reimburse the Secretary of Veterans Affairs for GI Bill benefits transferred to dependents as part of the retention and force management plan administered under DOD. The Defense Department was responsible for crafting regulations to govern the administration of the benefit. DOD awarded transferability to all members of DOD who served the prerequisite years and elected to sign up for the benefit while in uniform. The VFW supports maintaining the powerful retention tool awarded, administered, and financed by DOD/HHS.

The VFW supports the following sections: Section 7 bars the duplication of education benefits under Chapter 33. This ensures the Post-9/11 GI Bill is administered fairly. Section 8 prohibits non-accredited distance learning and independent study programs from approval and use under the Post-9/11 GI Bill. This will help to protect against unscrupulous institutions promising degrees and classes that fall short of nationally recognized education standards. Section 9 increases the amount paid to institutions through annual reporting fees, from \$7 to \$12, and \$11 to \$15. This modest increase will help to cover the administrative costs associated with processing and verifying enrollment.

The VFW enthusiastically supports Section 10 which extends the national average BAH E-5 with dependents rate to disabled veterans using education benefits under Chapter 31 or Vocational Rehabilitation and Education (VR&E). The VFW has long supported increasing the monthly stipend for VR&E to match the compensation rates associated with Chapter 33. This increase will allow a veteran to focus more on their course of study and/or training.

Section 11 would eliminate certain interval payments available to veterans between semesters. Interval payments come at a cost to the veteran, requiring the veteran to consume GI Bill monthly eligibility over Christmas break or over summer vacation without providing the maximum the 36 months of benefit available. This practice often leaves the veteran a few months short of eligibility to cover the full cost of education at a four-year institution. We do not oppose the elimination of interval payments.

Thank you Mr. Chairman, this concludes our testimony. I am happy to address any questions you may have.

Senator TESTER. Well, thank you for being here. There will be questions, and I appreciate both your verbal and your written testimony.

Mr. Embree.

**STATEMENT OF TIM EMBREE, LEGISLATIVE ASSOCIATE, IRAQ AND AFGHANISTAN VETERANS OF AMERICA**

Mr. EMBREE. Thank you, sir. Mr. Chairman, Ranking Member, Members of the Committee, on behalf of Iraq and Afghanistan Veterans of America's nearly 200,000 members and supporters, I'd like to thank you for allowing us to testify at this critical hearing on the improvements of the Post-9/11 GI Bill.

My name is Tim Embree. I am from St. Louis, MO. I served two tours in Iraq with the U.S. Marine Corps Reserve. The Post-9/11 GI Bill will be remembered as one of our country's shrewdest investments for generations to come if we act now and we finish the work this Committee began 2 years ago.

IAVA is encouraged by S. 3447, the Chairman's Post-9/11 Veterans' Educational Assistance Improvement Act by simplifying and streamlining the administrative rules S. 3447 would enable Department of Veterans Affairs to process GI Bill claims in a timely manner. S. 3447, which we have come to call New GI Bill 2.0, is a comprehensive effort to address the concerns of tens of thousands of student veterans and their families. IAVA is proud to endorse this legislation, contingent upon the improvements we submitted for the record be included in the final bill. S. 3447 will help veterans access valuable job training by granting Post-9/11 GI Bill benefits to veterans in vocational, apprenticeship, and on-the-job training programs.

IAVA member Charles Conrad returned home from war to face a bleak economy. He had finished two tours, was released from his stop-loss orders, and was ready to begin the next chapter of his young life. Charles moved to Pittsburgh and enrolled in the Pennsylvania Gunsmith School, a well-known vocational school founded in 1949. Charles, like countless other veterans, assumed that by combining his military experience with a vocational certificate, he would make himself marketable in today's rough job scene.

Unfortunately, the Post-9/11 GI Bill does not pay for trade schools, and now Charles is left struggling to pay down a pile of bills. Most people do not realize the majority of World War II Veterans used their GI Bill benefits to attend vocational schools. The 78th Congress passed a correction bill 1 year after the first GI Bill in order to include veterans just like Charles who want to attend vocational schools, much like we are asking the 111th Congress to do right now. Allowing veterans to enroll in the vocational program of their choice would enable all of our war-fighters to use their hard-earned New GI Bill benefits.

IAVA recommends following a simplified pay chart for on-the-job training and apprenticeship students, which we have submitted for the record, as well. S. 3447 will help National Guard service-members by granting full GI Bill credit for full-time service, this vital improvement will ensure that thousands of National Guard troops from Louisiana, Alabama, Florida, and Mississippi, who are



currently protecting our coastline from the oil in the Gulf will receive credit toward their Post-9/11 GI Bill benefit.

IAVA member Sergeant First Class Bradford Mingle has been wearing our country's uniform every day for the past 19 years, including a recent tour in Afghanistan. Sergeant First Class Mingle is part of the Active Guard and Reserve Program, which means he works full-time for the National Guard. Imagine Sergeant First Class Mingle's surprise and anger when he applied for the New GI Bill, only to have the VA tell him that he had not served long enough to qualify for full benefits.

According to the current law, only 1 year of Sergeant First Class Mingle's 19 years of active-duty service actually counted toward his GI Bill eligibility. Yet, a full-time Reservist doing the same job as Sergeant First Class Mingle would qualify for the full GI Bill simply because his or her checks were paid for by the Federal Government rather than the State government. The same uniform, same service, vastly different benefits.

Under the current form of the New GI Bill, the tuition benefits are not only confusing, they are completely unpredictable. The nationwide tuition caps have fluctuated wildly since last year, and recently in front of this Committee, the VA admitted that reforming the tuition and fees benefit was its top priority fix for the New GI Bill. We need a GI Bill benefit that is easy to calculate and is easily understood by those who use the benefit, as well as those who distribute it.

The New GI Bill 2.0 simplifies the tuition benefit by abolishing the confusing State cap program and replacing with a simple promise. Under the proposed New GI Bill 2.0, if a student veteran attends a public school, the New GI Bill will pay for the entire cost of tuition and fees, no questions asked. However, if a student veteran attends a private school, the proposed rate in S. 3447 is frighteningly low and would slash benefits for student veterans attending private schools in over 23 States.

IAVA recommends simplifying the annual tuition reimbursement rate for private schools by setting a national baseline of \$20,000 per year. This baseline should be increased by a cost of living adjustment on an annual basis. Creating this baseline will provide a fair and generous benefit for all students, and will mean an increase in tuition reimbursement in 45 States.

New GI Bill 2.0 is a much needed comprehensive upgrade, involving changes large and small. These changes are vital to the academic success of student veterans pursuing a higher education. History has shown us the value of investing in our country's veterans. The Post-9/11 GI Bill will be remembered as one of our greatest investments in our country's veterans for generations to come if we act now and finish the work this Committee began 2 years ago.

IAVA is proud to speak on behalf of the thousands of veterans coming home every day. We work tirelessly so veterans know that we have their back.

I appreciate your time today, sir, and from the whole Committee, and I look forward any questions you may have.

[The prepared statement of Mr. Embree follows:]

PREPARED STATEMENT OF TIM EMBREE, LEGISLATIVE ASSOCIATE, IRAQ AND  
AFGHANISTAN VETERANS OF AMERICA

Mr. Chairman, Ranking Member, and Members of the Committee: on behalf of Iraq and Afghanistan Veterans of America's nearly two hundred thousand members and supporters, thank you for allowing us to testify at this critical hearing on "Improvements to the Post-9/11 GI Bill." My name is Tim Embree. I am from St. Louis, MO and I served two tours in Iraq with the United States Marine Corps Reserves. As a new veteran eligible for the historic Post-9/11 GI Bill, I am personally grateful to you for holding this hearing. As a representative of IAVA, I also extend the gratitude of tens of thousands of our members who can now afford to attend school, and become the "Next Greatest Generation," thanks to the new benefit.

The Post-9/11 GI Bill, or "New GI Bill," will be remembered as one of the shrewdest investments in our country's veterans for generations to come if we act now and finish the work this Committee began two years ago.

Iraq and Afghanistan Veterans of America (IAVA) is encouraged by the Chairman's discussion draft of S. 3447, the "Post-9/11 Veterans Educational Assistance Improvement Act." This discussion draft of S. 3447 will improve the New GI Bill and ensure that all student veterans have access to the most generous investment in veterans' education since World War II. By simplifying and streamlining the administrative rules, S. 3447 would enable the Department of Veteran Affairs (VA) to process GI Bill claims in a timely manner. S. 3447, which we have come to call the "New GI Bill 2.0," is a comprehensive effort to address the concerns of tens of thousands of student veterans and their families by:

- Offering valuable job training for students studying at vocational schools
- Granting National Guardsmen who respond to national disasters full GI Bill credit
- Providing living allowances for veterans in distance learning programs
- Simplifying and expanding the tuition benefit
- Including a book stipend for active duty students

IAVA is proud to endorse this legislation, contingent upon the following improvements being included in the bill. We therefore have included several simple and important technical recommendations we would like to see addressed in the August mark-up.

History has shown us that veteran education and employment must consistently be at the forefront of the national dialog. The Senate Veterans' Affairs Committee continues to show our veterans, servicemembers and their families that they are dedicated to the future of the men and women who have worn our country's uniform. IAVA applauds this Committee for discussing S. 3447 (New GI Bill 2.0), S. 2769 (the Post-9/11 Veterans' Job Training Act of 2009), S. 3082 (Authorize work-study for outreach services provided through congressional offices), and S. 3171 (The Veterans Training Act) today. We hope today's hearing signals to both the Senate and House that there is vital work still to be done for veterans and their families before the end of this Congress.

I. S. 3447: THE POST-9/11 VETERANS EDUCATIONAL ASSISTANCE  
IMPROVEMENT ACT OF 2010

*A. Invaluable Professional Job Training*

S. 3447 will help veterans access valuable job training by granting Post-9/11 GI Bill benefits to veterans in vocational, apprenticeship and On-The-Job training (OJT) programs. IAVA member Charles Conrad returned home from war to face a bleak economy. He had finished two tours, was released from his stop-loss orders and was ready to begin the next chapter of his young life. Charles moved to Pittsburgh and enrolled in the Pennsylvania Gunsmith School, a well-known vocational school founded in 1949. Charles, like countless other veterans, assumed that by combining his military experience with a vocational certificate, he would make himself marketable in today's rough job scene. Unfortunately, Charles was let down by the New GI Bill. Currently, the Post-9/11 GI Bill does not pay for trade schools—and now Charles is left struggling to pay down piles of bills.

*I was depending on the housing allowance and without it I can't even afford the school . . . It's a slap in the face to me that I can't use the Post-9/11 GI Bill . . . It's like saying a trade school isn't good enough for the new GI Bill, but it is for the old GI Bill. Is there any way that trade schools will ever be allowed under the new GI Bill?*

Most people don't realize that a majority of WWII veterans used their GI Bill benefits to attend vocational schools. Although there are a limited number of vocational

programs at the local community colleges currently authorized, allowing veterans to enroll in the vocational program of their choice would enable all of our war-fighters to use their hard-earned New GI Bill benefit.

*IAVA Technical Recommendations:* S. 3447 should include a book stipend for all vocational students. Many technical schools require students to purchase training manuals and specialized equipment for their highly technical training courses. Also, vocational students attending public technical schools should have their entire tuitions covered at the same rates as public college students. Last, the On the Job Training (OJT) and Apprenticeship section needs to be clarified. IAVA does not believe that the monthly living allowances should be based on national tuition rates. We recommend the following simplified pay chart for OJT and Apprenticeship students.

Apprenticeship & OJT	S 3447 Proposed Monthly Allowances	S 3447 New GI Bill Rates	Old GI Bill Rates (MGIB)
First 6 months .....	100% (Nat'l Avg BAH)	\$1333/month	\$1026/month
Second 6 months .....	80% (Nat'l Avg BAH)	\$1070/month	\$752/month
Third 6 months .....	60% (Nat'l Avg BAH)	\$802/month	\$478/month
Fourth 6 months .....	40% (Nat'l Avg BAH)	\$535/month	\$478/month
Apprenticeship Only			
Additional 6 months .....	20% (Nat'l Avg BAH)	\$267/month	None

#### *B. Full Credit for Full Time Served*

S. 3447 will help National Guard servicemembers by granting full GI Bill credit for full-time service. The New GI Bill 2.0 classifies state activations for national disasters (e.g., Hurricane Katrina and the BP oil spill) and full-time Title 32 Active Guard Reserve (AGR) service as qualifying service. This correction will help almost 30,000 Army National Guard and 13,500 Air National Guard servicemembers serving on Title 32 or "state" orders. This vital improvement will also ensure that the thousands of National Guard troops from Louisiana, Alabama, Florida, and Mississippi who are currently protecting our coastline from the oil spewing in the Gulf will receive credit toward their Post-9/11 GI Bill benefit.

IAVA member Sergeant First Class (SFC) Bradford Mingle has been wearing our country's uniform every day for the past 19 years, including during a recent tour in Afghanistan. SFC Mingle is part of the Active Guard and Reserve program (AGR), which means he works full-time for the National Guard. Imagine SFC Mingle's surprise and anger when he applied for the New GI Bill, only to have the VA tell him he hadn't served long enough to qualify for the full benefits.

*I am an AGR soldier with 19 years active duty but I'm not qualified to get what an Active Army Soldier gets? Is our service not worth as much? Why are AGR Soldiers always left out?*

According to the current law, only one of SFC Mingle's 19 years of active duty service actually counted toward his GI Bill eligibility. Yet a full-time reservist doing the same job as SFC Mingle would qualify for the full GI Bill simply because his or her checks were paid for by the Federal Government, rather than the state government. Same uniform, same service—vastly different benefits.

*IAVA Technical Recommendations:* This Committee must fix the wording in § 2 of S. 3447 that requires full-time Title 32 Reservists to be both AGR "and" a state call-up in order to qualify for New GI Bill credit. A simple word change from "and" to "or" will end the confusion. Also, all activations under Title 32 § 502(f) should be included—not just responses to "national emergencies." Thousands of reservists continue to protect our country by fulfilling vital homeland security missions, and they must receive their New GI Bill benefit.

#### *C. Fairness for Disabled Veterans Utilizing Distance Learning*

Many disabled veterans and single mothers are attending online courses to achieve their dream of a college degree. But, under the current rules, even if they are taking a full course load, they do not qualify to receive the New GI Bill's substantial monthly living allowance. If these veterans were able to take just one course at a local college, they would qualify for the full living allowance. Yet enrolling in a course at a brick-and-mortar institution is nearly impossible for a single mother simultaneously struggling to keep food on the table, for example, or for a disabled veteran who cannot navigate a flight of stairs without assistance. A living allowance for students of online institutions would stop many veterans from having

to choose between keeping a roof over a family's head and concentrating on being a successful student. The allowance would enable them to provide for their families while increasing their future earning potential through education. The New GI Bill was supposed to encourage student veterans to focus on their education and not their financial situation—but without the New GI Bill 2.0 upgrade, student veterans pursuing degrees through distance learning are left out in the cold.

IAVA member Specialist (SPC) Weaver was awarded a bronze star for his meritorious service during two tours in Iraq. He is currently at home recovering from the fractured spine he sustained after being ejected from a moving vehicle. SPC Weaver suffers from vertigo, hearing problems and loss of mobility. Despite his injuries, SPC Weaver still dreams of completing his education and has been looking to attend college online, where he can complete his degree at his own pace. In spite of his service, SPC Jeffrey Weaver cannot benefit from the New GI Bill in its current form.

*This seems quite absurd as it is fact that many service-disabled veterans are undergoing treatments and have special needs. Although I am not totally disabled, because of my current conditions, it would be nearly impossible to collect on the Post-9/11 GI Bill entitlements. This seems to be an issue we need to raise to Congress.*

**IAVA Technical Recommendations:** A student veteran pursuing a degree through a distance program should qualify for a living allowance based on the zip code of his or her residence. Or, at the very least, the living allowance should be set at the lowest Basic Allowance for Housing (BAH) rate for an E-5 pay grade, with dependents. This adjustment would be an increase of about \$140 over the currently purposed rate.

#### *D. Simplify the Yellow Ribbon Program*

New GI Bill 2.0 simplifies the tuition benefit by abolishing the confusing state cap program and replacing it with a simple promise. Under the current form of the New GI Bill, the tuition benefits are not only confusing, they are also completely unpredictable. In California, tuition caps have been raised three times this year alone. Worse, nationwide tuition caps have fluctuated wildly since last year. Recently, in front of the Senate Veterans' Affairs Committee, the VA admitted "delays in determining the 2009–2010 maximum tuition, and fee rates resulted in delayed processing of payments for students attending school in those states." The VA later said that reforming the tuition and fees benefit was its top priority fix for the New GI Bill. We need a GI Bill benefit that is easy to calculate and is easily understood by those whose use the benefit as well as those who distribute it.

Under the proposed New GI Bill 2.0, if a student veteran attends a public school, the New GI Bill will pay for the entire cost of tuition and fees—no questions asked. If a student veteran attends a private school, the VA will pay a nationally-recognized, baseline amount. If a private school is more expensive than the national baseline, the school is encouraged to take part in the yellow ribbon program in order to eliminate the remaining gap in education costs.

IAVA member Lieutenant Colonel (LTC) Brian Pummill is in an extreme, remote location in Afghanistan. LTC Pummill should be focused solely on the mission at hand, but his thoughts are back at home as he tries to explain to his college-bound daughter how the New GI Bill's tuition benefit will work. Even after a long career successfully navigating military bureaucracy, LTC Pummill is thoroughly perplexed by the VA's confusing tuition and fee caps.

*I don't understand how to calculate how much TUITION AND FEES the VA will pay Saint Mary's College . . . I see calculations that just compute this by \$321/credit hour, but this doesn't come close to the MAXIMUM FEES BY TERM of \$12,438.00 indicated for SMC. Since SMC's TUITION AND FEES for 2010–2011 are the same for ALL FULL-TIME STUDENTS, REGARDLESS OF THE CREDIT HOURS THEY ARE TAKING, why wouldn't we take the Maximum fees by term (\$12,438), multiply that by 2 (\$24,876), then divide by 9 months (\$2,764/month), to calculate the per month value of the GI Bill at SMC, if that is the actual cost of Tuition and Fees to attend SMC. The same calculation by the credit hour, assuming you take 32 credit hours per year, is only \$321.75 times 32, which is only: \$10,296.00. How does a student qualify to be reimbursed at the MAXIMUM TUITION AND FEES PER TERM, instead of by the credit hour—at SMC, the difference between these two calculations is staggering.*

S. 3447 will simplify the benefit and help servicemembers like LTC Pummill get their mind back on the mission.

*IAVA Technical Recommendations:* Simplify the annual tuition reimbursement rate for private schools by setting a national baseline of \$20,000 per year. This baseline should be increased by an annual Cost Of Living Adjustment (COLA) on an annual basis. Creating this baseline will provide a fair and generous benefit for all students and will mean an increase in tuition reimbursements in 45 states. The proposed rate in S. 3447 is frighteningly low and would slash benefits student veterans attending private schools in over 23 states.

#### *E. Other Improvements to the New GI Bill*

New GI Bill 2.0 is a much needed comprehensive upgrade, involving changes large and small. These changes are vital to the academic success of student veterans pursuing a higher education. S. 3447 will also:

- Grant active duty students a book stipend worth \$1,000/year
- Increase Vocational Rehabilitation monthly benefits by up to \$780/month
- Reimburse students who take multiple accreditation/certification tests
- Allow enlistment kickers to be transferred to dependents
- Increase school reporting fees
- Simplify the types of discharges that qualify for benefits

*IAVA Technical Recommendations:* The distribution of monthly living allowances for part-time students should be modeled on the old GI Bill (full-time,  $\frac{3}{4}$  time and  $\frac{1}{2}$  time). This change simplifies the benefit and will greatly reduce the confusion caused by numerous under- and over-payments by the VA.

Veterans should not be charged entitlement for the reimbursement of licensing and certifications up to the first \$2,000 per veteran. Veterans should be reimbursed for an unlimited amount of licenses and certifications under the current \$2,000 cap. Veterans should only be charged against their entitlement after they have surpassed the \$2,000 amount. Furthermore, we do not agree with the section that requires the Department of Defense to pay for transferred benefits. This should be studied further, but this particular issue must not be used to arbitrarily keep us from fulfilling our promise to the men and women who fight our wars. Also, interval payments are vital to students who must complete professional internships, and the payments should not be carved out of the benefit. Finally, the school reporting fee must be increased to at least \$25 per veteran. Often, a school certifying official is the face of this benefit to our student veterans, and we must ensure that these officials are reimbursed for doing the extra work sometimes needed.

#### II. S. 1785: REQUIRE STATE APPROVING AGENCIES TO APPROVE NATIONALLY ACCREDITED COURSES OF EDUCATION

IAVA opposes S. 1785. This legislation would render State Approving Agencies (SAAs) virtually powerless and leave the New GI Bill open to widespread abuse. SAAs are at the front line of GI Bill implementation. Since WWII, SAAs have played a critical role in educating school certifying officials on GI Bill procedures and protecting against fraudulent claims.

S. 1785 would require SAAs to automatically approve nationally accredited schools for GI Bill purposes, but S. 1785 fails to acknowledge that SAAs are not only responsible for reviewing curriculum at each approved school, they are also responsible for auditing the school's GI Bill books. When discrepancies are discovered, the SAA works with the school to ensure that the school certifying official is properly inputting all information and that all the books are reconciled. Withholding GI Bill approval is the only mechanism an SAA has to ensure compliance.

Under the New GI Bill, which requires schools to self-report tuition costs, the role of the SAA is critical. The SAA is the only VA entity that regularly verifies that self-reported numbers are accurate. Therefore, the SAA protects the VA from overpaying for tuition benefits. The SAAs account for only around 0.5 percent of the overall GI Bill budget, but they likely save the VA ten times that amount by preventing widespread overpayments and reducing administrative hours devoted to fixing improperly filed enrollment certifications.

S. 1785 would tie the hands of SAAs. State Approving Agencies would no longer be able to withhold GI Bill approval from schools that have poor bookkeeping or have possibly committed fraud.

#### III. S. 2769: POST-9/11 VETERANS' JOB TRAINING ACT OF 2009

IAVA supports S. 2769, the Post-9/11 Veterans' Job Training Act. This bill would provide valuable job training for vocational schools and On-the-Job-Training (OJT) and Apprenticeship programs. S. 2769 simply shifts the OJT and Apprenticeship benefits currently under the old Montgomery GI Bill to the New GI Bill. This simple change will ensure that the New GI Bill fully covers all types of essential programs.

IAVA is concerned, however, about wording in S. 2769 that may frustrate the bill's intended purpose of including vocational training programs in the New GI Bill. IAVA believes that §2(B) of S. 2769 should clarify that the New GI Bill will pay for approved programs under both 38 U.S.C. 3452(c) and 38 U.S.C. 3452(f). The current language of S. 2369 only uses 3452(f), which is no different than how the Post-9/11 GI Bill is currently written.

IV. S. 3082: AUTHORIZE WORK-STUDY FOR OUTREACH SERVICES PROVIDED THROUGH CONGRESSIONAL OFFICES

IAVA supports S. 3082. This common sense legislation expands the VA work-study program that allows veterans to work in Congressional offices. IAVA believes that S. 3082 will benefit veterans by granting them valuable experience in the Federal Government and will benefit Congressional offices by substantially increasing the number of veterans helping other veterans.

V. S. 3171: THE VETERANS TRAINING ACT

IAVA strongly supports S. 3171, the Veterans Training Act. This legislation is properly worded to include vocational schools under the New GI Bill and we believe it should be the model for S. 3447 and S. 2769.

VI. S. 3389: THE GI BILL EQUITABLE EDUCATION BENEFIT (EEB) ACT

IAVA opposes S. 3389. The intention of this bill purports to fill an unintended bureaucratic pothole in the Post-9/11 GI Bill, but the actual language would cause much more confusion than it would fix.

According to Senator Hagan's press statement on the bill, "Under current law, servicemembers who receive educational assistance in the form of an ROTC scholarship or who graduate from one of the service academies are eligible for full educational benefits under the Post-9/11 GI Bill. However, members of the Selected Reserve who received educational assistance under Chapter 1606 of the Montgomery GI Bill prior to receiving a commission and serving on active duty are not now entitled to the same four years of benefits under the Post-9/11 GI Bill."

IAVA fully supports ensuring that all servicemembers have equal access to the generous New GI Bill. However, modifying the universal 48-month cap on education benefits for a small group of individuals would wreak havoc with GI Bill claims processors and would not actually solve the issue at hand.

IAVA could support S. 3389 if it was modified to adjust where this issue arises, which is § 3322 of the Post-9/11 GI Bill.

VII. CONCLUSION

The Post-9/11 GI Bill, or "New GI Bill," will be remembered as one of the greatest investments in our country's veterans for generations to come if we act now and finish the work this Committee began two years ago. History has shown us the importance of investing in our country's veterans, and IAVA applauds the phenomenal work this Committee continues to do on behalf of our Nation's veterans and their families.

IAVA is proud to speak on behalf of the thousands of veterans coming home every day. We work tirelessly so veterans know we have their back. Together, with this Congress and the Department of Veteran Affairs, we can guarantee that every veteran is confident that America has their back.

Thank you.

Senator TESTER. I appreciate your testimony.  
Mr. Hartle.

**STATEMENT OF TERRY W. HARTLE, SENIOR VICE PRESIDENT,  
AMERICAN COUNCIL ON EDUCATION**

Mr. HARTLE. Thank you very much, Senator Tester. I appreciate the opportunity to be here with you this morning to talk about S. 3447, the Post-9/11 Veteran's Educational Assistance Improvements Act.

I am testifying on behalf of my own organization, the American Council on Education, as well as 12 other higher education organizations that wish to be associated with my testimony. I have pre-

pared a list of those organizations, and I'd like to ask that it be added to the official record.

Ten years ago, the veterans' groups and the higher education community established a collaborative venture called the Partnership for Veterans' Education. I am honored to testify here today with several of our organizations in that effort. And we stand ready and committed to working with them and you to ensure that our Nation's returning veterans have access to and good opportunity for success in post secondary education.

Colleges and universities have eagerly embraced the Post-9/11 GI Bill, and institutions have worked hard to reach out to veterans, not only welcoming them to campus, but changing the way they do things on campus in an effort to best meet the specific needs of veterans.

At ACE, we have been fortunate enough to work with hundreds of institutions that are doing things, and I mentioned several of those institutions in my testimony.

As a result of our extensive work in this area, I think we're well-positioned to comment on the impact of the Post-9/11 GI Bill on student veterans and college campuses, as well as S. 3447.

The Post-9/11 GI Bill, as already had been mentioned, provides excellent education benefits for veterans. It's really landmark legislation. However, several provisions in the legislation have complicated our ability to implement the law and S. 3447 addresses these issues. At the end of the day, we think the bill will improve both benefits for veterans and the ability of colleges and universities to serve them.

I think that the bill as drafted, S. 3447, offers three distinct improvements to existing law. First, it provides greater clarity and accuracy about the benefits that servicemembers will receive. This will enable them to make informed decisions about their education plans. Second, the bill ensures true equity for all veterans who have served. And third, the bill will simplify benefit schedules and administration, reducing bureaucracy and institutional costs while improving services to veterans. And I think these ought to be the three goals of the Committee as you continue to refine this legislation: great clarity and accuracy about benefits; true equity for all veterans; and simplified benefit schedules and administration.

I think Mr. Embree put a very human face on exactly how that works under this bill and the improvements that you will be making. We think that eliminating the State tuition and fee caps is laudable. The widely varying State caps have resulted in an extremely cumbersome and inaccurate process that's caused frustration, anxiety, confusion for the VA, for the servicemembers, and for institutions. We strongly support the intent of the legislation to fully cover the cost of public institutions, while setting a national baseline for private colleges and universities.

I would point out, however, that the language set forth in Section 3 employs terminology not currently used by the U.S. Department of Education that's likely to cause confusion in implementation. I believe these matters are relatively easily fixed, and I'd encourage you to put it in terms that will ensure the Department of Education gives the VA exactly the information that you intend the VA to have.

We also strongly support the effort to clarify the eligibility of National Guard members and troops serving in the Active Guard Reserve Program. We also support the expansion of benefits to include vocational schools, apprenticeship, and on-the-job training.

The bill does much to streamline the delivery of benefits, and we would strongly encourage the Committee to keep the ease of implementation in the forefront of your decisionmaking as you continue to work on this legislation.

I would also note that S. 3447 includes several provisions designed to help offset the cost implications that may arise from the passage of this bill. While the bill has yet to be scored, I think the inclusion of offsets and other provisions to mitigate possible costs demonstrates the Committee's desire to meet the needs of veterans in a fiscally-responsible way, and we applaud you for that.

In conclusion, on behalf of ACE, the American Council on Education and our 2,000 college and university members, we strongly urge the Committee to support S. 3447. We thank you for your efforts to strengthen this critical legislation, and we look forward to working with you as it moves forward.

[The prepared statement of Mr. Hartle follows:]

PREPARED STATEMENT OF TERRY W. HARTLE, SENIOR VICE PRESIDENT, AMERICAN COUNCIL ON EDUCATION

Chairman Akaka, Sen. Burr and the Members of the Committee, thank you for inviting me to present the views of American colleges and universities and express our strong support for S. 3447, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010. My organization, the American Council on Education (ACE), represents the entirety of American higher education. Since our founding in 1918 as an emergency council to ensure the U.S. had a ready supply of technically trained military personnel in World War I, ACE has been actively involved in meeting the postsecondary education needs of America's servicemembers and veterans.

Today, ACE annually evaluates hundreds of military courses and occupations. In addition to publishing the results of these evaluations in the *Guide to the Evaluation of Educational Experiences in the Armed Services*, ACE collaborates with the Department of Defense (DOD) to detail this work on nationally recognized transcripts for members of the Army, Army National Guard, Navy and Marine Corps. The registry for these transcripts holds the records of more than 6 million servicemembers who request approximately 200,000 transcripts per year that are sent to more than 2,200 accredited institutions of higher education.

With the recent challenges facing our Nation at home and abroad, there has been renewed focus on ensuring that servicemembers and veterans have access to and the opportunity to succeed in higher education. I'm proud to say that ACE has launched several initiatives in this area, both before and after passage of the Post-9/11 GI Bill. In 2007, ACE launched a program to assist severely injured servicemembers and their families in making the transition from patient to civilian to student and to date, more than 580 injured veterans and their family members have become actively engaged in postsecondary education as a result of this initiative.

In 2009, ACE launched its Serving Those Who Serve initiative, a multi-year effort designed to effect major changes in how veterans learn about their education benefits and postsecondary options and how institutional leaders can build capacity to serve veterans on their campuses. As part of this effort, ACE partnered with the Walmart Foundation to award \$2 million in funding to 20 institutions across the U.S. that operate model programs advancing access and success in higher education for veterans and their families.

And this year, ACE, with the generous support of The Kresge Foundation, presented the Veteran Success Jam, a three-day online brainstorming session that brought together nearly 3,000 veterans and their families, servicemembers, campus leaders and representatives of nonprofit organizations and government agencies to discuss the opportunities and barriers facing veterans in higher education. The Jam will help to inform and shape ACE's future work on behalf of servicemembers and veterans.



These efforts are merely the tip of the iceberg. Higher education has eagerly embraced the Post-9/11 GI Bill and the promise it represents. Postsecondary institutions have worked hard to reach out to veterans, not only welcoming them onto campus, but ensuring that institutions adapt to best meet veterans' specific needs. At ACE we have been fortunate to work with hundreds of institutions on veterans' education issues and I want to cite just three examples.

There's Fairleigh Dickinson University in New Jersey, which convened a task force that published a 70-page report to guide campus policies and procedures for student veterans. When GI Bill payments were delayed, FDU allowed veterans to enroll in classes without the appropriate paperwork, understanding that it would arrive eventually.

Hunter College School of Social Work, which is part of the City University of New York system, established a program at five local community colleges, training social work graduate students and peer mentors to help veterans navigate benefits and services provided by the Department of Veterans Affairs (VA) and community agencies. When GI Bill checks did not arrive, the graduate students and peer mentors quickly directed veterans to emergency funds and the campus food pantry.

Clackamas Community College in Oregon recognized the need to work closely with the Oregon National Guard and local community resources to help veterans transition to the civilian world. Clackamas welcomed more than 3,000 National Guard members and veterans to campus for a career and benefit fair, offering all-day childcare while free services and workshops were provided.

We are proud of the work of these institutions, and thousands others like them, to help ease the transition from soldier to student.

As a result of our extensive work in this area, I believe we are well-positioned to comment on the impact of student veterans and college campuses of the Post-9/11 GI Bill, which we believe harkens back to the intent of the original GI Bill.

Despite the Post-9/11 GI Bill's marked improvement over previous education benefits, some provisions have complicated institutions' ability to implement the law and have resulted in inaccurate payments and a labor intensive process. The bill this Committee is considering today addresses the major issues that have arisen, and we believe that it will help fulfill Congress's intent and will allow institutions of higher education to better serve America's veterans.

As we see it, S. 3447 provides three distinct improvements to the existing bill. It will:

1. Provide greater clarity and accuracy on available benefits, enabling veterans to better plan their educational paths and make more informed decisions.
2. Ensure true equity for all those who have served this country.
3. Simplify benefit schedules and administration, reducing bureaucracy and institutional costs, while improving the service offered to veteran students.

In particular, the proposed legislation's intent to eliminate the confusing state tuition and fee caps is laudable. The widely varying state caps have resulted in an extremely cumbersome and inaccurate process that has caused frustration and anxiety on the part of the VA, institutions and student veterans. ACE supports the intent of the legislation to fully cover the cost of public institutions while setting a national baseline for private institutions.

However, the terminology set forth in Section 3 references a data set determined by the National Center for Education Statistics. As currently worded, the referenced baseline is flawed, ambiguous and will likely cause a great deal of confusion while reducing current education benefits in almost half of the states. To keep simplification at the forefront of this process, ACE recommends further review of this language to ensure the vocabulary meets the intent of the legislation. Another possible avenue would be to reference a set number as the baseline, with a determined annual increase.

We would ask that the Committee carefully consider the method by which any national average is determined. While such a provision would greatly simplify the calculation of benefits and has been well-received by colleges and universities, the level set could have a significant impact on those veterans attending private, non-profit institutions. Moving to a national number would mean that veteran students at some of these institutions will receive a lower tuition/fee benefit than they do today. Either the student will have to make up the difference or the institution will have to expand its Yellow Ribbon agreement in order to do so, with a potential negative impact on veteran students' education options.

ACE also supports S. 3447's intent to clarify the eligibility of National Guard members who have honorably served their country on active duty including at the site of natural disasters and troops serving in the Active Guard Reserve. Additionally, the expansion of the benefit to include vocational schools, apprenticeships, and

on-the-job training harkens back to the inclusionary World War II GI Bill benefit, which recognized the need for both a traditional college education as well as work force training.

This bill does much to streamline the delivery of benefits to veterans, and we encourage the Committee to keep ease of implementation in the forefront of their decisionmaking. We know from experience that student needs are best met when campuses are consulted, and we appreciate this chance to share our views today. We encourage Congress and the VA to continue this dialog with colleges and universities as the bill advances.

As we approach the 10th year of the Partnership for Veterans Education, a collaborative effort between higher education and veterans organizations, ACE stands eager and committed to continue working cooperatively to ensure our Nation's returning veterans have access to and success in higher education. The Partnership for Veterans Education met recently to discuss common goals and concerns surrounding the Post-9/11 GI Bill. While we have noted some specific concerns to higher education institutions in this testimony that warrant further discussion, the Partnership supports the intent of the Post-9/11 GI Bill and S 3447: to provide those who have served their country the best possible opportunity for postsecondary education as a way of facilitating their transition from military to civilian life.

Finally, in drafting S. 3447, Chairman Akaka has taken laudable steps to address cost implications that may arise from passage of this bill. While this bill has yet to be scored, the inclusion of offsets and other provisions to mitigate possible costs demonstrates a commitment to meet the needs of veterans in a fiscally responsible way.

In conclusion, on behalf of our 1,800 member colleges and universities, as well as the American Association of Community Colleges, the American Association of State Colleges and Universities, the Association of American Universities, the Association of Public and Land-grant Universities, and the National Association of Independent Colleges and Universities, we strongly urge the Committee to support S. 3447, and we thank you for your efforts to strengthen this critical legislation. I am happy to answer any questions you may have, and welcome the opportunity to work with the Committee going forward.

Senator TESTER. Thank you, Mr. Hartle.

Judy Flink, executive director of Financial Services for students at the University of Illinois?

**STATEMENT OF JUDY FLINK, EXECUTIVE DIRECTOR, UNIVERSITY STUDENT FINANCIAL SERVICES AND CASHIER OPERATIONS, UNIVERSITY OF ILLINOIS**

Ms. FLINK. As Senator Tester has mentioned, I serve as the executive director of the University of Illinois Student Financial Services for the three campuses. I have worked in university business offices and have been actively involved in higher education for over 30 years.

On behalf on myself, colleagues in the AAU Bursar Organization, colleagues from other educational institutions around the country, and most importantly, on behalf of the veterans we serve, I thank you for this opportunity to testify. In particular, I would like to thank Senator Burris and his staff for this invitation. It's an honor for me to be here today.

In 2008, with remarkable leadership from Senator Webb, Congress passed landmark legislation recognizing the contribution and needs of millions of Americans who served their country in our Armed Forces in Afghanistan, Iraq, and elsewhere. This legislation, the Post-9/11 GI Bill, makes possible educational dreams that not only express a special thanks to our veterans, but also contribute directly to the economic recovery and future of America.

America's post-secondary institutions are proud to have supported the enactment of this bill and welcome the opportunity to serve veterans in our classrooms. Today, universities across the

country enroll thousands of veterans who receive support through Federal GI Benefits. Part of my hope in being here is to promote changes to the program that will increase that number.

Unfortunately, as you are aware, implementation of the vitally important education benefits authorized by the bill has not been smooth. Delays in getting the program up and running, followed by numerous subsequent flaws in the interface between the VA and educational institutions have created significant hardships for our veterans.

My colleagues and I recognize the enormity of implementing this program and creating the system to manage it. We sincerely applaud the VA for its work in getting the program up and running under these difficult circumstances. Our desire is to strengthen our partnership with the VA in an effort to help the program run better.

With that in mind, I focused my testimony on flaws in the system that, if corrected, will more effectively fulfill the promise of this program. Included with my remarks is a list of concerns compiled by the University of Illinois and 16 peer institutions. While this list is not exhaustive, it identifies major concerns that render access to educational benefits under this program difficult for veterans and expensive for the Federal Government and institutions.

Some of these concerns result from legislative provisions, and many of them result from VA policy and procedures. A number of our legislative concerns are addressed in S. 3447, Senator Akaka's Post-9/11 Veterans' Educational Assistance Improvements Act of 2010, and other legislation under consideration at this hearing. We support the provisions within these bills that address our concerns. We applaud Congress for its willingness to propose the necessary changes that will help us improve the delivery of the benefits, and we hope this testimony leads to further opportunity for collaboration between Congress and the higher education community.

The majority of our concerns are administrative in nature. VA policies and procedures often fail to accommodate the education community's existing systems and procedures, thereby creating needless delay and hardships for our veterans. I will not belabor the Committee with all of the concerns on our attached list, but allow me to highlight just two of these.

Perhaps, our greatest concern of university business officers is the VA's refund policy which requires institutions to refund tuition overpayments to students who must then refund them back to the VA. This policy mirrors that of the original GI Bill, wherein all benefits, inclining tuition, were paid directly to the student, who was then responsible for paying their tuition bills to the school and for refunding any overpayments back to the VA. But, under the Post-9/11 GI Bill, tuition benefits are paid to the school, not the student.

Therefore, the requirement to refund overpayments to the student instead of directly to the VA is not only inefficient, it has put students at risk of losing future benefit eligibility under the program when they fail to understand and fulfill their responsibility of returning those funds to the VA. In all other financial aid programs, overpayments are refunded directly to the aid source, bypassing the student. Thus, students have come to expect when they

receive a refund back from the school, they can use it for books and other expenses. This risk is high. By the time they receive notification from the VA of the amount they must repay, the money, unfortunately, may have been spent. The VA will then suspend their benefit eligibility until payment is received which would delay or prevent the student from continuing their education. So they are out of the game.

A second major concern is the VA's remittance of payment for students for whom the institution has certified a different amount or for whom the institution has not even completed the certificate of eligibility. No explanation is provided with these payments; therefore, the institution must contact the VA for an explanation of the discrepancy before releasing payment to the student.

Well, you have heard during our discussion this morning, those hold times can be up to 40 minutes. My staff will come and say to me, I got cut off and I had to call again. And the cycle continues. For months, the VA phone lines were closed on Thursdays and Fridays. So as my staff was getting frustrated, so were our veterans. These delays and the result in hardship to the veterans could be eliminated if the VA included an adequate explanation to the school when sending payments.

While I have only mentioned two of our concerns, the attached list is more comprehensive. We are confident, however, that many of them can be successfully resolved through an open dialog between the school business officers and the VA. Our recent attempts to initiate this dialog met with disappointing results.

We received a written response from the VA, for which we're grateful, but we were not given the opportunity to discuss the matter in more detail and have that meaningful dialog that we feel strongly would help us fix the system.

My peers and I respectfully ask for your assistance to open this dialog. We believe regularly-scheduled meeting between the VA and a working group from the education community will enable both parties to collaborate on proposed program changes and regulations prior to their implementation. We'd like to be considered as both a resource and a partner for the VA and Congress in our mutual endeavor to improve the delivery of Post-9/11 GI Bill tuition benefits to our veterans. Thank you again for the opportunity to speak with you today. I hope my testimony can be a springboard for productive dialog between all parties who share our commitment to strengthening and improving service to our veterans. Thank you.

[The prepared statement of Ms. Flink follows:]

PREPARED STATEMENT OF JUDITH FLINK, EXECUTIVE DIRECTOR, UNIVERSITY  
STUDENT FINANCIAL SERVICES, UNIVERSITY OF ILLINOIS

Mr. Chairman and Members of the Committee: My name is Judith Flink. I serve as Executive Director of University Student Financial Services for the three campuses of the University of Illinois. I have worked in the University's business office and been actively involved in higher education for over 30 years. On behalf of myself, colleagues in the AAU Bursar organization, colleagues from other educational institutions around the country, and most importantly, on behalf of the veterans attending or seeking to attend our institutions, I thank you for this opportunity to testify. In particular, I would like to thank Senator Burris and his staff for this invitation—it is an honor for me to be here today.

In 2008, with remarkable leadership from Senator Webb, Congress passed landmark legislation recognizing the contributions and needs of millions of Americans who served their country in our Armed Forces in Afghanistan, Iraq and elsewhere. This legislation, the Post-9/11 GI Bill, makes possible educational dreams that not only express a special thanks to our veterans, but also contribute directly to the economic recovery and future of America.

America's postsecondary institutions are proud to have supported the enactment of this bill and welcome the opportunity to serve veterans in our classrooms. Today, universities across the country enroll thousands of veterans who receive support through Federal GI benefits. Part of my hope in being here is to promote changes to the program that will increase that number.

Unfortunately, as you are aware, implementation of the vitally important education benefits authorized by the bill has not been smooth. Delays in getting the program up and running, followed by numerous subsequent flaws in the interface between the VA and educational institutions, have created hardship for veterans and institutions. My colleagues and I recognize the enormity of implementing this program and creating the systems to manage it. We sincerely applaud the VA for its excellent work in getting the program up and running under difficult circumstances. Our desire is to strengthen our partnership with the VA in an effort to help the program run better.

With that in mind, I focus my testimony on flaws in the system that if corrected will more effectively fulfill the promise of this program. Included with my remarks is a list of concerns compiled by the University of Illinois and 16 peer institutions. While the list is not exhaustive, it identifies major concerns that render access to educational benefits under this program difficult for veterans and expensive for the Federal Government. Some of these concerns result from legislative provisions, and many are the result of VA policy and procedures.

A number of our legislative concerns are addressed in S. 3447, Senator Akaka's Post-9/11 Veterans Educational Assistance Improvements Act of 2010, and other legislation under consideration at this hearing. We support the provisions within these bills that address our concerns. We applaud Congress for its willingness to propose these necessary changes that improve the delivery of benefits. And we hope this testimony leads to further opportunity for collaboration between Congress and the higher education community. Other legislative concerns we have, such as the exclusion of Post-9/11 GI Bill tuition benefits from Federal financial aid needs analysis, will require us to work with the education committee to amend the Higher Education Opportunity Act.

The majority of our remaining concerns are administrative in nature. VA policies and procedures often fail to accommodate the education community's existing systems and procedures, thereby creating needless delay and hardship for veterans. I will not belabor the Committee with all the concerns on our attached list. Allow me to highlight just three of them.

Perhaps our greatest concern as university business officers is the VA's refund policy which requires institutions to refund tuition overpayments to students who must then refund them back to the VA. This policy mirrors that of the original GI Bill wherein all benefits (including tuition) were paid directly to the students who were then responsible for paying their tuition bills to the school and for refunding any overpayments back to the VA. But under the Post-9/11 GI Bill, tuition benefits are paid to the school not the student. Therefore, the requirement to refund overpayments to students instead of directly to the VA is not only inefficient, it also puts students at risk of losing future benefit eligibility under the program if they fail to understand or fulfill their responsibility to return those funds to the VA. This risk is high. In all other financial aid programs, overpayments are refunded directly to the aid source bypassing the student. Thus, students have come to expect that when they receive a refund from the school it is theirs to use for books and living expenses. By the time they receive notification from the VA of the amount they must repay, the money may have been spent. The VA will then suspend future benefit eligibility until payment is received which would delay or prevent the student from continuing their education.

A second major concern is the VA's remittance of payment for students for whom the institution has certified a different amount, or for whom the institution has not even completed a Certificate of Eligibility. No explanation is provided with these payments. Therefore, the institution must contact the VA for an explanation of the discrepancy before releasing payment to the student. When the institution calls, the VA's phone lines have long delays with hold times up to 40 minutes. Sometimes calls are dropped altogether due to the high volume and the institution must dial again. For months, the VA's phone lines were closed on Thursdays and Fridays.

These delays and their resultant hardship to the Veteran could be eliminated if the VA included an adequate explanation to the school with each payment.

Our third concern is a lack of published guidance. The VA has published no clear guidance regarding several key elements of benefit eligibility. This lack of guidance results in increased administrative burdens and frustration on the part of veterans. The creation of a readily accessible Post-9/11 GI Bill policy manual would eliminate the majority of this frustration and burden.

While I've only mentioned three of our concerns, the attached list is more comprehensive. We are confident, however, that many of them can be successfully resolved through open dialog between schools and the VA. Our recent attempts to initiate this dialog met with disappointing results. We received a written response from the VA, for which we are grateful, but were not given the opportunity to discuss the matter in more detail or open a meaningful dialog.

My peers and I respectfully ask your assistance to open this dialog. We believe regularly scheduled meetings between the VA and a working group from the education community will enable both parties to collaborate on proposed program changes and regulations prior to implementation. We would like to be considered as both a resource and partner for the VA and Congress in our mutual endeavor to improve delivery of Post-9/11 GI Bill tuition benefits to our veterans.

Thank you again for the opportunity to speak with you. I hope my testimony can be a spring board for productive dialog between all parties who share your commitment to strengthening and improving services to our veteran community. I would be pleased to respond to any questions Members of the Committee might have.

#### ATTACHMENT TO JUDY FLINK TESTIMONY

##### LIST OF CONCERNS REGARDING ADMINISTRATION OF THE POST-9/11 GI BILL

The Post-9/11 GI Bill was signed into law August 1, 2009. Certification and processing of VA Chapter 33 program benefits began immediately thereafter. The volume of applicants overwhelmed VA resources and the program got off to a rough start. Improvements have been made in VA's process, but the program continues to present significant challenges to the education community.

Following is a list of VA Chapter 33 issues and suggestions submitted by administrators from educational institutions (hereinafter collectively referred to as Institution) around the country. The issues needlessly delay delivery of benefit payments to veterans and unduly burden Institutions. The suggestions offer potential solutions.

##### *Issues:*

- VA refund policy is highly labor-intensive because:
  - VA under- and over-payments with no attached explanation result in long processing delays as Institution attempts to contact VA for details.
  - VA policy is inconsistent—some overpayments must be refunded to VA, others to the student; some refunds must be electronic, some by paper check.
  - VA policy of refunding to the student is contrary to all other forms of student financial assistance that require Institutions to refund to the aid source;
  - The policy of refunding to the student results in inaccurate IRS Form 1098-T reporting. For example, if VA remits \$10,000 Chapter 33 tuition benefits to Institution then the student drops classes resulting in a \$4,000 tuition reduction and Institution refunds that \$4,000 to the student instead of VA, the Institution will report \$10,000 in Box 5 of the student's Form 1098-T, not the \$6,000.
- VA payments are not adequately explained:
  - VA payments do not match the amount certified by Institution on the Certificate of Eligibility.
  - VA remits payments for students for whom Institution has not completed a Certificate of Eligibility.
  - VA remits duplicate payments for some students.
  - VA pays out-of-state tuition after Institution has charged and certified in-state tuition.
  - VA payments lack adequate identifying information—enrollment term, number of credit hours, percentage of eligibility, etc. For example, if Institution certifies \$5,000 and VA remits only \$3,200, Institution is given no explanation why.
  - Some VA payments appear on multiple cycle rosters giving the false impression that duplicate payments have been received.
  - Some VA deposits contain enrollment dates that do not match the Institution's.

- VA customer service is inadequate:
  - Institution cannot contact VA's Buffalo regional office directly even though they originate the payments; Institution has to use either the online inquiry system or call the national 888 number.
  - VA's national 888 number results in long delays from hold times as long as 40 minutes or dropped calls; now the 888 number is closed Thursdays and Fridays to enable VA to "catch up".
  - VA representatives often give conflicting information and when pressed either refer Institution to VA's regional office in Buffalo (which Institution cannot contact), or instruct Institution not to question VA's payments (even though Institution has found many errors and is supposed to be VA's "partner").
  - VA's online system sometimes reports inquiries "closed" without providing an adequate explanation of the resolution.
  - VA Education Liaison Representatives (ELRs) are frequently unavailable due to "special assignment".
- VA has published no clear guidance:
  - VA has published no clear guidance regarding which benefits will be delayed in the event of an unreimbursed overpayment—tuition/fee payment to Institution, or living/book payment to student?
  - VA has published no clear deadlines for retroactive applications (benefits for prior enrollment terms).
  - VA has published no clear guidance for Chapter 33 benefit eligibility for students who receive other forms of tuition assistance, e.g. Active Military tuition sponsorship, Federal or state tuition assistance, Institutional tuition waivers, private tuition specific scholarships or sponsorships, etc.
  - VA has published no clear guidance for Chapter 33 benefit eligibility for students who are discharged from active duty during the enrollment period.
  - VA has published no clear guidance on Chapter 33 benefit eligibility for waive-able student health insurance.
- VA has not required or adequately accounted for DD214 (active duty discharge) data when determining Chapter 33 benefit eligibility.
- VA policy of remitting individual instead of collective payments is highly labor-intensive.
- VA return policy creates needless delays and administrative burden because:
  - Institution must return full payment if any variation in assessment has occurred subsequent to certification, even if that variation is a minor reduction in fees.
  - Institution must submit an amended certification after returning payment which removes it from VA's automated process by requiring VA Claims Adjustor review.
  - VA Claims Adjustor must then submit a new payment request to the U.S. Treasury Department who waits to process the payment in batch.
- Veterans and Institution have no mechanism for determining the status of a veteran's application (22–1999) and whether the veteran will qualify for Chapter 33 benefits, so veterans who need the benefits in order to attend class cannot register.
- VA restrictions on distance education unfairly deny housing stipends to these students.
- VA does not notify Institution when student changes benefit Chapter.
- Yellow ribbon payments have been particularly difficult; although they are included on the original certification, the yellow ribbon eligibility is segregated and payments for yellow ribbon claims have not been forthcoming.
- Delayed VA payments result in additional labor-intensive Institution activities:
  - Institutions process emergency loans for delayed housing payments;
  - Institutions place provisional credits on student accounts in order to prevent late payment charges or cancellation of enrollment for non-payment;
  - Institution must conduct a manual reconciliation upon receipt of VA payments which are almost invariably different than the anticipated provisional credits;
  - Institution holds payments received for a previous enrollment term until VA confirms the student's eligibility for the current or subsequent enrollment term in order to verify accuracy;
  - Institution must process multiple Certificates of Eligibility for students whose active duty and/or enrollment status changed prior to receipt of VA payment;
  - Lump sum payments for multiple terms are difficult to differentiate by term.

*Suggestions:*

- Open a dialog between VA and Institutions that enables both parties to understand prior to implementation the system and process implications of VA proposed new changes and regulations.
- Establish a partnership between VA and U.S. Department of Education (ED) to share resources and expedite delivery of VA benefits.
- Revisit the education law passed by Congress last year that removes VA benefits from consideration when determining student eligibility for Title IV funds. Federal need based financial assistance must by definition be determined on need, and need is mitigated by Federal assistance from another Federal agency.
- Create an on-line portal similar to the WAVE portal for Chapter 30 benefits that would enable veterans and Institution to determine the veteran's Chapter 33 application status and eligibility for benefits.
  - Veterans need an effective source of accurate information about their individual benefit eligibility before they apply for and accept admission to an Institution in order to know whether they can afford to attend.
  - Institutions who are asked to carry the financial risk for veterans by holding them harmless while awaiting payment from VA need an effective source of accurate information about their application and benefit status.
- Simply, streamline, standardize, and improve communication regarding VA overpayment policy:
  - Allow Institution to refund/return only the overpayment amount rather than the full payment followed by an amended certification.
  - Allow Institution to batch overpayment refunds/returns rather than remitting them individually.
  - Standardize VA overpayment policy to mirror ED and other financial aid policies that return overpayments to the aid source not student.
  - Improve communication regarding status of student refund/return.
- Provide adequate and accurate explanations to Institution for VA payments that differ from Institution certified amounts; then remit batch/collective payments to Institution instead of multiple individual payments.
- Allow individuals other than the single certifying official at Institution to initiate/maintain contact with VA; for example, individuals who research billing issues should be able to speak directly with VA payment coordinators to resolve discrepancies.
- VA responsiveness to researching mismatched payments has improved, now originating issues need to be addressed.
- Replace the per-credit hour cap with a single dollar amount cap for each state. This would eliminate the need to calculate benefits individually for each student based on enrolled credit hours.
- Revisit VA restrictions on distance education to allow veterans Chapter 33 housing stipends while enrolled solely through distance education courses.
- Clarify VA policy on overseas study and expand Chapter 33 benefit eligibility to include courses taken abroad that count toward the student's degree.
- Allow veterans to revert to a more advantageous program if they discover Chapter 33 is not in their best interest.
  - The irrevocable nature of Chapter 33 benefit election coupled with the lack of clear situation-specific information to effectively guide their decision has created hardships for many veterans.
  - Remove the Chapter 30 to Chapter 33 conversion penalty which limits combined use of the two programs to 36 months unless Chapter 30 is exhausted.
- Simplify Chapter 33 eligibility rules and allow all active service to count; eliminate the requirement to verify the purpose and authorizing U.S. Code for each active duty period.
- Expand Chapter 33 timelines to allow Institution to complete Certificates of Eligibility far enough in advance to enable VA to process claims by the start of the term and continue uninterrupted between terms.
- The Higher Education Opportunity Act's Readmission Requirements for Servicemembers states that returning servicemembers may not be charged tuition and fees in excess of the rate charged during the term in which they left school for military service unless they have veteran or military education benefits. Is it reasonable to base charges on benefit eligibility?
- Improve VA delivery of policy notifications to Institution Certifying Officials (COs). Recent VA policy updates submitted to COs via mass e-mail with a link to VA's Web Automated Reference Material System (WARMS) were missed because many COs could not access the link to WARMS. All time sensitive information should be included in the actual email text.



- Forward to Institution a monthly report (or copy of Certificate of Eligibility) listing each applicant and percentage of Chapter 33 benefit eligibility for that Institution.
- Forward to Institution a monthly (or quarterly) report listing students who owe an overpayment to VA, and when the overpayment has been paid.
- Remove the detailed examination of each course's applicability to a degree program, attendance, retakes, and need for remediation. Why does the VA track this level of detail when U.S. Department of Education does not?
- Remove the tracking of each course by start and stop date; allow Institutions with regular terms of enrollment to use the same criteria as Title IV for full time enrollment.
- Remove the requirement for State Approving Agencies to approve each program of education at an accredited Institution. If the Institution meets accreditation standards, shouldn't that be sufficient for education benefits?

*Contributing Institutions:*

- Margaret Baechtold and Susan Cote, Indiana University
- Sandie Rosko, University of Washington
- Laurie Schlenke, Michigan State University
- Jean Thomson, University of Colorado, Boulder
- Bob Lech, University of Pittsburgh
- Beth Barrett, Harvard University
- Roseann Sieminski, Pennsylvania State University
- James Middlemas, University of Michigan
- Marty Miller, University of Iowa
- Christina Westendorf, Illinois State University
- Cathie Easter, University of Wisconsin
- Bradley Stene, Northwestern University
- Marsha Lovell, UCLA
- Cathy Foland, Southern Illinois University Edwardsville
- Paul Toler, University of Missouri Columbia
- John Higgins, Purdue University
- Judith Flink, University of Illinois

Senator TESTER. Thank you, Ms. Flink.  
Captain Farrell?

**STATEMENT OF CAPTAIN GERARD M. FARRELL, USN (RET.),  
EXECUTIVE DIRECTOR, COMMISSIONED OFFICERS' ASSO-  
CIATION OF THE U.S. PUBLIC HEALTH SERVICE**

Captain FARRELL. Good morning, Mr. Chairman. I am privileged to be able to speak with you here today on behalf of the more than 6,500 active-duty and retired officers who are members of the Commissioned Officers' Association of the U.S. Public Health Service. I will confine my remarks exclusively to Section 6 of Senate Bill 3447, which will extend the transferability entitlement of the Post-9/11 GI Bill to the Commissioned Corps of both the U.S. Public Health Service and the National Oceanic and Atmospheric Administration.

In the original Post-9/11 GI Bill signed into law in 2008, the PHS and NOAA Commissioned Corps were left out. The oversight was partially rectified in 2009, during the development of implementing regulations by the VA. The Veterans' Administration, citing law and precedent, observed that PHS and NOAA officers had always been entitled to the GI Bill benefits, but because of the wording about transferability in the Post-9/11 statute, the VA could not fix the problem through rulemaking.

There are three reasons to include PHS officers in the Post-9/11 GI Bill transferability entitlement. First and most obvious is that doing so is simply a matter of law and precedent, as certified by the VA. Second, it will have a positive impact on retention, and

thus, on public health security—arguably, the most important and fundamental component of national security. Finally, it involves fair and equal treatment for all of our uniformed service veterans, regardless of the uniform in which they happen to serve.

S. 3447 will bring the Post-9/11 GI Bill into conformance with Title 42, Section 213(d) of the U.S. Code, which reads in part that “active service commissioned officers of the Public Health Service shall be deemed to be active military service in the Armed Forces of the United States for the purposes of all laws administered by the secretary of Veterans Affairs.”

The PHS Commission Corps is the second-smallest of the seven Federal uniform services with an active-duty force of some 6,500 health professionals. The Corps is not well-known to the general public, and sometimes not even to policymakers, yet, the PHS Commission Corps’ effective impact on the Nation’s public health far exceeds its small size, and maintaining public health security is a critical element of national security.

The U.S. Government recognized this fact in 1889, when it created the Public Health Service Commission Corps as a uniformed service. And the inextricable relationship of public health to national security and now global health security has only grown more important over time. Indeed, global health diplomacy has recently become an integral part of our national military strategy. Think of the PHS Commission Corps as a public health national security force multiplier.

PHS officers train with their military colleagues, participate in joint missions, and serve shoulder to shoulder alongside them in Iraq and Afghanistan and elsewhere around the world. PHS officers are among the first to deploy with the Navy to Haiti following the earthquake earlier this year. PHS officers serve in ever greater numbers throughout the Department of Defense and the Department of Homeland Security. The head of the DOD TRICARE Pharmacy Directorate is a PHS flag officer. The director of Psychological Health for the National Guard is a PHS officer. PHS officers provide oral health and dental care for the Coast Guard, but today, are not able to transfer their Post-9/11 GI Bill benefits to a family member as can the Coast Guardsmen alongside whom they serve. I could go on.

Domestically, PHS officers are assigned to nearly every stage and have a presence in almost every Federal agency and right here on Capitol Hill. PHS officers deploy in anticipation of and in response to every incident involving public health, including sending one-third of their officers to the Gulf Coast before, during, and after the 2005 hurricanes, and even today along the Gulf Coast, monitoring environmental health issues incident to the Gulf oil leak disaster.

In a field where cultural sensitivity is a key requirement in providing effective care, and all the uniform services are concerned about diversity issues, especially in their officer corps, the PHS Commission Corps stands out as the most diverse institution in the Federal workforce in terms of ethnicity, race, and gender. But there is a well-documented crisis in the public health workforce today. The number of physicians and dentists in the Corps, for example, has declined precipitously in recent years, and there are thousands, literally thousands of unfilled billets throughout the entire Public

Health Service. As stated earlier, this is not only a public health crisis, but also a crisis for national security.

Finally, I will comment briefly on proposed change in the funding of the transferability entitlement alluded to earlier by Chairman Akaka. If I read the bill correctly, transferability would no longer be funded by the VA, but by the servicemembers' parent agencies. In the case of the Public Health Service Commission Corps, that would be the Department of Health and Human Services. Clearly, this would make transferability far less appealing to those departments. Such a change now seems particularly unfair to the Public Health Service and NOAA Corps, the two smallest uniform services so far excluded from this entitlement.

Further, shifting a funding responsibility for a veteran's entitlement to agencies other than the VA would set a strange precedent, as well as adding still more complexity to the program's administration, exactly the opposite of the intended effect of S. 3447. The practical result would be to severely reduce an extremely popular veteran's benefit and restrict the ability of all the uniformed services to retain key mid-career professionals. A better approach might be to establish funding caps and return to the original idea behind the transferability benefit, which was to focus laser-like on retaining mid-career servicemembers with highly-valued skills that are in short supply.

Even in the best of economic times, qualified public health physicians, dentists, and nurses who are willing to commit to public service careers are in short supply. The transferability entitlement in the Post-9/11 GI Bill offers the Department of Health and Human Services a valuable tool for recruiting and retaining scarce health professionals. This tool will be even further enhanced by retaining the funding as it currently exists within the Department of Veterans Affairs.

For these reasons, I ask all the Members of this Committee to support the provision within S. 3447 that would, at last, extend the Post-9/11 GI Bill transferability to the Public Health Service and NOAA Commission Corps.

I appreciate the Committee's time, attention, and consideration, and would be pleased to answer any questions you may have. Thank you, sir.

[The prepared statement of Captain Farrell follows:]

PREPARED STATEMENT OF CAPTAIN GERARD M. FARRELL, USN (RET.), EXECUTIVE DIRECTOR, COMMISSIONED OFFICERS' ASSOCIATION OF THE U.S. PUBLIC HEALTH SERVICE (COA)

Good morning, Mr. Chairman and Members of the Committee. My name is Gerard Farrell. I am a retired Navy Captain. For the past nine years, I have served as Executive Director of the Commissioned Officers Association of the U.S. Public Health Service (COA). I am pleased and honored to be able to speak to you today on behalf of active-duty and retired officers of the PHS Commissioned Corps.

I will confine my remarks to one part of S. 3447, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010. I refer to Section 6 and the proposal to extend the transferability entitlement to the Commissioned Corps of the U.S. Public Health Service (USPHS) and the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA).

This provision would permit PHS and NOAA officers to transfer their unused educational benefits to dependent family members. This is attractive to PHS officers because they generally cannot take advantage of their GI Bill educational benefits.

They join the service having already earned bachelors' degrees and, in most cases, advanced and terminal degrees as well.

#### INTRODUCTION AND BACKGROUND

In the original Post-9/11 GI Bill, approved by Congress and signed into law by the President in 2008, the PHS Commissioned Corps and the NOAA Corps were left out. This oversight was partially rectified in 2009 during the development of implementing regulations. The Veterans Administration, citing law and precedent, observed that PHS and NOAA officers had always been entitled to GI Bill benefits. But because of the wording about transferability in the Post-9/11 statute, the VA could not fix the problem through rulemaking. So these two uniformed services remained left out of the transferability entitlement.

I want to thank Chairman Akaka for meeting personally with me and retired Assistant Surgeon General Dr. Jerrold Michael in September 2008 to discuss this matter. We thank him for listening and for ultimately deciding to rectify this situation in the context of proposed overall improvements to the Post-9/11 GI Bill.

S. 3447 would extend the transferability entitlement to PHS and NOAA officers. The bulk of my statement today is intended to reinforce the fact that this is absolutely the right thing to do. Maintaining public health security is a critical element of national security. The U.S. Government recognized this fact in 1889 when it created the Public Health Service Commissioned Corps as a uniformed service. The relationship of public health to national security has only grown more important over time.

I also want to offer a snapshot of the PHS Commissioned Corps, which has been serving the Nation since 1889. It is the second-smallest of the seven Federal uniformed services, with an active-duty force of 6,500 health professionals under the command of the U.S. Surgeon General. The PHS Commissioned Corps is not well-known to the general public, and sometimes not even to policymakers. The PHS Commissioned Corps is well-known and highly regarded by its sister services. PHS officers train with their military colleagues, participate in joint missions, and even serve alongside them in Iraq and Afghanistan. (I will say more about this later in my statement.)

Finally, I will comment briefly on the proposed change in funding of the transferability entitlement. If I read the bill correctly, transferability would no longer be funded by the Veterans Administration, but by the servicemembers' various agencies. In the case of the PHS Commissioned Corps, that would be the Department of Health and Human Services.

Clearly, this would make transferability far less appealing to those agencies. Such a change now seems particularly unfair to PHS and NOAA, the two small uniformed services so far excluded from this entitlement. Further, shifting of funding responsibility for a veteran's entitlement to agencies other than the Veteran's Administration would set a strange precedent as well as adding still more complexity to the program's administration—exactly the opposite of the intended effect of S. 3447. The practical result would be to severely reduce an extremely popular veterans' benefit and restrict the ability of all the uniformed services to retain key mid-career professionals.

A better approach might be to establish funding caps and return to the original idea behind the transferability benefit, which was "to focus, laser-like" on retaining mid-career servicemembers with highly valued skills that are in short supply.

#### LEGAL PRECEDENT

As a matter of law and precedent, PHS and NOAA officers have always been entitled to all GI Bill benefits. This has been the case for more than 60 years. The single exception has been the transferability entitlement in the Post-9/11 GI Bill. The provision in S. 3447 that would extend the transferability entitlement to PHS and NOAA officers would bring the Post-9/11 GI Bill into conformance with Title 42, Section 213(d) of the U.S. Code.

This section reads as follows:

Active service deemed active military service with respect to laws administered by Secretary of Veterans Affairs. Active service of commissioned officers of the [Public Health] Service shall be deemed to be active military service in the Armed Forces of the United States for the purposes of all laws administered by the Secretary of Veterans Affairs (except the Servicemen's Indemnity Act of 1951) and section 417 of this title.

In its final rule issued on March 31, 2009 implementing the Post-9/11 GI Bill, the Department of Veteran's Affairs was unequivocal in certifying that Title 42, all pre-

vious legal opinions, and precedent did, in fact, entitle the PHS Commissioned Corps to all programs administered by the Department of Veteran's Affairs. The pertinent section of that document reads as follows:

We agree that commissioned officers of PHS and NOAA are eligible for benefits under the Post-9/11 GI Bill. In a digested opinion from 1985, our General Counsel read the provisions of 42 U.S.C. 213 regarding PHS and 33 U.S.C. 857-1 and 857-3 (now in 33 U.S.C. 3002 and 3072, respectively) regarding NOAA as expanding the definition of 'Armed Forces' in 38 U.S.C. 101(10) to also include PHS and NOAA for purposes of benefits administered by VA. See VADIGOP, 6-26-85 (8-28 Reentry in Active Service). Therefore, service as a commissioned officer of PHS or NOAA meets the 'active duty in the Armed Forces' service requirement in section 3311 of title 38, U.S.C.

The implementing regulations thus made clear that PHS and NOAA officers are entitled to Post-9/11 GI Bill benefits. But at the same time, the VA regulation-writers felt stymied by the statutory language on transferability. The statute mentioned the Secretaries of Defense, Army, Navy, Air Force and Homeland Security, but did not mention either the Secretary of Health and Human Services or the Secretary of Commerce. These two departments are the parent agencies of the PHS Commissioned Corps and the NOAA Corps. S. 3447 would remove that restrictive language and thereby extend the transferability benefit to PHS and NOAA officers.

#### THE PHS COMMISSIONED CORPS AND THE MILITARY

While the mission of the PHS Commissioned Corps is undeniably and appropriately different and distinct from those of the other uniformed services, the character of their service is the same. While other services may deploy for long periods once every few years, PHS officers routinely deploy for several weeks at a time, many times in any given year. PHS officers also deploy, albeit in small numbers, consistent with the overall size of the Corps, alongside the other uniformed services around the world.

Most recently, PHS officers have deployed, and are deployed today, for both long and short tours in Iraq and Afghanistan. Two PHS officers deployed to Afghanistan for a year in 2009 were awarded the Bronze Star Medal for their service.

There is a long history of the PHS Commissioned Corps serving shoulder-to-shoulder with the other uniformed services. The Corps was militarized during World War II and remained so through the Korean Conflict. PHS officers were killed and wounded during those wars. In the last decade PHS interoperability with DOD has again been growing as DOD becomes increasingly re-aware of the inextricable link between public health security and national security. PHS officers deploy regularly and routinely as part of the Navy's annual health diplomacy deployments; with the Army and Air Force in the annual Arctic exercises in Alaska, and elsewhere around the world. PHS officers were among the first uniformed servicemembers deployed to Haiti in the wake of the earthquake earlier this year.

#### THE PHS COMMISSIONED CORPS AT HOME

On the home front, PHS officers are deployed as needed across the United States. They serve in remote and sparsely populated areas, providing comprehensive health care to underserved populations. They help staff the health and regulatory agencies with the Department of Health and Human Services (FDA, NIH, CDC, and HRSA, among others) and they also serve in the Department of Homeland Security and the Bureau of Prisons.

PHS officers are stationed in nearly all states and the District of Columbia, with a significant presence in Alaska, Arizona, Georgia, Maryland, Minnesota, New Mexico, North Carolina, Ohio, Oklahoma, Texas, Virginia, and Washington State.

Let me cite North Carolina as an example: Nearly 500 PHS officers are stationed there. They are spread out across the state—from Asheville, Durham, Raleigh, Greensboro, Elizabeth City, and Research Triangle Park, to Butner, Cherokee, and Manteo.

Some PHS officers are detailed to the Defense Department, and are working at Womack Army Medical Center at Fort Bragg. Others are assigned to the Traumatic Brain Injury Clinic at Camp LeJeune. These PHS officers are doctors, nurses, physicians' assistants, mental health specialists, and physical therapists, and they are treating and rehabilitating severely injured soldiers and Marines returning from Iraq and Afghanistan.

Other PHS officers are assigned to the Coast Guard Integrated Support Command in Elizabeth City. Not everyone realizes that PHS officers provide nearly all health care for all U.S. Coast Guard personnel. They wear Coast Guard uniforms.

The Cherokee Indian Hospital in Cherokee, North Carolina, is staffed by two dozen PHS physicians, dentists, and nurses who are part of the Indian Health Service. Still other PHS officers stationed in North Carolina work for Federal health agencies, including the Food and Drug Administration, National Institutes of Health, and Centers for Disease Control. PHS officers are also assigned to the Environmental Protection Agency, Department of Homeland Security, and even the National Park Service.

One hundred and thirty PHS officers stationed in North Carolina work for the Federal Bureau of Prisons. They staff the prison system's Federal Medical Center in Butner. They are physicians, dentists, nurses, pharmacists, psychologists, social workers, and physical and occupational therapists.

The North Carolina contingent of PHS officers also includes research scientists, toxicologists and radiologists, sanitary engineers, biostatisticians and epidemiologists.

I like to point out that the Commissioned Corps of the U.S. Public Health Service is among the most diverse of Federal workforces in terms of ethnicity, race, and gender. Collectively, PHS officers in North Carolina are fluent in 14 languages, and some officers speak three or four languages in addition to English. In a field where cultural sensitivity is a key requirement in providing effective care, the PHS Commissioned Corps is unsurpassed in operational effectiveness.

#### PUBLIC HEALTH WORKFORCE NEEDS

There is a well-documented need to retain public health service officers in service to the Nation's health. This matter can be addressed in part by the inclusion of those officers as eligible for the full provisions of the Post-9/11 GI Bill.

The Public Health Service Commissioned Corps has seen a precipitous decline in the number of physicians and dentists over the last five years. Requirements for nurses, pharmacists, engineers, and mental health professionals remain unfilled. The need is especially acute in the Indian Health Service. PHS officers are needed to support DOD treatment plans for mental health issues arising from the ongoing wars in Iraq and Afghanistan.

There is a critical need to retain and to recruit additional PHS officers in service to the Nation. There is also a critical need to underscore the seamless relationship among all seven uniformed services. These facts militate for inclusion of the PHS Commissioned Corps in Post-9/11 GI Bill transferability.

In recognition of the crisis in the Federal public health workforce, the Patient Protection and Affordable Care Act contains provisions specifically aimed at strengthening and enhancing the role of the PHS Commissioned Corps. The Patient Protection Act, when fully implemented, will significantly improve the ability of the PHS Commissioned Corps to recruit future officers in the key professions; but the Corps has an immediate and urgent need to improve retention of key mid-career professionals now. Transferability of the Post-9/11 GI Bill entitlement will meet that need.

Even in the best of economic times, qualified public health physicians, dentists and nurses who are willing to commit to public service careers are in short supply. The transferability entitlement in the Post-9/11 GI Bill offers the Department of Health and Human Services a potentially valuable tool for recruiting and retaining these scarce health professionals. This tool will be even further enhanced by retaining the funding as it currently exists—in the Department of Veteran's Affairs.

For all these reasons, I ask all Members of this Committee to support the provision within S. 3447 that would, at last, extend Post-9/11 GI Bill transferability to the PHS Commissioned Corps and the NOAA Corps. I appreciate your time, attention and consideration. I will be pleased to answer any questions you might have. Thank you.

Senator TESTER. Well, I appreciate your testimony, Captain Farrell, and I appreciate the testimony of everybody who is on this panel. I also see that Keith Wilson and John Brizzi are here, and I want to thank them for remaining and listening to the testimony of the second panel. I very much appreciate that. I think it's helpful.

I will point out one of the things that Judy Flink said to you gentlemen while you're here, and that is the fact that we need more of a partnership, better communication if we're going to get to the

bottom and get all that stuff fixed. I think is the same thing I am hearing in Montana, by the way, from people who hold similar positions to yours, Judy. So, I think it could bear some fruit.

I am going to start with Mr. Hilleman. You had talked very briefly in your opening statement about enrollments, and I want you to elaborate on it a little because I do not exactly understand what you're saying—half enrollments, there's no living allowance, but one credit and one half time program—explain what you're talking about there.

Mr. HILLEMAN. Under current law——

Senator TESTER. Yes.

Mr. HILLEMAN [continuing]. A veteran can game the GI Bill by enrolling in more than half time or seven credits. So, there's no BAH stipend for individuals who are half time or less, but if you're taking seven credits, you get a full BAH stipend.

Senator TESTER. Got you. OK.

Mr. HILLEMAN. So our proposal is in line with the original Montgomery GI Bill, creating stair steps and percentages that give a percentage of the BAH based on enrollment, which could also address some of the challenges that you had in the previous panel with questions, Senator Tester. The issue of over and underpayments with one credit change could be impacted if they were bracketed by half time between six and eight credits.

Senator TESTER. Yes.

Mr. HILLEMAN. So you go up and down one credit. There's no over or underpayment. If you go to three-quarter time, 9 to 11 credits, if they move up or down one, it's not too much of an issue. You still have it between the different percentages.

Senator TESTER. Levels.

Mr. HILLEMAN. It could alleviate some of the challenges.

Senator TESTER. OK.

Mr. Hartle, you talked about language in Section 3 is not language that's used by the Department of Education. Have you been asked to submit language that would work?

Mr. HARTLE. We have not. We would obviously be very happy to do that.

Senator TESTER. Well, I would like to have it.

Mr. HARTLE. Certainly.

Senator TESTER. I think that if there's an issue in the language of the bill that could stop proper implementation, then we need language that's going to work. So, if you could provide it, that would be great.

Mr. HARTLE. Absolutely.

[Responses were not received within the Committee's timeframe for publication.]

Senator TESTER. Judy Flink, I want to thank you for taking time to pull together some ideas for improving the administrative issues that we face. Getting these benefits and processes right requires all hands on deck, and we appreciate your work. We can not afford to overlook any good ideas.

As executive director of Financial Services, it sounds as if you had a significant amount of experience working with veteran students over a significant period of time. You specifically hit on an issue that I have a great interest in and that is the overpayments

issues, as Mr. Hilleman pointed out, and the impact on students that go into overpayment status.

I want to know if you could describe some of the experiences that you have had with the kind of situation that has resulted in overpayment, and what can be done to help alleviate the problem—not only yours, but at other schools?

Ms. FLINK. It's pretty universal. If a student enrolls at the University of Illinois and then they have to opt out for any reason—sometimes it may be that the programs are just too rigorous, and then they make a decision that they want to go to a community college, that the program might be easier for them to attain. Our point that we have been trying to make with the VA is we would rather return the money to you because that timing is very short. Say they dropout in mid-October and they want to enroll at our community college, Parkland, in January. By the time we send the money back, VA finally bills the student; the student might pay them back. They're already enrolled in Parkland, and the VA is telling them that they do not have benefits because they may owe money.

Senator TESTER. Right.

Ms. FLINK. So it gets stuck in this cycle. Or if they come in full-time, dropped to half-time, we have been saying to the VA, unfortunately on a number of occasions, and it is a larger group of public schools that have been saying we simply want to return the money to VA and get out of the process that's been implemented because it will make it much easier for the veteran and less confusing.

Senator TESTER. OK. Well, thank you.

This is a question for each one of you. In your testimony, you all talked about the good things in the bill and the things that need improvement in the bill. If you were going to pick one thing that you would like to see changed in S. 3447 as an improvement, what would it be? We'll start with you, Mr. Hilleman.

Mr. HILLEMAN. If absolutely nothing else would be changed, we would probably have to say the Title 32 AGR deployments. That is a group of individuals that was inadvertently left out of the first iteration of the bill, and they have certainly, through their past and continued service, have earned education benefits under this law.

Senator TESTER. Good.

Mr. Embree?

Mr. EMBREE. Yes, sir, and thank you for the question. I think we can all agree on the importance of including folks from AGR, but I think something that's extremely important, and what we're hearing from veteran students everyday is tuition and fees. Folks are really blown away by the problems from the tuition and fees. Congress did not intend when they wrote the original Post-9/11 GI Bill for it ever to be implemented that way. They intended a simple way. So, to actually create a nationalized baseline for the private schools and to just simplify and include all public schools, the way S. 3447 says, is so important right now because there are so many student veterans and their families affected every day by the debacle of tuition and fees the way it's currently structured.

Senator TESTER. OK. Mr. Hartle?



Mr. HARTLE. I completely agree with what Mr. Embree has said. I think I already indicated that there are some areas where the language needs to be tightened, and we will be happy to work with the Committee on that, but that's really not a fundamental issue. I think the fundamental thing you're doing in this bill is putting an absolute very clear set of numbers out there so that people can plan with respect to their post-secondary education. The benefits to students, the benefits to institutions that are trying to counsel students will be enormous. I think that provision alone makes this bill worth passing. Nothing against any of the other provisions at all, it's just I think that that would be an extraordinary benefit for veterans and institutions.

Senator TESTER. OK.

Ms. Flink?

Ms. FLINK. I agree with Terry. As someone who's in the trenches and has to help the students build their budgets and plan for their education, it's critical to make that process more streamlined and much more easy for them to understand.

Senator TESTER. OK. Captain Farrell?

Captain FARRELL. I would have to say that the first and most important thing is to bring the bill into conformance with existing law, to include all veterans in all facets, in all entitlements of the Post-9/11 GI Bill, including Public Health Service and NOAA Corps in the transferability entitlement.

Senator TESTER. I have one more question for you, Captain Farrell. Do you think the Post-9/11 GI benefits and their expansion will help us recruit and retain good health care professionals in rural America, also?

Captain FARRELL. Absolutely.

Senator TESTER. And, as you know, finding and keeping good folks in medical jobs in rural America is a tough task for the VA, as well as private providers.

Are there other things that we should be doing to sweeten the pot for Health Service Commission Corps officers and for rural providers in general?

Captain FARRELL. That's a great question, and I think the answer is—and it falls into line with the Post-9/11 GI Bill—which is more educational opportunities. I mean, and particularly for the Public Health Service Commission Corps folks, they have a hard time getting continuing education in the course of their careers as mid-career professionals or as terminal career professionals in terms of leadership, exposure and leadership courses, further technical training, clinical training. That's really tough for the department to fund and something our small association affiliated foundation tries to help fill the gap on. So I think that's an important area to look at.

[Follow-up information provided by Captain Farrell follows:]



**Commissioned Officers Association  
of the U.S. Public Health Service**

**Gerard M. Farrell**  
Captain U.S. Navy (Ret)  
Executive Director

9 August 2010

The Honorable Mark Begich  
United States Senate  
Washington, DC

Dear Senator Begich:

Thanks to your follow-up question for the record incident to my 21 July 2010 testimony before the Senate Veteran's Affairs Committee on the Post 9/11 Veterans' Educational Assistance Improvement Act of 2010 (S. 3447) we recently conducted a survey of our active duty members. Based on the survey results we can conclude that fully 86% of active duty PHS officers would "definitely" or "very likely" take advantage of Post 9/11 GI Bill transferability and commit to additional years of service. An additional 7.6% are "somewhat likely" to do so. The results for officers who identified as stationed in Alaska were slightly better, with 93% "definitely" or "or "very likely" to take advantage of this powerful retention tool.

Equally as compelling were the extraordinary volume and speed of the survey response. Within 24 hours of the survey's release, more than 20% of those contacted had responded. That number now stands at 28% and continues to grow daily. This is well above the number required to ensure that the survey results are statistically significant – that is, reliably true.

These results correspond with the anecdotal information COA has been able to compile about transferability in the past two years. There can be no doubt that Post 9/11 GI Bill transferability is the number one concern of PHS Commissioned Corps officers and constitutes a powerful retention tool. Providing Post 9/11 GI Bill transferability for PHS Commissioned Corps officers will have a hugely favorable impact on Corps retention nationwide, including in Alaska.

Forecasting the impact of transferability on recruiting is more difficult since COA has no insight into the identity of potential recruits. We do have some anecdotal evidence, however, which indicates that the absence of transferability is adversely impacting an important reservoir of potential PHS recruits – inter-service transfers from the Armed Services, who, under current law, would have to surrender eligibility for transferability in the PHS.

Some would argue that encouraging transfers of Armed Services health professionals to the PHS Commissioned Corps is unwise and would reduce the readiness of the Armed Services. We believe that it is far better to retain in uniformed service a well trained and experienced health professional rather than have such an individual leave the service altogether. This is especially true for health professionals with particular credentials in public health. They will have the opportunity to serve a far broader population as PHS officers than in any of the Armed Services; and thus make an even greater contribution to overall national security.

Take for example the situation of a Navy First Class Hospital Corpsman (E-6) who contacted me earlier this year from his duty station in Afghanistan. He had received his degree in environmental

health and was on track to receive a commission in the PHS Commissioned Corps as an Environmental Health Officer. Upon learning that he would have to give up his Post 9/11 GI Bill transferability entitlement, he opted to remain as an enlisted corpsman in the Navy.

Having served a full career in the Navy, I know well the importance and value of our hospital corpsmen. I am sure this particular individual will continue to serve with distinction as an independent duty corpsman. He will continue to provide excellent health care to hundreds, perhaps even thousands of shipmates and Marines. But as an Environmental Health Officer in the Public Health Service, he would have the opportunity to positively impact entire populations – tens, if not hundreds of thousands of lives both at home and abroad. The loss of such an opportunity is a tragedy for the nation as well as for the individual.

I regret that COA has no ability to obtain data for the NOAA Commissioned Corps, but we are confident that a survey of those officers would yield results similar to those we have obtained for the PHS Commissioned Corps.

This Association remains concerned, though, about a provision in S. 3447 that would shift funding for transferability from the Department of Veteran's Affairs to the parent department of the individual service members. As stated in my original testimony, this will surely drastically reduce the effectiveness of this powerful retention tool for all the services.

Thank you again for your continued support for the PHS Commissioned Corps.

Sincerely,



Gerard M. Farrell  
Captain, U.S. Navy (Ret.)  
Executive Director

Copy to:  
SVAC Committee Members  
Secretary Sebelius  
Assistant Secretary Koh  
Surgeon General Benjamin

Senator TESTER. Well, thank you. Again, I want to thank the folks from panel one and from panel two. I appreciate your testimony; appreciate your direct answers to the questions.

I think that as this bill moves forward, it's going to be critically important that the folks from both panels stay involved and you can do that in a number of ways, which you know how to do. If we're going to get this thing ironed out to make it all it can be to live up to the promises we make to our veterans, we're going to need your help in doing that. So I appreciate your testimony at this panel and today and look forward to your further input down the line. Thank you all very much. This hearing is adjourned.

[Whereupon, at 11:32 a.m., the hearing was adjourned.]



## A P P E N D I X

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### PREPARED STATEMENT OF ROBERT MADDEN, ASSISTANT DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION

Chairman Akaka, Ranking Member Burr, and fellow Members of the Committee: The American Legion appreciates the opportunity to submit our statement for the record on “Improvements to the Post-9/11 GI Bill.”

The Post-9/11 Veterans Education Assistance Act of 2008 was signed into law on June 30, 2008, and was implemented on August 1, 2009. This new Act goes well beyond helping to pay for tuition and fees; many veterans who served after September 11, 2001, will get full tuition and fees, a new monthly housing stipend, and a \$1,000 a year stipend for books and supplies. It also gives certain Guard and Reserve members who have been activated since 9/11 access to the same GI Bill benefits. However, the Post-9/11 Veterans Education Assistance Act of 2008 only covers Institutes of Higher Learning (IHLs). Work remains.

Not all veterans attend IHLs. Many veterans prefer traditional employment and/or may require employment for personal or family reasons. The American Legion recommends that the following programs be included under the Post-9/11 GI Bill (Chapter 33): flight training; correspondence schools; vocational schools; apprentice programs; and, on-the-job training programs.

Chapter 33 needs to be modified to include non-college degree programs. Veterans choosing to use their educational benefits for other than IHLs are able to use them under the existing Chapters 30, 1606, or 1607; however, in those instances the benefit recipients are not entitled to either the housing stipend or the allowance for books and supplies. The American Legion believes that veterans should never be limited in the manner they use their educational benefits.

According to VA, four of the top ten institutions serving veterans and the active military are online institutions. In fiscal year 2008, over 645,000 active duty military took voluntary education courses that were paid by DOD, and 60 percent of these students chose to study online. Further, in fiscal year 2006, there were approximately 840,000 military students (active and veterans) enrolled in voluntary education programs both at the secondary and post-secondary level, with approximately 75 percent of instruction being offered via online institutions. Due to this trend, paying veterans a lesser benefit when they receive credit via distance learning is a mistake.

Veterans choose to attend online institutions because of location, job, family commitments, or disability. Another reason for high participation of veterans in distance learning is the emphasis on adults, which is why online universities are noted for their “GI-friendly” policies and practices. Further, online programs are offered throughout the year, allowing servicemembers and veterans to take lighter course loads or to finish their degree programs in shorter time periods. Accordingly, The American Legion is recommending that the allowances for distance learning be made similar to those in effect for residential learning. This assures equity for veterans including such individuals as single parents and veterans with significant medical disabilities.

In addition, The American Legion strongly recommends that Title 32 Active Guard Reserve (AGR) be included for eligibility under Chapter 33. In 2008, there were almost 30,000 Army National Guard and 13,500 Air National Guard servicemembers serving on Title 32. The American Legion also recommends a comprehensive review of VA’s separate tuition and fees cap system to ensure that veterans will not lose any value in their education benefits due to this reimbursement method. A lack of funding has arisen for veterans attending private schools in states like Massachusetts, California, and Washington, DC, due to this separate tuition and fees cap system. Other improvements would include provisions for lifelong learning

and additional financial support for educational institutions providing programs and services to veterans.

S. 3447

S. 3447, "Post-9/11 Veterans Educational Assistance Improvements Act of 2010"; a bill to amend title 38, United States Code, to improve educational assistance for veterans who served in the Armed Forces after September 11, 2001, and for other purposes.

The American Legion has identified current issues with the Post-9/11 GI Bill through resolutions passed at our National Executive Committee meeting in October 2009. S. 3447 is a comprehensive bill which includes several fixes for which The American Legion has been advocating.

The following are The American Legion comments and recommendations on certain provisions in S. 3447.

#### *Section 2*

Section two would make eligible for Post-9/11 GI Bill benefits certain members of the National Guard serving on title 32 active duty orders. The American Legion recommends a change of language in this section from "and" to "or" in Section 2 (a)(2). The language as it now reads requires that eligibility be premised on a Guardsman being both of the Inspector/Instructor staff and be called up for active service by the President or Secretary for the purpose of responding to a national emergency, thereby severely limiting the number of individuals who would qualify for this benefit, essentially leaving out many members of AGR who were called up in defense of our country after September 11, 2001.

#### *Section 3*

Section three addresses the tuition and fee cap issue. S. 3447 would fully cover tuition at all degree granting programs at public institutions. At private institutions, benefits would be paid based on a national average cost of education indexed for inflation. That average would be around \$12,000, meaning veterans at private institutions would receive less funding in almost half of states under the new formula, according to the American Council on Education. The goal of the Post-9/11 GI Bill is to assist veterans in getting an education, not burdening them with endless amounts of student loans to cover their education. The American Legion recommends that the private school average be set at \$20,000, which would ensure veterans have ample resources to attend private colleges.

In addition, section three addresses veterans who are attending classes through online institutions. The amount is set at half of the military's national average Basic Allowance for Housing (BAH) for E-5 with dependents rate, which entitles veterans attending distance learning to \$666.00 per month. The American Legion recommends setting the housing allowance based on the full BAH rate of where the student resides. Those veterans who work and/or have families need a flexible way to get a college education and advance their careers. These veterans deserve the same equitable benefit as those who attend "bricks and mortars" education institutions.

Furthermore, section three addresses four groups excluded from the original Post-9/11 GI Bill: vocational schools, correspondence schools, apprenticeship/on-the-job (OJT) programs, and flight training. The American Legion supports allowing veterans to use their Post-9/11 GI Bill toward a vocational school. Vocational school training does not require four years to be certified; thus allowing the veteran to return to the workplace quicker with an acquired skill or trade. S. 3447 does not allow include a books stipend to the student who attends vocational schools. The American Legion recommends awarding the annual books stipend to those who are attending vocational schools.

As mentioned above, S. 3447 includes language concerning apprenticeship/OJT/flight training programs. The American Legion supports the addition of these programs to the Post-9/11 GI Bill. By allowing veterans to participate in apprenticeship/OJT/flight training, through the Post-9/11 GI Bill, veterans will receive tiered housing allowances in the sum of 75 percent, 55 percent and 35 percent; consequently, allowing participants to better support themselves and their families while receiving training.

#### *Section 4*

Section four addresses licensure and certification testing. The current law allows a one-time test, capped at \$2,000. S. 3447 allows veterans unlimited testing, but charges at the entitlement rate of one month for each amount equal to 1/12 of the amount of the average of the established charges at the educational institution. The

American Legion recommends allowing students the opportunity to receive up to \$2,000 worth of reimbursement for multiple tests/certifications without a charge to entitlement. If a veteran should exceed the \$2,000, then his/her entitlement should be charged to the national average of BAH. This change would utilize the benefit more effectively instead of using a large portion of entitlement for a test or certification.

#### *Section 6*

Section six addresses the transferability of the Post-9/11 GI Bill. The American Legion would urge that the legislation be modified to authorize all servicemembers with 10 years or more of active-duty service, who are eligible for the Post-9/11 GI Bill educational benefits, but left the Armed Forces before August 1, 2009, be able to use the transferability entitlement to give to their immediate family members.

#### *Section 9*

This section increases the amount of annual reporting fees paid to educational institutions by VA. The American Legion supports an increase, but recommends that amount to be \$25.00 per veteran. Certifying officials on campus play a critical role in the student-veteran's life. They are responsible for making sure the veteran receives their earned benefit. The certifying official is usually the first person the veteran comes into contact with on campus. The American Legion understands that there is a need for additional certifying officials on campus. Increasing the reporting amount would allow educational institutions to increase their level of support for veterans by hiring more individuals as well as provide additional services for veterans.

#### SUMMARY

The American Legion continues to support servicemembers, veterans and their families in gaining an education and supporting their career choices. The American Legion believes this bill will greatly serve our veteran population. In addition, by providing these benefits to our Nation's heroes we are providing a valuable service to the rest of the country. S. 3447 is a bill about education, but it should also be viewed as a bill regarding the employment of educated and qualified veterans. The Post-9/11 GI Bill has been hard earned and is certainly well deserved for the men and women who have protected, sacrificed, and served our country honorably. With these modest refinements, this new education benefit can have the same economic and social effect as the original GI Bill signed in 1944.

Again, thank you Chairman Akaka, Ranking Member Burr and distinguished Members of the Committee for allowing The American Legion to present our views on this very important matter.

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#### PREPARED STATEMENT OF JOHN DECOTEAU, MILITARY ADMISSIONS DIRECTOR, UNIVERSAL TECHNICAL INSTITUTE

The Post-9/11 GI Bill is the most comprehensive educational bill presented to veterans since the Servicemans Readjustment Act of 1944 which helped spurn the economic recovery after World War II. However, I believe that there is room for improvement with the Post-9/11 GI Bill and believe that veterans can be better served. When the Servicemen's Readjustment Act of 1944 was passed, a year later a supplemental bill was introduced after realizing that some groups were left out. Senator Akaka has introduced S. 3447 which aims to do the same. S. 3447 was introduced to start to conversation about what groups and disparities were left out in the initial passage of the Post-9/11 GI Bill. What has come to surface are highlighted items that are needed to be fixed are issues such as vocational schools, Title 32 ACTIVE Guard reserve (AGR), housing allowance for distance learners, transferability of benefits to dependents, etc. This is a bill of educational technical fixes for our veterans and their families, but it is also a remedy for employment.

S. 3447 will provide valuable job training, by seeking to allow non-degree granting institutions (vocational schools) to become eligible to receive the Post-9/11 GI Bill. In addition, this bill seeks to grant benefits to those men and women who were called up under Title 32 in help defending our country after a national tragedy. Title 32 AGR are deserving of the same benefit that other men and women are receiving but because of a simple mistake, they are left out of Post-9/11 GI Bill benefits. It is time to restore those benefits and grant them the same entitlements.

The issue of tuition and fees has been marked with a year of continuous change with schools and students receiving overpayment, thus creating unfortunate obstacles for veterans and their families regarding their financial health. S. 3447 seeks

to remedy this situation by allowing for unlimited tuition and fees for undergraduate work at public institutions. However, the national rate for private colleges needs to be adjusted to reflect the higher costs associated with private colleges. I would recommend increasing the national average to \$20,000.00. This realistic baseline will provide assistance to veterans who qualify for private institutions for their education. In addition by raising the national average, this would have a direct effect on vocational schools as well. While these schools are usually less in training time, they can be expensive and with the \$20,000 baseline, would allow individuals utilizing the Post-9/11 GI Bill to get training at a zero or minimal cost to the veteran, which is the benefit veterans at public institutions receive.

Another topic in S. 3447 is the prorated housing allowance for recipients of the Post-9/11 GI Bill. I recommend prorating living allowances on the MGIB scale. Pay a living allowance based on full time, 75% time or 50 % time to make the rates simpler to decipher and also reduce the number of over and under payments. In addition S. 3447 addresses the living allowance for apprenticeship and on-the-job training programs. Instead of capping the living allowance at the national average, I would recommend the living allowance should be assigned based on the zip code of the program and should be tiered at 75%, 55%, and 35%.

Distance learners, or those who attend college utilizing the World Wide Web were excluded from receiving the housing allowance. This is a big part of the Post-9/11 Bill and allows veterans and their families to support themselves, while the veteran is returning to school. Veterans who attend solely online classes usually attend, because of the flexibility that distance learning provides for them and their families. S. 3447 has language that identifies distance learners to receive 50% of the BAH rate. Although I support this measure, I would also remind the Committee that these individuals have the exact same responsibilities as those who are attend traditional colleges and would advise to increase the rate equally given for those who attend online institutions.

Moreover, the current benefit for testing and certifications is a one-time \$2,000.00 maximum benefit. I recommend that when taking tests or certifications test, that this not be taken from their monthly entitlements when they take multiple tests. Instead, if the veteran exceeds the \$2,000.00 then it should be charged based on the national average of BAH (not  $\frac{1}{3}$  time of the average tuition rate). This would increase the current benefit and would allow the veterans to take the appropriate tests and use the proportional benefit.

Colleges, Universities, Vocational School, Online Colleges all receive a stipend for how many veterans they have enrolled in educational programs at their institution. This money goes back into veterans program and assists veteran on getting program and veteran centers for which aid an assist all veterans on campus. S. 3447 addresses a slight increase for reporting fees. I support this slight increase, I would like to recommend the increase be set at \$25.00. Setting the fee at \$25.00 would provide the certifying officials with additional resources for services for veterans and perhaps allow educational institutions to substantially increase educational institutions number of veteran administrators or certifying officials on campus.

The results of the Serviceman's readjustment act provided for the greatest generation to be born and to help create and maintain of the most successful and prosperous time for the United States. With returning soldiers, tools such as the appropriate education benefit and other tools that are given to them are what will allow them to lead successful lives. I believe that we owe these servicemember's the opportunity to choose their own education and career path. With the increased additions to S. 3447, we are giving veterans the gear and tools then need to operate in a difficult climate and economy. These enable promises will garner the necessary success this country needs to spur entrepreneurs and the next greatest generation.

The major components of this bill includes valuable job training, full credit for full time National Guardsmen, providing a living allowance for distance learners, expanding the yellow ribbon program, giving active duty Servicemembers the books stipend, increasing vocational rehabilitation living allowance, allowing kickers to be transferred, increasing school reporting fees and also clarifies a slight confusion with discharges. I 100% support these changes and is grateful to the Committee for addressing these issues and making the technical fixes.

Most of these technical fixes will provide veterans with a quicker education time and will allow them to begin working in their respective career fields in a much timelier manner. S. 3447 is about creating equality for veterans and not just allowing certain approved programs to be allowed to use under the Post-9/11 GI Bill. Men and women who have and are defending this great country are entitled to a benefit that gives them the choice and then every opportunity to succeed in their education and employment choice.



I would like to thank Chairman Akaka, Ranking Member Burr and the rest of the Committee for allowing me to give it views and positions on the current legislation. I would be happy to answer any questions you or the rest of the Committee might have.

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PREPARED STATEMENT OF PETER J. DUFFY, DEPUTY DIRECTOR LEGISLATION,  
NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

BACKGROUND—UNIQUE CITIZEN SERVICEMEMBER/VETERAN

The National Guard is unique among components of the Department of Defense in that it has the dual state and Federal missions. While serving operationally on Title 10 active duty status in Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF), National Guard units are under the command and control of the President. However, upon release from active duty, members of the National Guard return to the far reaches of their states as both veterans and continuing serving members of the Reserve Component but under the command and control of their Governors. As a special branch of the Selected Reserves they train not just for their Federal missions but for their potential domestic missions such as fire fighting, flood control and providing assistance to civil authorities in a variety of possible disaster scenarios. The National Guard is always ready and always there to protect this country and its communities.

While serving in their states, members are scattered geographically with their families as they hold jobs, own businesses, pursue academic programs and participate actively in their civilian communities. Against this backdrop, members of the National Guard remain ready to uproot from their families and civilian lives to serve their Governors domestically or their President in distant parts of the globe as duty calls and to return to reintegrate within the same communities when their missions are accomplished.

Military service in the National Guard is uniquely community based. The culture of the National Guard remains little understood outside of its own circles. When the Department of Defense testifies before Congress stating its programmatic needs, it will likely recognize the indispensable role of the National Guard as a vital Operational Force in the Global War on Terror (GWOT) but it will say little about and seek less to redress the benefit disparities, training challenges and unmet medical readiness issues for National Guard members and their families at the state level before, during and after deployment. We continue to ask that they be given a fresh look with the best interests of the National Guard members and their families in mind.

S. 3447—A NECESSARY CORRECTION OF THE ERROR IN THE POST-9/11 GI BILL THAT  
EXCLUDES TITLE 32 ACTIVE DUTY

NGAUS strongly supports S. 3447, introduced by Senator Akaka, which would correct a major inequity in the current Post-9/11 GI Bill law that excludes title 32 active duty in the calculation of benefits. S. 3447 would make eligible for benefits the title 32 active duty of our Active Guard and Reserve personnel serving for the purpose of organizing, administering, recruiting, instructing or training the National Guard; and the active duty of our members under title 32 section 502(f) when authorized by the President or Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by Federal funds. This would represent a major legislative breakthrough in benefits for the National Guard under the Post-9/11 GI Bill which mistakenly excluded recognition of certain title 32 active duty service.

BACKGROUND

Amid deserved celebration and expectations, the bill providing Educational Assistance for Members of the Armed Forces Who Serve After September 11, 2001, more commonly known as the Post-9/11 GI Bill, was hurriedly enacted as part of the Supplemental Appropriations Act, 2008 Public Law 110-252 but with one major omission. Congress erroneously excluded all National Guard Title 32 active duty service after 9/11 from eligibility for benefits under this program.

The impact of this mistake has been to deny benefits to our dedicated men and women for their service to our country after 9/11 on title 32 active duty as AGRs and in mobilized operations such as Operation Noble Eagle, Operation Jump Start, and in the critically needed airport security operations in the desperate days immediately following the 9/11 attacks on the homeland. What is particularly unfair is the fact that the current law provides benefits for domestic active duty service of

title 10 Reserve AGRs but denies benefits to our title 32 National Guard AGRs who are performing virtually the identical service.

The time our members have served on title 32 orders in support of the national emergency following 9/11 needs to count toward their educational benefits under the Post-9/11 GI Bill. As this Committee knows, the benefits under the Post-9/11 GI Bill are graduated based upon qualifying active duty days as follows:

- 40% of the full benefit for 90 days of qualifying active duty service
- 50% for at least 6 but less than 12 months of qualifying active duty service
- 60% for at least 12 but less than 18 months of qualifying active duty service
- 70% for at least 18 but less than 24 months qualifying active duty service
- 80% for at least 24 but less than 30 months of qualifying active duty service
- 90% for at least 30 but less than 36 months of qualifying active duty service
- 100% for at least 36 months of qualifying active duty service (emphasis added)

Because most National Guard members will deploy overseas on title 10 status on tours lasting 12–18 months, it will take more than one and even perhaps three such deployments for them to earn the full benefits under the current law. This underscores the importance of any Post-9/11 GI Bill credit that they could accumulate from their qualifying title 32 active duty service in support of domestic operations. Every day of eligible service under the Post-9/11 GI Bill is critical for National Guard members.

In a time of limited employment opportunities, our members need to be given full opportunity, financial assistance and encouragement under the Post-9/11 GI Bill to pursue higher education to enhance their employability while waiting for the economy to correct. In April of this year, the National Guard Bureau reported unemployment rates of 30% and 41% for California Army National Guard and Ohio Army National Guard respectively. The 41st Infantry Brigade Combat Team of the Oregon Army National Guard after returning this year from deployment in Operation Iraqi Freedom was reporting an unemployment rate last month of 51%. The correction that S. 3447 would provide to assist our unemployed members in enhancing their vocational skills is needed immediately.

#### OTHER INEQUITIES IN THE POST-9/11 GI BILL WILL NEED TO BE ADDRESSED IN THE FUTURE

Although the legislative accomplishments of S. 3447, if successful, would be enormously beneficial to the National Guard, remaining inequities would still need the attention of Congress in the future so that counterdrug operations of the National Guard and all active duty performed under title 32 section 502(f) in support of operations or missions at the request of the President or Secretary of Defense would be included in the calculation of benefits. This would properly recognize the service of our members in border control operations and ongoing disaster relief operations such as we saw in Katrina; are seeing now in the Gulf from the BP oil spill; and will likely see when the forest fire and hurricane seasons hit the northwest and southeast later this summer.

With the current call from many quarters to have the National Guard mobilize to protect the borders, Congress must keep in mind that it will do so dutifully, as it always does, away from home on Title 32 active duty orders without earning any benefits under the Post-9/11 GI Bill for the service. This is patently unfair and, unfortunately, further evidences how the ready service of the National Guard in protecting our country can sometimes be taken for granted. This must change.

The inequities of this situation are apparent when Congress considers that domestic title 10 active duty service performed behind desks on military installations is fully eligible for benefits under the Post-9/11 GI Bill but not the dangerous title 32 active duty counterdrug operations of the National Guard monitoring drug gang activity on the border or the title 32 active duty hazardous service of the Guard done at the request of the President to clean up oil in the Gulf, and to combat the regularly occurring forest fires, hurricanes, floods, blizzards, tornados and ice storms around the country. This does not wash in equity but must remain a battle for another day.

#### CONCLUSION

NGAUS deeply appreciates the efforts of Senator Akaka and this Committee in crafting an excellent piece of corrective legislation for the National Guard in S. 3447 which it strongly supports and hopes that this Congress passes expeditiously.

## PREPARED STATEMENT OF MILITARY OFFICERS ASSOCIATION OF AMERICA

Chairman Akaka, Ranking Member Burr and Members of the Senate Committee on Veterans' Affairs: The Military Officers Association of America (MOAA) respectfully requests that this Statement on Post-9/11 GI Bill Improvements and Other Legislation be entered into the official record of this hearing.

MOAA does not receive any grants or contracts from the Federal Government.

MOAA is very grateful to Senator Akaka for introducing, S. 3447, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010.

This legislation takes the greatest GI Bill educational program since World War II and makes it even better. The bill simplifies the benefit structure, enables the VA to more effectively administer the program and most importantly makes needed improvements for our Nation's service men and women and veterans.

S. 3447 addresses major recommendations from MOAA and our colleagues in the Military Coalition, service organizations, and higher education associations. Collectively, these groups have been working together for nearly ten years as the Partnership for Veterans Education to realize a new GI Bill for the 21st century.

MOAA has long maintained that our fighting men and women and veterans need a GI Bill that is easy to understand, simple to administer and matches the aspirations of those who have worn the Nation's uniform. S. 3447 takes a big step in reaching these objectives.

MOAA included recommendations on the GI Bill in testimony before a joint hearing of the Senate and House Veterans' Affairs Committees on March 4, 2010. We urged the Committees to support "essential GI Bill fixes" including:

- Authorize non-degree granting vocational and job training programs under the Post-9/11 GI Bill
- Permit members of the National Guard serving on Title 32 active duty orders to earn Post-9/11 benefits
- Create a housing stipend for full-time distance (online) students
- Merge separate tuition and fees rate calculations into a single cost-of-attendance metric
- Grant the Dept. of Health and Human Services for the U.S. Public Health Service and the Commerce Dept. for the NOAA Corps the authority to transfer to eligible dependents Post-9/11 GI Bill benefits as an incentive for continued service in the USPHS or NOAA Corps.

These fixes and others contained in S. 3447 will have a lasting, positive impact on our veterans. Moreover, we believe the technical corrections in the bill may provide cost-savings that could lower the overall cost of this legislation.

## COMMENTS AND RECOMMENDATIONS ON CERTAIN PROVISIONS IN S. 3447

**Title 32 National Guard Eligibility.** Section 3, Modification of Eligibility, would permit certain members of the National Guard serving on Title 32 active duty orders to earn benefits under the Post-9/11 GI Bill. The authority would apply to Title 32 Guard members whose mission is to organize, train, administer, recruit or instruct the reserve components. The provision would also authorize benefits for those called up under Section 502(f) of Title 32 when authorized by the President or Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by Federal funds.

*MOAA strongly supports inclusion of Title 32 Guard duty in the Post-9/11 GI Bill.*

Recommendations: Change "and" to "or" in Section 2 (a)(2) to read, '(i) in the National Guard for the purpose of organizing, administering, recruiting, instructing, or training the National Guard; **or**' [emphasis added]. The intent of the provision is to authorize this type of duty "or" the Presidential/Secretary of Defense call-up duty for benefits.

*MOAA also recommends that the provision include language to permit Title 32 Guard members to earn Post-9/11 GI Bill benefits for duties that are directly related to homeland security. Examples would be duty in response to the BP oil spill, immediate response to Hurricane Katrina prior to Federal activation; border duty conducted under Title 32 orders.*

**Simplification of Rate Calculations.** Section 3, Modification of Amount of Assistance and Types of Approved Programs of Education.

Public college/university reimbursement. Subsection 3(a) would replace the separate tuition and fees calculations for public college or university attendance with a simplified standard: the VA will pay the established charges for any such program. MOAA strongly endorses a simplified metric for public college enrollment.

Private college/university reimbursement. Subsection 3(a) also would change the rate calculation for private colleges (“non-public”) and foreign schools with the lesser of the established charges or the average of established charges for a baccalaureate degree at all public and private colleges in the United States.

Recommendations. MOAA agrees with the concept of a simplified metric for private college reimbursement. However, as written, we believe the provision is unclear and could disadvantage veterans who choose to attend a private college or university. We understand the challenge in developing a metric that provides fair reimbursement for private colleges while preserving the intent of the Yellow Ribbon program. MOAA recommends the Committee work with the Dept. of Education, the National Association of Independent Colleges and Universities, the American Council on Education and the Dept. of Veterans’ Affairs to develop a more equitable and technically sufficient private college rate mechanism.

*Housing Allowance to Match Rate of Pursuit.* Subsection 3(b) would modify the housing allowance stipend. For students enrolled on a less than full-time basis, the housing stipend would match the rate to the course load; e.g., students enrolled on a  $\frac{3}{4}$  time basis would receive  $\frac{3}{4}$  of the living allowance.

*Housing allowance for distance learners.* Subsection 3(b) also would establish a housing stipend for full-time distance learners and veterans who attend foreign colleges. Students enrolled in foreign schools would receive the national average of the monthly amount of the basic allowance for housing (BAH) for an E-5 with dependents. Full-time distance learners would receive 50% of the national average for enrollment on more than a half-time basis.

*MOAA supports adjusting the housing allowance to the educational rate of pursuit.*

*MOAA also supports establishing a housing allowance for full-time distance learners.*

*Non-college-degree training.* Subsection 3(c) would provide for the payment for training in non-college-degree training in the amount of the lesser of the established charges for the program or the national amount of the cost of a program as determined by the National Center for Educational Statistics (NCES). The provision would also authorize a living allowance for such training. Veterans who enroll in such programs should be reimbursed in the same way as veterans who attend public college degree-granting programs. MOAA recommends this provision be modified along the lines of the public college reimbursement model in Section 3(a).

*On-Job (OJT) and apprenticeship training.* Subsection 3(c) also would establish Post-9/11 GI Bill benefits for veterans who are in OJT or apprenticeship programs. The reimbursement percentages are modeled on the OJT and apprenticeship language in the Montgomery GI Bill, Chapter 30, 38 U.S.C.. MOAA supports the intent of the provision and the percentage ladder, but is concerned over the reimbursement rate set at the national average for college undergraduate programs. MOAA would recommend the Committee explore using the average cost for OJT and apprenticeship programs or another metric that would provide adequate reimbursement for veterans enrolled in such programs. A similar approach also should be considered for the succeeding provisions on non-degree flight training and correspondence course training.

*Active Duty Book Stipend.* MOAA strongly supports Subsection 3(d) that would establish a stipend up to \$1000 for books for use of Post-9/11 benefits on active duty.

**Licensure and Certification.** Section 4 would permit multiple reimbursable tests for licensing and certification. MOAA supports.

**Supplemental Educational Assistance (“kickers”) Transfer.** Section 5 would make a technical correction by authorizing a servicemember who has earned kickers under the MGIB to transfer those kickers to the Post-9/11 GI Bill. MOAA supports.

**Modification of Transfer Authority.** Section 6 would clarify that the Secretary of Defense is responsible for administering the transfer-of-benefits authority including responsibility to reimburse the Secretary of Veterans Affairs for the costs of benefits transferred to dependents. The provision also would grant other Federal Department Secretaries, namely the Secretary of Health and Human Services and the Secretary of Commerce, the authority to use (or not use) the transfer of benefits incentive to induce extended service for members of the U.S. Public Health Service and the NOAA Corps, respectively.

MOAA notes that Post-9/11 GI Bill transferability has been extremely successful in the Department of Defense as an incentive to secure additional service and to remove from the rolls those approaching retirement to better manage force manpower.

In less than one year, 130,000 members of the Armed Forces have transferred benefits to over 200,000 spouses and eligible dependent children.

As an incentive for continued service, the transfer authority operates just like cash bonuses for reenlistment or service extension. The Secretary of Defense may adjust the terms of service to target the incentive to achieve program objectives.

There should be little doubt that transferability has created a widespread expectation among service families that this benefit is earned for service and is different from cash incentives.

Once funding responsibility is shifted to DOD—and to the Dept. of Health and Human Services and the Dept. of Commerce—the Department will evaluate the transfer benefit against cash bonus programs.

MOAA is concerned that altering the current funding arrangement may result in the cancellation or curtailment of the transfer authority going forward. DOD has long preferred to use targeted cash incentives to meet manpower and skill distribution objectives, rather than a broadbrush incentive like transferability.

Earlier this decade the Army briefly used transferability under the MGIB in combination with cash bonuses for reenlistment in designated skills. The program was a ‘dud’ because the servicemember had to “eat” the cost of the transfer by forgoing a substantial portion of any reenlistment bonus to gain the transfer. Almost certainly, a similar approach will doom transferability as a viable incentive.

*MOAA recommends continuation of a robust transfer of benefits program in DOD to support over-stressed families who have borne enormous sacrifice over nearly ten years of war. MOAA recommends that the Senate Committee on Veterans Affairs work with the Senate Armed Services Committee to preserve transferability as a career retention incentive. Congress intended the authority be used to influence continued service in the Armed Forces especially in the face of multiple deployments.*

*MOAA anticipates that should DOD terminate transferability or greatly restrict its use, there may be an adverse impact on force retention and readiness.*

**Increase in amount of reporting fee.** MOAA supports raising the amounts paid to educational institutions to support more reporting of GI Bill enrollments and certifications.

**Subsistence Allowance for Veterans with Service-Connected Disabilities.** Section 10 would modify the subsistence allowance for disabled veterans using the Vocational Rehabilitation and Employment (VRE) program (Chap. 31, 38 U.S.C.) to an amount equal to the national average of the monthly housing allowance authorized under the Post-9/11 GI Bill.

Under the proposal a disabled veteran with two dependents would receive approximately \$1300 per month subsistence allowance compared to \$800 currently under VRE.

In testimony before the Senate and the House Committees on Veterans Affairs on 4 March 2010, MOAA strongly recommended that the VRE subsistence allowance be increased along the lines of the Post-9/11 GI Bill housing allowance. The provision takes a step in that direction, but we believe that disabled veterans who are in the VRE program deserve more than the national average of the Post-9/11 GI Bill housing allowance.

*MOAA recommends the VRE subsistence allowance should be set at the basic allowance for housing (BAH) for an E-5 with dependents at the zipcode of residence of the disabled veteran.*

*MOAA also recommends a technical correction of Section 3108(f)(1)(A) to specifically authorize Post-9/11 benefits for VRE participants who elect to go to college in preparation for employment in the workforce.*

#### OTHER LEGISLATION

S. 3171, The Veterans Training Act (Sen. Lincoln, D-AR). S. 3171 is consistent with the intent of Subsection 3(c) of the Post-9/11 Veterans Educational Assistance Improvements Act, S. 3447 in that it would authorize benefits for pursuit of non-degree training at approved institutions of higher learning. *MOAA strongly supports S. 3171.*

S. 3389, Sen. Hagan (D-NC). S. 3389 would exempt service men and women who receive certain educational assistance for service in the Selected Reserve from limitations on the receipt of benefits under the Post-9/11 Educational Assistance Program for additional service, as long as such individuals have served on active duty for at least four years.

MOAA appreciates the intent of S. 3389. Under current law, servicemembers who have entitlement under multiple GI Bill programs have a maximum entitlement of 48 months of benefits.

In the case of a member of the National Guard or Reserve who had used 36 months of Reserve GI Bill benefits under Chap. 1606 or Chap. 1607, 10 U.S.C. and served four years on active duty, the member would be entitled to 36 months of Post-9/11 GI Bill benefits for a total of 72 months of benefits, instead of a total of 48 months under current law.

S. 3389 also raises an equity question as to whether active duty servicemembers with an extended period of service—e.g., six years or longer—should be entitled to a more generous GI Bill educational benefits package.

*Should the Committee take up S. 3389, MOAA recommends modification of Section 3695, 38 U.S.C., the provision governing multiple program entitlement so that that the rules governing maximum entitlement under multiple programs can be applied to all GI Bill programs.*

S. 3389 raises again the issue of inadequate coordination of benefits between multiple GI Bill programs. *MOAA continues to recommend that the establishment of a GI Bill architecture to eliminate overlap, confusion and complexity among Title 38 and Title 10 GI Bill programs.*

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PREPARED STATEMENT OF RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES  
AND RESERVE ENLISTED ASSOCIATION

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our Nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: “\* \* \* support and promote the development and execution of a military policy for the United States that will provide adequate National Security.”

The Association's 65,000 members include Guard and Reserve Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security.

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Army and Strategic Defense Education Director:

Mr. “Bob” Feidler ..... 202-646-7717

USNR, USMCR, USCGR, Retirement:

CAPT Marshall Hanson, USNR (Ret.) ..... 202-646-7713

The Reserve Enlisted Association is an advocate for the enlisted men and women of the United States Military Reserve Components in support of National Security and Homeland Defense, with emphasis on the readiness, training, and quality of life issues affecting their welfare and that of their families and survivors. REA is the only Joint Reserve association representing enlisted reservists—all ranks from all five branches of the military.

Executive Director:

CMSGt Lani Burnett, USAF (Ret) ..... 202-646-7715

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers and Reserve Enlisted Associations are member-supported organizations. Neither ROA nor REA have received grants, sub-grants, contracts, or subcontracts from the Federal Government in the past three years. All other activities and services of the associations are accomplished free of any direct Federal funding.

## INTRODUCTION

Mr. Chairman and distinguished members of the Senate Veterans' Affairs Committee on behalf of 1.1 million Reserve Component members, the Reserve Officers Association (ROA) of the United States and the Reserve Enlisted Association (REA) of the United States expresses its appreciation for the opportunity to submit testimony about improvements to the Post-9/11 GI Bill. Chairman Akaka's bill S. 3447 is truly appreciated and encouraging.

As contingency operations bring about increased mobilizations and deployments, many outstanding citizen Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen have put their education on hold while they serve their country in harm's way. Since September 11, 2001, more than 750,000 Guard and Reserve servicemembers have been mobilized, with nearly one third of those having been deployed more than twice. The Reserve Components have and continue to earn the benefits of the Post-9/11 GI Bill, unfortunately some are still left out.

## DISCUSSION

A better educated veteran makes for a better contributor to a workforce; ROA and REA suggest the following improvements be made to the Post-9/11 GI Bill.

ROA and REA urge the Committee to include Title 14 and 32 orders for eligibility of the Post-9/11 GI Bill.

The new bill corrected a measure that currently leaves out members of the National Guard and Reserves with Title 32 service and would create full eligibility for benefits under the new legislation. While ROA and REA fully support this measure we are concerned that similarly the Coast Guard Reserve members under Title 14 orders are still being excluded. Coast Guard active and reserve members can receive credit for the Post-9/11 GI Bill under Title 10 orders, but those under Title 14 cannot. Title 14 orders include Coast Guard mobilizations to natural disasters like Hurricane Katrina, Midwest Floods, and Deepwater Horizon Oil Spill, and Active Duty Special Work orders for Homeland Security Operations.

ROA and REA support the addition of on the job training (OJT) and apprenticeship programs, to the Post-9/11 GI Bill.

With rising unemployment, Operation Iraqi Freedom and Operation Enduring Freedom National Guard and Reserve servicemembers, and transitioning veterans need the opportunity to gain new skills, education, and experience to compete for jobs especially in our current difficult economic situation.

It is suggested that the time served since 9/11/2001 be fully credited, and earlier \$\$ payments under Montgomery or other GI Bills be deducted from the value of the earned Post-9/11 benefits.

Many military members who started their service under the Montgomery GI Bill (MGIB), paid into the benefit and as students received a set amount per month as determined by the Department of Veterans' Affairs (VA). While they still may qualify for additional education under the Post-9/11 GI Bill, they end up losing benefits because eligibility is based on months of use rather than the cash received for those benefits. For example an ROA member who called headquarters served in the US Army Reserve and was recalled to active duty to serve two more tours. The servicemember qualifies for only one year's worth of the Post-9/11 GI Bill from his duty time, but he loses the remainder of his eligibility because of the MGIB benefit utilized. He was paid only about \$4,000 of MGIB benefit for his education, which basically covered the cost of gas and parking during his commute. The monthly payments he received from the VA were only about \$140 per month which does not compare to the current Post-9/11 benefit or the costs of a college education.

ROA and REA recommend enacting the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Servicemembers Civil Relief Act (SCRA) protections for mobilized Guard and Reserve students granting academic leave of absences, protecting academic standing and refund guarantees.

Also interest rates should be adjusted on Federal student loans of mobilized reservists when the market rate drops below 6 percent.

Reserve Component members have served honorably alongside active duty members, making numerous sacrifices over the past nine years. Yet their benefits are not necessarily comparable to their service. Suggested changes are available for review. ROA and REA are willing to work with the Committee staff to explore improvements to both USERRA and SCRA to better protect both active duty and Reserve component students.

ROA and REA support initiatives to change reimbursement rates not using a state tuition cap.

The state by state cap on tuition and fees should be eliminated and replaced with a national ceiling for tuition and fees. Reimbursement would cover the full cost of

tuition and fees for almost everyone taking undergraduate classes at a public college or university.

For those attending private schools, paying out of state tuition at public institutions, or enrolled in graduate or doctoral classes, they would be paid up to the national cap based on the average cost of tuition and fees for full-time undergraduates at in-state rates for four year public colleges and universities.

ROA and REA encourage Congress to maintain vigilant oversight to ensure adequate funds are found and that they are dispersed fairly.

The Department of Defense (DOD) and other Federal agencies would be responsible for funding the transferability of eligibility benefit (TEB) program for spouses and dependents. Also DOD would be responsible for administering TEB changes after servicemember's separation or retirement.

#### CONCLUSION

The Reserve Officers Association and the Reserve Enlisted Association, again, would like to thank the Committee for the opportunity to present our testimony. We are looking forward to working with you, and supporting your efforts in any way that we can.

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PREPARED STATEMENT OF LOUIS F. MARTINI, DIRECTOR OF MILITARY & VETERAN EDUCATION, THOMAS EDISON STATE COLLEGE; AND ROBIN WALTON, DIRECTOR, COMMUNITY AFFAIRS AND GOVERNMENT RELATIONS, THOMAS EDISON STATE COLLEGE

Established in 1972, Thomas Edison State College is one of New Jersey's 12 senior public institutions of higher education and one of the oldest schools in the country specifically designed for adults. The College provides flexible, high-quality, collegiate learning opportunities for self-directed adults and offers degree and certificate programs in more than 100 areas of study. Thomas Edison State College currently has more than 18,000 students from all 50 states and in more than 70 countries around the world. The average age of our students is 35, and they have chosen Thomas Edison State College because they want to complete degrees at a college that is of high quality, is accredited, and is convenient.

Thomas Edison State College partners with McGuire Air Force Base and Fort Dix to provide degree programs to servicemembers and to operate their National Test Centers. Active duty military enrollments at the College have increased dramatically over the past few years, and currently include more than 9,000 students, many of whom are presently deployed around the world. Military Advanced Education magazine named Thomas Edison State College as one of the top ten schools in the country for servicemembers. We pride ourselves on our ability to serve our large active duty military and veteran student populations and in our ability to continue to find innovative educational delivery methods to best serve their needs.

We want to thank this Committee for all the contributions that you have made to advance educational opportunities for our Nation's veterans, especially the passage of the Post-9/11 Veterans Educational Assistance Act of 2008. Unfortunately, a provision was included in that bill which prohibits our students from being able to take advantage of the housing allowance, since they are pursuing their education in an online environment.

We appreciate that the Senate Veterans' Affairs Committee decided to address this issue in S. 3447, the Post-9/11 Veterans Educational Assistance Improvements Act of 2010. We are, however, disappointed that the legislation only allows our students to be eligible for fifty percent of the housing allowance. Such a restriction is discriminatory to students attending "distance-learning" institutions in that it penalizes students purely on the basis of the methods by which they choose to have their education delivered to them.

Students' cost of education is the same whether they are commuting to a campus to receive face-to-face instruction or are learning online. Students deserve to have choices, and the proposed language in the Post-9/11 GI Bill would restrict those choices. It is well known that education offered at a distance results in student-learning outcomes that are the same as outcomes achieved by students learning on campus. Indeed, most students at "traditional" or "residential" institutions take many of their classes online, even though they may live on or commute to a campus.

The proposed restriction would seriously limit choices for precisely the group of students that the Post-9/11 GI Bill seeks to serve, and it would also harm legitimate distance-learning programs. The housing allowance restriction draws an artificial and discriminatory distinction between students who need housing but commute to a campus and students who need housing but study at home.



In short, we would respectfully ask that you put the needs of the students first. We would ask that you consider the quality and content of the educational “product,” the real needs of those whom you seek to serve with this bill, and the policies and practices that have long affirmed that education delivered at a distance is just as efficient and effective as education delivered face-to-face. We are hopeful that after you make this consideration, you will conclude that cost and equity, and not educational delivery medium, should be the sole determining factors in providing for housing allowances for those who are most in need of choices in this area.

We appreciate your consideration of this testimony and are available to answer any questions that you may have.

